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|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br><br>This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).<br><br><p style="text-align: center;">▶ <b>Complete all entries in accordance with the instructions to the Form 5500.</b></p> | OMB Nos. 1210-0110<br>1210-0089<br><br><b>2013</b><br><br><b>This Form is Open to Public Inspection</b> |
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|                                                                                                          |                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b>                                                                                            | <b>Annual Report Identification Information</b>                                                                                                                                                                                           |
| For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</u> |                                                                                                                                                                                                                                           |
| A This return/report is for:                                                                             | <input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or<br><input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____                         |
| B This return/report is:                                                                                 | <input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report;<br><input type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months). |
| C If the plan is a collectively-bargained plan, check here. . . . .                                      | <input type="checkbox"/>                                                                                                                                                                                                                  |
| D Check box if filing under:                                                                             | <input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program;<br><input type="checkbox"/> special extension (enter description)                                 |

|                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|--|
| <b>Part II</b>                                                                                                                                                                                                                 | <b>Basic Plan Information—enter all requested information</b>                                                                                                                                                                                                                                                                          |                                                                     |                                                             |                                                             |  |
| <b>1a</b> Name of plan<br><u>THALES PENSION PLAN FOR CERTAIN U.S. EMPLOYEES</u>                                                                                                                                                | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"><b>1b</b> Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2"><b>1c</b> Effective date of plan<br/><u>12/01/1970</u></td> </tr> </table>                        | <b>1b</b> Three-digit plan number (PN) ▶                            | <u>001</u>                                                  | <b>1c</b> Effective date of plan<br><u>12/01/1970</u>       |  |
| <b>1b</b> Three-digit plan number (PN) ▶                                                                                                                                                                                       | <u>001</u>                                                                                                                                                                                                                                                                                                                             |                                                                     |                                                             |                                                             |  |
| <b>1c</b> Effective date of plan<br><u>12/01/1970</u>                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |
| <b>2a</b> Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)<br><br><u>THALES USA, INC.</u><br><br><u>2733 S. CRYSTAL DRIVE, SUITE 1200</u><br><u>ARLINGTON, VA 22202</u> | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td><b>2b</b> Employer Identification Number (EIN)<br/><u>06-0938363</u></td> </tr> <tr> <td><b>2c</b> Sponsor's telephone number<br/><u>703-838-5655</u></td> </tr> <tr> <td><b>2d</b> Business code (see instructions)<br/><u>423600</u></td> </tr> </table> | <b>2b</b> Employer Identification Number (EIN)<br><u>06-0938363</u> | <b>2c</b> Sponsor's telephone number<br><u>703-838-5655</u> | <b>2d</b> Business code (see instructions)<br><u>423600</u> |  |
| <b>2b</b> Employer Identification Number (EIN)<br><u>06-0938363</u>                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |
| <b>2c</b> Sponsor's telephone number<br><u>703-838-5655</u>                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |
| <b>2d</b> Business code (see instructions)<br><u>423600</u>                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |

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

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

|                                                                                                            |                                                   |            |                                                              |
|------------------------------------------------------------------------------------------------------------|---------------------------------------------------|------------|--------------------------------------------------------------|
| <b>SIGN HERE</b>                                                                                           | Filed with authorized/valid electronic signature. | 10/12/2014 | STEVEN COFFIN                                                |
|                                                                                                            | Signature of plan administrator                   | Date       | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b>                                                                                           |                                                   |            |                                                              |
|                                                                                                            | Signature of employer/plan sponsor                | Date       | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b>                                                                                           |                                                   |            |                                                              |
|                                                                                                            | Signature of DFE                                  | Date       | Enter name of individual signing as DFE                      |
| Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional) |                                                   |            | Preparer's telephone number (optional)                       |

|                                                                                                                                                                                                                                                                                                                                                                                                                                       |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3a</b> Plan administrator's name and address <input type="checkbox"/> Same as Plan Sponsor Name <input type="checkbox"/> Same as Plan Sponsor Address<br><br>THALES BENEFITS COMMITTEE US<br><br>2733 S. CRYSTAL DRIVE, SUITE 1200<br>ARLINGTON, VA 22202                                                                                                                                                                          |           | <b>3b</b> Administrator's EIN<br>06-0938363                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                       |           | <b>3c</b> Administrator's telephone number<br>703-838-5655                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>4</b> If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:<br><b>a</b> Sponsor's name                                                                                                                                                                                                                     |           | <b>4b</b> EIN<br><br><b>4c</b> PN                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>5</b> Total number of participants at the beginning of the plan year                                                                                                                                                                                                                                                                                                                                                               | <b>5</b>  | 730                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines <b>6a</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).                                                                                                                                                                                                                                                                                |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>a</b> Active participants .....                                                                                                                                                                                                                                                                                                                                                                                                    | <b>6a</b> | 42                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>b</b> Retired or separated participants receiving benefits .....                                                                                                                                                                                                                                                                                                                                                                   | <b>6b</b> | 263                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>c</b> Other retired or separated participants entitled to future benefits.....                                                                                                                                                                                                                                                                                                                                                     | <b>6c</b> | 393                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>d</b> Subtotal. Add lines <b>6a</b> , <b>6b</b> , and <b>6c</b> .....                                                                                                                                                                                                                                                                                                                                                              | <b>6d</b> | 698                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits .....                                                                                                                                                                                                                                                                                                                            | <b>6e</b> | 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....                                                                                                                                                                                                                                                                                                                                                                               | <b>6f</b> | 723                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) .....                                                                                                                                                                                                                                                                                       | <b>6g</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested .....                                                                                                                                                                                                                                                                                           | <b>6h</b> | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....                                                                                                                                                                                                                                                                                                   | <b>7</b>  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:<br>1A 3D 3H 1I                                                                                                                                                                                                                                                           |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:                                                                                                                                                                                                                                                                           |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>9a</b> Plan funding arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                                         |           | <b>9b</b> Plan benefit arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                                                                                                                |
| <b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)                                                                                                                                                                                                                                                                     |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>a Pension Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)<br><br>(2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary<br><br>(3) <input checked="" type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary |           | <b>b General Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information)<br>(2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan)<br>(3) <input type="checkbox"/> <b>A</b> (Insurance Information)<br>(4) <input checked="" type="checkbox"/> <b>C</b> (Service Provider Information)<br>(5) <input checked="" type="checkbox"/> <b>D</b> (DFE/Participating Plan Information)<br>(6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules) |

|                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                    |                                                                                           |
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| <b>SCHEDULE SB</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Single-Employer Defined Benefit Plan</b><br><b>Actuarial Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).<br><br>▶ <b>File as an attachment to Form 5500 or 5500-SF.</b> | OMB No. 1210-0110<br><br><b>2013</b><br><br><b>This Form is Open to Public Inspection</b> |
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

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

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

|                                                                                                                                           |                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>THALES PENSION PLAN FOR CERTAIN U.S. EMPLOYEES</u>                                                            | <b>B</b> Three-digit plan number (PN) ▶ <u>001</u>                                                                                                      |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF<br><u>THALES USA, INC.</u>                                       | <b>D</b> Employer Identification Number (EIN)<br><u>06-0938363</u>                                                                                      |
| <b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B | <b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500 |

|                                                                                                                                                                                                                |                                                                                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| <b>Part I</b>                                                                                                                                                                                                  | <b>Basic Information</b>                                                                        |
| <b>1</b> Enter the valuation date: Month _____ Day _____ Year _____                                                                                                                                            |                                                                                                 |
| <b>2</b> Assets:                                                                                                                                                                                               |                                                                                                 |
| <b>a</b> Market value .....                                                                                                                                                                                    | <b>2a</b> <u>21489846</u>                                                                       |
| <b>b</b> Actuarial value .....                                                                                                                                                                                 | <b>2b</b> <u>20940282</u>                                                                       |
| <b>3</b> Funding target/participant count breakdown:                                                                                                                                                           |                                                                                                 |
| <b>a</b> For retired participants and beneficiaries receiving payment.....                                                                                                                                     | <b>3a</b> <u>257</u> <b>(1) Number of participants</b> <u>8474951</u> <b>(2) Funding Target</b> |
| <b>b</b> For terminated vested participants.....                                                                                                                                                               | <b>3b</b> <u>426</u> <u>12134097</u>                                                            |
| <b>c</b> For active participants:                                                                                                                                                                              |                                                                                                 |
| <b>(1)</b> Non-vested benefits .....                                                                                                                                                                           | <b>3c(1)</b> <u>9376</u>                                                                        |
| <b>(2)</b> Vested benefits .....                                                                                                                                                                               | <b>3c(2)</b> <u>1719755</u>                                                                     |
| <b>(3)</b> Total active.....                                                                                                                                                                                   | <b>3c(3)</b> <u>47</u> <u>1729131</u>                                                           |
| <b>d</b> Total.....                                                                                                                                                                                            | <b>3d</b> <u>730</u> <u>22338179</u>                                                            |
| <b>4</b> If the plan is in at-risk status, check the box and complete lines (a) and (b)..... <input type="checkbox"/>                                                                                          |                                                                                                 |
| <b>a</b> Funding target disregarding prescribed at-risk assumptions .....                                                                                                                                      | <b>4a</b>                                                                                       |
| <b>b</b> Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor..... | <b>4b</b>                                                                                       |
| <b>5</b> Effective interest rate .....                                                                                                                                                                         | <b>5</b> <u>6.28 %</u>                                                                          |
| <b>6</b> Target normal cost .....                                                                                                                                                                              | <b>6</b> <u>236000</u>                                                                          |

**Statement by Enrolled Actuary**

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

|                                                   |                               |                                        |
|---------------------------------------------------|-------------------------------|----------------------------------------|
| <b>SIGN HERE</b>                                  |                               | <u>09/25/2014</u>                      |
|                                                   | Signature of actuary          | Date                                   |
| <u>DARLENE T. BUXTON</u>                          | Type or print name of actuary | <u>14-06222</u>                        |
|                                                   |                               | Most recent enrollment number          |
| <u>PRIAC</u>                                      | Firm name                     | <u>860-534-2303</u>                    |
|                                                   |                               | Telephone number (including area code) |
| <u>P.O. BOX 2975</u><br><u>HARTFORD, CT 06103</u> | Address of the firm           |                                        |

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

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

**Schedule SB (Form 5500) 2013**  
**v. 130118**

| Part II Beginning of Year Carryover and Prefunding Balances                                                                         |                       |                        |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------|
|                                                                                                                                     | (a) Carryover balance | (b) Prefunding balance |
| 7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year) .....                                   | 0                     | 0                      |
| 8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....                                | 0                     | 0                      |
| 9 Amount remaining (line 7 minus line 8) .....                                                                                      | 0                     | 0                      |
| 10 Interest on line 9 using prior year's actual return of <u>13.89</u> % .....                                                      |                       |                        |
| 11 Prior year's excess contributions to be added to prefunding balance:                                                             |                       |                        |
| a Present value of excess contributions (line 38a from prior year) .....                                                            |                       | 0                      |
| b Interest on (a) using prior year's effective interest rate of <u>6.98</u> % except as otherwise provided (see instructions) ..... |                       | 0                      |
| c Total available at beginning of current plan year to add to prefunding balance .....                                              |                       | 0                      |
| d Portion of (c) to be added to prefunding balance .....                                                                            |                       | 0                      |
| 12 Other reductions in balances due to elections or deemed elections .....                                                          | 0                     | 0                      |
| 13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) .....                                               | 0                     | 0                      |

| Part III Funding Percentages                                                                                                                                        |    |         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|---------|
| 14 Funding target attainment percentage .....                                                                                                                       | 14 | 93.74 % |
| 15 Adjusted funding target attainment percentage .....                                                                                                              | 15 | 93.74 % |
| 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 | 94.85 % |
| 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<br>(MM-DD-YYYY)                                                          | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
| 04/15/2013                                                                        | 197000                            |                                 |                          |                                   |                                 |
| 07/15/2013                                                                        | 197000                            |                                 |                          |                                   |                                 |
| 09/17/2013                                                                        | 305000                            |                                 |                          |                                   |                                 |
| 01/17/2014                                                                        | 89000                             |                                 |                          |                                   |                                 |
| 09/15/2014                                                                        | 266431                            |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 | Totals ►                 | 18(b)                             | 1054431                         |
|                                                                                   |                                   |                                 |                          | 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                                                                 | 1000064 |
| 20 Quarterly contributions and liquidity shortfalls:                                                                          |                                                                     |         |
| a Did the plan have a "funding shortfall" for the prior year? .....                                                           | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |         |
| b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? .....              | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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**

|                                                                                                                                                                                              |                       |                       |                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------------------------------------|
| <b>21</b> Discount rate:                                                                                                                                                                     |                       |                       |                                                     |
| <b>a</b> Segment rates:                                                                                                                                                                      | 1st segment:<br>4.94% | 2nd segment:<br>6.15% | 3rd segment:<br>6.76 %                              |
|                                                                                                                                                                                              |                       |                       | <input type="checkbox"/> N/A, full yield curve used |
| <b>b</b> Applicable month (enter code).....                                                                                                                                                  |                       |                       | <b>21b</b> 4                                        |
| <b>22</b> Weighted average retirement age .....                                                                                                                                              |                       |                       | <b>22</b> 62                                        |
| <b>23</b> Mortality table(s) (see instructions) <input type="checkbox"/> Prescribed - combined <input checked="" type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute |                       |                       |                                                     |

**Part VI Miscellaneous Items**

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

**Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years**

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

**Part VIII Minimum Required Contribution For Current Year**

|                                                                                                                                                                                      |                   |                     |               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|---------------------|---------------|
| <b>31</b> Target normal cost and excess assets (see instructions):                                                                                                                   |                   |                     |               |
| <b>a</b> Target normal cost (line 6).....                                                                                                                                            |                   | <b>31a</b>          | 236000        |
| <b>b</b> Excess assets, if applicable, but not greater than line 31a .....                                                                                                           |                   | <b>31b</b>          | 0             |
| <b>32</b> Amortization installments:                                                                                                                                                 |                   | Outstanding Balance | Installment   |
| <b>a</b> Net shortfall amortization installment.....                                                                                                                                 |                   | 1397897             | 764064        |
| <b>b</b> Waiver amortization installment .....                                                                                                                                       |                   | 0                   | 0             |
| <b>33</b> If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount ..... |                   | <b>33</b>           |               |
| <b>34</b> Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...                                                            |                   | <b>34</b>           | 1000064       |
|                                                                                                                                                                                      | Carryover balance | Prefunding balance  | Total balance |
| <b>35</b> Balances elected for use to offset funding requirement.....                                                                                                                | 0                 | 0                   | 0             |
| <b>36</b> Additional cash requirement (line 34 minus line 35).....                                                                                                                   | <b>36</b>         |                     | 1000064       |
| <b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....                                                   | <b>37</b>         |                     | 1000064       |
| <b>38</b> Present value of excess contributions for current year (see instructions)                                                                                                  |                   |                     |               |
| <b>a</b> Total (excess, if any, of line 37 over line 36) .....                                                                                                                       |                   | <b>38a</b>          | 0             |
| <b>b</b> Portion included in line 38a attributable to use of prefunding and funding standard carryover balances .....                                                                |                   | <b>38b</b>          | 0             |
| <b>39</b> Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) .....                                                                      |                   | <b>39</b>           | 0             |
| <b>40</b> Unpaid minimum required contributions for all years .....                                                                                                                  |                   | <b>40</b>           | 0             |

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

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

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        |                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| <b>SCHEDULE C</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Service Provider Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110                              |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        | <b>2013</b>                                    |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        | <b>This Form is Open to Public Inspection.</b> |

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

|                                                                                   |                                                             |
|-----------------------------------------------------------------------------------|-------------------------------------------------------------|
| <b>A</b> Name of plan<br>THALES PENSION PLAN FOR CERTAIN U.S. EMPLOYEES           | <b>B</b> Three-digit plan number (PN) ▶ 001                 |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br>THALES USA, INC. | <b>D</b> Employer Identification Number (EIN)<br>06-0938363 |

|               |                                                        |
|---------------|--------------------------------------------------------|
| <b>Part I</b> | <b>Service Provider Information (see instructions)</b> |
|---------------|--------------------------------------------------------|

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

**1 Information on Persons Receiving Only Eligible Indirect Compensation**

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

|                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
| PRUDENTIAL RETIREMENT INS & ANNUITY                                                                               |

06-1050034

|                                                                                                                  |
|------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation |
|------------------------------------------------------------------------------------------------------------------|

|                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
|-------------------------------------------------------------------------------------------------------------------|

|                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
|-------------------------------------------------------------------------------------------------------------------|

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

---

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

---

**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

**(a)** Enter name and EIN or address (see instructions)

PRUDENTIAL RETIREMENT INS & ANNUITY

06-1050034

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 13                     | NONE                                                                                              | 82724                                                                  | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                  | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                            | 0                                                                                                                                                                               | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                          |

**(a)** Enter name and EIN or address (see instructions)

HARTLAND AND COMPANY

34-1597728

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 16                     | NONE                                                                                              | 39763                                                                  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                       |                                                                                                                                                                                 | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

**(a)** Enter name and EIN or address (see instructions)

PICKETT CHANEY AND MCMULLEN LLP

9401 WEST 87TH STREET SUITE 200  
OVERLAND PARK, KS 66212

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 10                     | NONE                                                                                              | 6925                                                                   | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                       |                                                                                                                                                                                 | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

**(a)** Enter name and EIN or address (see instructions)

| <b>(b)</b><br>Service<br>Code(s) | <b>(c)</b><br>Relationship to<br>employer, employee<br>organization, or<br>person known to be<br>a party-in-interest | <b>(d)</b><br>Enter direct<br>compensation paid<br>by the plan. If none,<br>enter -0-. | <b>(e)</b><br>Did service provider<br>receive indirect<br>compensation? (sources<br>other than plan or plan<br>sponsor) | <b>(f)</b><br>Did indirect compensation<br>include eligible indirect<br>compensation, for which the<br>plan received the required<br>disclosures? | <b>(g)</b><br>Enter total indirect<br>compensation received by<br>service provider excluding<br>eligible indirect<br>compensation for which you<br>answered "Yes" to element<br>(f). If none, enter -0-. | <b>(h)</b><br>Did the service<br>provider give you a<br>formula instead of<br>an amount or<br>estimated amount? |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
|                                  |                                                                                                                      |                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                                          |                                                                                                                                                                                                          | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                        |

**(a)** Enter name and EIN or address (see instructions)

| <b>(b)</b><br>Service<br>Code(s) | <b>(c)</b><br>Relationship to<br>employer, employee<br>organization, or<br>person known to be<br>a party-in-interest | <b>(d)</b><br>Enter direct<br>compensation paid<br>by the plan. If none,<br>enter -0-. | <b>(e)</b><br>Did service provider<br>receive indirect<br>compensation? (sources<br>other than plan or plan<br>sponsor) | <b>(f)</b><br>Did indirect compensation<br>include eligible indirect<br>compensation, for which the<br>plan received the required<br>disclosures? | <b>(g)</b><br>Enter total indirect<br>compensation received by<br>service provider excluding<br>eligible indirect<br>compensation for which you<br>answered "Yes" to element<br>(f). If none, enter -0-. | <b>(h)</b><br>Did the service<br>provider give you a<br>formula instead of<br>an amount or<br>estimated amount? |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
|                                  |                                                                                                                      |                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                                          |                                                                                                                                                                                                          | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                        |

**(a)** Enter name and EIN or address (see instructions)

| <b>(b)</b><br>Service<br>Code(s) | <b>(c)</b><br>Relationship to<br>employer, employee<br>organization, or<br>person known to be<br>a party-in-interest | <b>(d)</b><br>Enter direct<br>compensation paid<br>by the plan. If none,<br>enter -0-. | <b>(e)</b><br>Did service provider<br>receive indirect<br>compensation? (sources<br>other than plan or plan<br>sponsor) | <b>(f)</b><br>Did indirect compensation<br>include eligible indirect<br>compensation, for which the<br>plan received the required<br>disclosures? | <b>(g)</b><br>Enter total indirect<br>compensation received by<br>service provider excluding<br>eligible indirect<br>compensation for which you<br>answered "Yes" to element<br>(f). If none, enter -0-. | <b>(h)</b><br>Did the service<br>provider give you a<br>formula instead of<br>an amount or<br>estimated amount? |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
|                                  |                                                                                                                      |                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                                          |                                                                                                                                                                                                          | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                        |

**Part I Service Provider Information (continued)**

**3** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect<br>compensation |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|
|                                                                     |                                                                                                                                                                    |                                              |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                              |
|                                                                     |                                                                                                                                                                    |                                              |

  

| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect<br>compensation |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|
|                                                                     |                                                                                                                                                                    |                                              |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                              |
|                                                                     |                                                                                                                                                                    |                                              |

  

| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect<br>compensation |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|
|                                                                     |                                                                                                                                                                    |                                              |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                              |
|                                                                     |                                                                                                                                                                    |                                              |

**4** Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

|                                                                                 |                                      |                                                                                            |
|---------------------------------------------------------------------------------|--------------------------------------|--------------------------------------------------------------------------------------------|
| <b>(a)</b> Enter name and EIN or address of service provider (see instructions) | <b>(b)</b> Nature of Service Code(s) | <b>(c)</b> Describe the information that the service provider failed or refused to provide |
|                                                                                 |                                      |                                                                                            |
| <b>(a)</b> Enter name and EIN or address of service provider (see instructions) | <b>(b)</b> Nature of Service Code(s) | <b>(c)</b> Describe the information that the service provider failed or refused to provide |
|                                                                                 |                                      |                                                                                            |
| <b>(a)</b> Enter name and EIN or address of service provider (see instructions) | <b>(b)</b> Nature of Service Code(s) | <b>(c)</b> Describe the information that the service provider failed or refused to provide |
|                                                                                 |                                      |                                                                                            |
| <b>(a)</b> Enter name and EIN or address of service provider (see instructions) | <b>(b)</b> Nature of Service Code(s) | <b>(c)</b> Describe the information that the service provider failed or refused to provide |
|                                                                                 |                                      |                                                                                            |
| <b>(a)</b> Enter name and EIN or address of service provider (see instructions) | <b>(b)</b> Nature of Service Code(s) | <b>(c)</b> Describe the information that the service provider failed or refused to provide |
|                                                                                 |                                      |                                                                                            |
| <b>(a)</b> Enter name and EIN or address of service provider (see instructions) | <b>(b)</b> Nature of Service Code(s) | <b>(c)</b> Describe the information that the service provider failed or refused to provide |
|                                                                                 |                                      |                                                                                            |

**Part III** **Termination Information on Accountants and Enrolled Actuaries (see instructions)**  
(complete as many entries as needed)

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                                                                                                                                                                                                               |                                                                                                                                                                                                                              |                                                                                                                                                                                                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>SCHEDULE D</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small> | <b>DFE/Participating Plan Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><div style="border: 1px solid black; text-align: center; padding: 5px; font-weight: bold; font-size: 1.2em;">2013</div><br><br><b>This Form is Open to Public Inspection.</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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

|                                                                                                                            |                                                                                                   |                                       |
|----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|---------------------------------------|
| <b>A</b> Name of plan<br><span style="color: blue;">THALES PENSION PLAN FOR CERTAIN U.S. EMPLOYEES</span>                  | <b>B</b> Three-digit plan number (PN) <span style="float: right;">►</span>                        | <span style="color: blue;">001</span> |
|                                                                                                                            |                                                                                                   |                                       |
| <b>C</b> Plan or DFE sponsor's name as shown on line 2a of Form 5500<br><span style="color: blue;">THALES USA, INC.</span> | <b>D</b> Employer Identification Number (EIN)<br><br><span style="color: blue;">06-0938363</span> |                                       |

|        |                                                                                                                                                                                  |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Part I | <b>Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)</b><br>(Complete as many entries as needed to report all interests in DFEs) |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: THALES MASTER TRUST

**b** Name of sponsor of entity listed in (a): THALES USA, INC.

|                                                                  |                                                          |                                                                                                                                                              |
|------------------------------------------------------------------|----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN <span style="color: blue;">06-0938363-002</span> | <b>d</b> Entity code <span style="color: blue;">M</span> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <span style="float: right; color: blue;">25227349</span> |
|------------------------------------------------------------------|----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|

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

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

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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  
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN

|                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                              |                                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small><br><br><small>Pension Benefit Guaranty Corporation</small> | <b>Financial Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).<br><br><b>► File as an attachment to Form 5500.</b> | <small>OMB No. 1210-0110</small><br><br><b>2013</b><br><br><b>This Form is Open to Public Inspection</b> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|

|                                                                                                          |                                                                            |            |
|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|------------|
| For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</u> |                                                                            |            |
| <b>A</b> Name of plan<br><u>THALES PENSION PLAN FOR CERTAIN U.S. EMPLOYEES</u>                           | <b>B</b> Three-digit plan number (PN) <span style="float: right;">►</span> | <u>001</u> |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>THALES USA, INC.</u>                 | <b>D</b> Employer Identification Number (EIN)<br><br><u>06-0938363</u>     |            |

| Part I                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Asset and Liability Statement |                              |                        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|------------------------------|------------------------|
| <b>1</b> 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. <b>Round off amounts to the nearest dollar.</b> 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. |                               |                              |                        |
| <b>Assets</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                               | <b>(a) Beginning of Year</b> | <b>(b) End of Year</b> |
| <b>a</b> Total noninterest-bearing cash .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>1a</b>                     |                              |                        |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                               |                              |                        |
| <b>(1)</b> Employer contributions.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>1b(1)</b>                  | 305000                       | 355431                 |
| <b>(2)</b> Participant contributions.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>1b(2)</b>                  |                              |                        |
| <b>(3)</b> Other.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>1b(3)</b>                  |                              |                        |
| <b>c</b> General investments:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                               |                              |                        |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>1c(1)</b>                  |                              |                        |
| <b>(2)</b> U.S. Government securities .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>1c(2)</b>                  |                              |                        |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                               |                              |                        |
| <b>(A)</b> Preferred .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(3)(A)</b>               |                              |                        |
| <b>(B)</b> All other.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>1c(3)(B)</b>               |                              |                        |
| <b>(4)</b> Corporate stocks (other than employer securities):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                               |                              |                        |
| <b>(A)</b> Preferred .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(4)(A)</b>               |                              |                        |
| <b>(B)</b> Common.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>1c(4)(B)</b>               |                              |                        |
| <b>(5)</b> Partnership/joint venture interests .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>1c(5)</b>                  |                              |                        |
| <b>(6)</b> Real estate (other than employer real property).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>1c(6)</b>                  |                              |                        |
| <b>(7)</b> Loans (other than to participants) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>1c(7)</b>                  |                              |                        |
| <b>(8)</b> Participant loans.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>1c(8)</b>                  |                              |                        |
| <b>(9)</b> Value of interest in common/collective trusts .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>1c(9)</b>                  |                              |                        |
| <b>(10)</b> Value of interest in pooled separate accounts .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>1c(10)</b>                 |                              |                        |
| <b>(11)</b> Value of interest in master trust investment accounts .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>1c(11)</b>                 | 21185694                     | 25227349               |
| <b>(12)</b> Value of interest in 103-12 investment entities.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>1c(12)</b>                 |                              |                        |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(13)</b>                 |                              |                        |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>1c(14)</b>                 |                              |                        |
| <b>(15)</b> Other.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>1c(15)</b>                 |                              |                        |

| <b>1d</b> Employer-related investments:                              |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> |                       |                 |
| (2) Employer real property .....                                     | <b>1d(2)</b> |                       |                 |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    |                       |                 |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 21490694              | 25582780        |

**Liabilities**

|                                                                           |           |   |   |
|---------------------------------------------------------------------------|-----------|---|---|
| <b>g</b> Benefit claims payable .....                                     | <b>1g</b> |   |   |
| <b>h</b> Operating payables .....                                         | <b>1h</b> |   |   |
| <b>i</b> Acquisition indebtedness .....                                   | <b>1i</b> |   |   |
| <b>j</b> Other liabilities .....                                          | <b>1j</b> |   |   |
| <b>k</b> Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b> | 0 | 0 |

**Net Assets**

|                                                           |           |          |          |
|-----------------------------------------------------------|-----------|----------|----------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 21490694 | 25582780 |
|-----------------------------------------------------------|-----------|----------|----------|

**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 |
|------------------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>a Contributions:</b>                                                                                    |                 |            |           |
| (1) Received or receivable in cash from: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> | 1054431    |           |
| <b>(B)</b> Participants .....                                                                              | <b>2a(1)(B)</b> |            |           |
| <b>(C)</b> Others (including rollovers) .....                                                              | <b>2a(1)(C)</b> |            |           |
| (2) Noncash contributions .....                                                                            | <b>2a(2)</b>    |            |           |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |            | 1054431   |
| <b>b Earnings on investments:</b>                                                                          |                 |            |           |
| (1) Interest:                                                                                              |                 |            |           |
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....       | <b>2b(1)(A)</b> |            |           |
| <b>(B)</b> U.S. Government securities .....                                                                | <b>2b(1)(B)</b> |            |           |
| <b>(C)</b> Corporate debt instruments .....                                                                | <b>2b(1)(C)</b> |            |           |
| <b>(D)</b> Loans (other than to participants) .....                                                        | <b>2b(1)(D)</b> |            |           |
| <b>(E)</b> Participant loans .....                                                                         | <b>2b(1)(E)</b> |            |           |
| <b>(F)</b> Other .....                                                                                     | <b>2b(1)(F)</b> |            |           |
| (G) Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                                     | <b>2b(1)(G)</b> |            | 0         |
| (2) Dividends: <b>(A)</b> Preferred stock .....                                                            | <b>2b(2)(A)</b> |            |           |
| <b>(B)</b> Common stock .....                                                                              | <b>2b(2)(B)</b> |            |           |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                                  | <b>2b(2)(C)</b> |            |           |
| (D) Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....                         | <b>2b(2)(D)</b> |            | 0         |
| (3) Rents .....                                                                                            | <b>2b(3)</b>    |            |           |
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                                 | <b>2b(4)(A)</b> |            |           |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                                              | <b>2b(4)(B)</b> |            |           |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....                  | <b>2b(4)(C)</b> |            | 0         |
| (5) Unrealized appreciation (depreciation) of assets: <b>(A)</b> Real estate .....                         | <b>2b(5)(A)</b> |            |           |
| <b>(B)</b> Other .....                                                                                     | <b>2b(5)(B)</b> |            |           |
| (C) Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....                | <b>2b(5)(C)</b> |            | 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)  |            | 4351322   |
| (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     |            |           |
| d Total income. Add all <b>income</b> amounts in column (b) and enter total.....               | 2d     |            | 5405753   |

**Expenses**

|                                                                                     |       |         |         |
|-------------------------------------------------------------------------------------|-------|---------|---------|
| e Benefit payment and payments to provide benefits:                                 |       |         |         |
| (1) Directly to participants or beneficiaries, including direct rollovers.....      | 2e(1) | 1111294 |         |
| (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) |         | 1111294 |
| 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) | 7475    |         |
| (2) Contract administrator fees.....                                                | 2i(2) | 82724   |         |
| (3) Investment advisory and management fees.....                                    | 2i(3) | 39763   |         |
| (4) Other.....                                                                      | 2i(4) | 72411   |         |
| (5) Total administrative expenses. Add lines 2i(1) through (4).....                 | 2i(5) |         | 202373  |
| j Total expenses. Add all <b>expense</b> amounts in column (b) and enter total..... | 2j    |         | 1313667 |

**Net Income and Reconciliation**

|                                                         |       |  |         |
|---------------------------------------------------------|-------|--|---------|
| k Net income (loss). Subtract line 2j from line 2d..... | 2k    |  | 4092086 |
| l Transfers of assets:                                  |       |  |         |
| (1) To this plan.....                                   | 2l(1) |  |         |
| (2) From this plan.....                                 | 2l(2) |  |         |

**Part III Accountant's Opinion**

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

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

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

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☒ Yes ☐ No

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

(1) Name: PICKETT, CHANEY & MCMULLEN

(2) EIN: 48-1246310

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

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

**Part IV Compliance Questions**

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

During the plan year:

- a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....
- b** Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....

|    | Yes | No | Amount |
|----|-----|----|--------|
| 4a |     | X  |        |
| 4b |     | X  |        |

|                                                                                                                                                                                                                               | Yes | No | Amount  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|---------|
| <b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) .....                                          |     | X  |         |
| <b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) .....                               |     | X  |         |
| <b>e</b> Was this plan covered by a fidelity bond? .....                                                                                                                                                                      | X   |    | 5000000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                       |     | X  |         |
| <b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                                    |     | X  |         |
| <b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                          |     | X  |         |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) .....                                                                |     | X  |         |
| <b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) ..... |     | X  |         |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? .....                                                           |     | X  |         |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....                                                                                                                                            |     | X  |         |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) .....                                                                                                  |     |    |         |
| <b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. ....                                      |     |    |         |

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

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

| 5b(1) Name of plan(s) | 5b(2) EIN(s) | 5b(3) PN(s) |
|-----------------------|--------------|-------------|
|                       |              |             |
|                       |              |             |
|                       |              |             |
|                       |              |             |

**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)

|                         |                       |
|-------------------------|-----------------------|
| <b>6a</b> Name of trust | <b>6b</b> Trust's EIN |
|-------------------------|-----------------------|

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            |                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>SCHEDULE R</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Retirement Plan Information</b><br><br>This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2013</b><br><br><b>This Form is Open to Public Inspection.</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|

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

|                                                                                          |                                                                    |
|------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>THALES PENSION PLAN FOR CERTAIN U.S. EMPLOYEES</u>           | <b>B</b> Three-digit plan number (PN) ▶<br><u>001</u>              |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>THALES USA, INC.</u> | <b>D</b> Employer Identification Number (EIN)<br><u>06-0938363</u> |

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

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

|                                                                                                                                                                                                                                                                    |          |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....                                                                                                                              | <b>1</b> | <u>0</u> |
| <b>2</b> Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):<br><br>EIN(s): <u>22-1211670</u> |          |          |
| Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.                                                                                                                                                                                                   |          |          |
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....                                                                                                                                    | <b>3</b> | <u>3</u> |

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

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

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

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

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

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

**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:

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

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

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

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

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

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

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

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

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

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

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

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



## **INDEPENDENT AUDITORS' REPORT**

To the Retirement Plan Committee and Participants of the  
Thales Pension Plan for Certain U.S. Employees  
Arlington, Virginia

### **Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of the Thales Pension Plan for Certain U.S. Employees (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2013 and 2012, and the related statement of changes in net assets available for benefits for the year ended December 31, 2013, 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 these 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### **Basis for Disclaimer of Opinion**

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 6, which was certified by Prudential Retirement Insurance and Annuity Company and Prudential Bank & Trust, FSB, the custodians of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the custodians hold the Plan's investment assets and execute investment transactions. The plan administrator has obtained a certification from the custodians as of December 31, 2013 and 2012, and for the year ended December 31, 2013, that the information provided to the plan administrator by the custodians is complete and accurate.

### **Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

**Report on Form and Content in Compliance With DOL Rules and Regulations**

The form and content of the information included in the financial statements, other than that derived from the information certified by the custodians, has been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

*Pickett, Chaney & McMullen LLP*

Overland Park, Kansas  
September 29, 2014

| (1)                                                             | (2)          | (3)                       | (4) = (2) x (3) | (5) = (1) x (4)          | (6)                             |
|-----------------------------------------------------------------|--------------|---------------------------|-----------------|--------------------------|---------------------------------|
| Decrement<br>Age                                                | Participants | Retirement<br>Probability | Retirees        | Age-Weighted<br>Retirees | Weighted Avg.<br>Retirement Age |
| 55                                                              | 1000.0       | 3.0%                      | 30.0            | 1650.0                   |                                 |
| 56                                                              | 970.0        | 3.0%                      | 29.1            | 1629.6                   |                                 |
| 57                                                              | 940.9        | 3.0%                      | 28.2            | 1608.9                   |                                 |
| 58                                                              | 912.7        | 3.0%                      | 27.4            | 1588.1                   |                                 |
| 59                                                              | 885.3        | 3.0%                      | 26.6            | 1567.0                   |                                 |
| 60                                                              | 858.7        | 10.0%                     | 85.9            | 5152.4                   |                                 |
| 61                                                              | 772.9        | 5.0%                      | 38.6            | 2357.2                   |                                 |
| 62                                                              | 734.2        | 25.0%                     | 183.6           | 11380.4                  |                                 |
| 63                                                              | 550.7        | 15.0%                     | 82.6            | 5203.8                   |                                 |
| 64                                                              | 468.1        | 15.0%                     | 70.2            | 4493.4                   |                                 |
| 65                                                              | 397.9        | 100.0%                    | 397.9           | 25860.5                  |                                 |
| Sum of Age-Weighted Retirees<br>Participants at First Decrement |              |                           |                 | 62491.3<br>1000.0        | = 62.5                          |

## Actuarial Cost Method

### I. ACTUARIAL COST METHOD

Costs have been computed in accordance with the Unit Credit Actuarial Cost Method and reflect the actuarial assumptions described in “Plan Assumptions” of this report as provided under the applicable regulations of the Pension Protection Act of 2006.

#### Target Normal Cost

The Target Normal Cost is the present value of benefits expected to accrue during the plan year for all Participants plus an estimate of the expenses to be paid from the plan assets during the plan year.

#### Target Liability and Funding Shortfall

As of January 1, 2008, a Target Liability is established which represents the present value of accrued benefits. This Target Liability is offset by adjusted assets, and the remainder (i.e. Funding Shortfall), if any, is amortized over seven years.

Subsequent changes in the Funding Shortfall due to asset experience, liability experience, plan amendments, and/or actuarial assumption changes will be amortized over a seven year period from their valuation dates.

#### Discount Rate

The plan sponsor has elected to use the Segment Rate approach for discount rate purposes, with an applicable month that is 4 months prior to the valuation date.

In addition, beginning with the 2012 plan year, solely for purposes of determining the minimum required contribution level, applicability of benefit restrictions, and for the at-risk determination, the adjusted 24-month average segment rates established by the Moving Ahead for Progress in the 21st Century Act (MAP-21) have been incorporated.

The adjusted 24-month average segment rates are generated by taking the unadjusted 24-month average segment rates for the sponsor-chosen lookback month and adjusting them so that each individual segment rate is not outside of the stipulated corridor around the corresponding 25-year average segment rate for the given plan year. For the 2013 plan year, the stipulated corridor is 85% - 115% of these 25-year average segment rates.

### II. ASSET VALUATION METHOD

Assets have been valued in accordance with generally accepted procedures as described below.

All funds invested are valued in the following manner:

#### Definitions

|        |                                                                                                                                               |
|--------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| i(t)   | assumed growth rate, set equal to the lesser of the expected return on assets or the applicable 3 <sup>rd</sup> segment rate for Plan Year t. |
| C(t)   | sum of contributions and other additions to the fund from all sources other than investment transactions in Plan Year t                       |
| W(t)   | sum of all withdrawals and other decreases to the fund from all sources other than investment transactions in Plan Year t                     |
| AV(t)  | Actuarial Value of Assets as of Plan Year t                                                                                                   |
| MV(t)  | Market Value of Assets as of Plan Year t                                                                                                      |
| EV(t)  | Expected Value of Assets as of Plan Year t                                                                                                    |
| G/L(t) | Gain or Loss for Plan Year t                                                                                                                  |

## Actuarial Cost Method

### Method

A description of the method used to determine the current year's Actuarial Value of Assets {AV(t)} is below.

For the preceding 2 years, G/L(t) is determined as follows:

$$EV(t) = MV(t-1) * (1 + i(t-1)) + [C(t-1) - W(t-1)] * (1 + i(t-1) * m)$$

Where m represents a proportionate yield consistent with the portion of the year for which C and W are invested

$$G/L(t-1) = EV(t) - MV(t)$$

For the current year, AV(t) is determined as follows:

$$AV(t) = MV(t) + 2/3 * G/L(t-1) + 1/3 * G/L(t-2)$$

### Corridor Limits

The Actuarial Value of Assets may not be less than 90% or more than 110% of the current market value of plan assets as of the applicable valuation date [as required by IRC Section 430(g)(3)(B)(iii)]

Please note, as highlighted above, the assumed asset growth rate for each year is limited to the applicable 3<sup>rd</sup> segment rate by law. As a result, if the plan's expected rate of return is greater than this applicable rate, this method is expected to produce an actuarial value of assets that can be expected to be slightly less than the market value of assets, on average.

The market value of the Guaranteed Deposit Account is an estimate only and not the result of the precise calculation which would be done at contract discontinuance or to measure the impact of excess withdrawals in any calendar year. It does not constitute an offer by Prudential or a final experience adjustment. Please be sure that anyone to whom you quote this value receives this explanation.

## Actuarial Assumptions

Assumptions have been chosen to anticipate the long range experience of the Plan. Consistency among assumptions is important as each interacts with the others; equally important is the recognition of inflationary trends in the economy. As the Enrolled Actuary for the Plan, I will certify to the reasonableness of these assumptions, in aggregate, as required by ERISA.

The actuarial assumptions used to compute Plan costs are:

**Mortality:** Male: The IRS 2013 Static Mortality Table - Male.  
 Female: The IRS 2013 Static Mortality Table - Female.

**Termination:** The probabilities that Participants at the ages indicated will terminate before reaching the assumed retirement age are:

| Age | Male  | Female |
|-----|-------|--------|
| 20  | 13.0% | 13.0%  |
| 25  | 10.5% | 10.5%  |
| 30  | 8.0%  | 8.0%   |
| 35  | 6.0%  | 6.0%   |
| 40  | 4.0%  | 4.0%   |
| 45  | 2.0%  | 2.0%   |
| 50+ | 0.0%  | 0.0%   |

**Retirement Age:** The percentage of participants expected to retire within one year depends on age; typical percentages are as follows:

| Age | Rate of Retirement |
|-----|--------------------|
| 55  | 3%                 |
| 56  | 3%                 |
| 57  | 3%                 |
| 58  | 3%                 |
| 59  | 3%                 |
| 60  | 10%                |
| 61  | 5%                 |
| 62  | 25%                |
| 63  | 15%                |
| 64  | 15%                |
| 65  | 100%               |

**Investment Return:** *For ASC 960 purposes:*  
 7.75% per annum, compounded annually, net of investment and contract fees.

*For minimum required contribution level, applicability of benefit restrictions, and at risk determination only:*  
 Segment Rates with a 4 month lookback, as adjusted by the 85%-115% corridor around the 25-year average segment rates (4.94%, 6.15%, and 6.76% for the 2013 plan year)

*For all other purposes:*  
 Segment Rates with a 4 month lookback, unadjusted (1.75%, 4.62%, and 5.72% for the 2013 plan year)

**Survivor's Benefit:** It is assumed that husbands are three years older than wives and that 80% of the male participants and 80% of the female participants who are or will become eligible for coverage under the Survivor's Benefit will be survived by an eligible survivor.

## Actuarial Assumptions

|                     |                          |                |
|---------------------|--------------------------|----------------|
| Estimated Expenses: | \$236,000.               |                |
| Disability:         | None                     |                |
| Salary Scale:       | Not applicable           |                |
| Social Security:    | Primary Insurance Amount | Not applicable |
|                     | Covered Compensation     | Not applicable |

## Plan Provisions

|                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Earnings</b>                  | Basic compensation paid to Employee by Employer, including overtime pay, bonuses, commissions and contributions to any salary reduction agreement.                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Final Earnings</b>            | Average Compensation for the five (5) consecutive years of employment within the ten (10) year period immediately prior to earlier of Retirement Date or termination of employment. If less than five (5) years, average taken over total period of employment.                                                                                                                                                                                                                                                                    |
| <b>Service</b>                   | 1,000 Hours of Service during Vesting Computation Period equals one year.                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Credited Service</b>          | 1,000 Hours of Service during an Accrual Computation Period (Accrual Computation Period is a Plan Year). Partial Year of Credited Service credited for each calendar month for which an Hour of Service is worked in 1/12th increments. If less than 1,000 Hours during the first twelve-month period of employment, partial Year of Credited Service is disregarded.                                                                                                                                                              |
| <b>Form of Annuity</b>           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <i>Thales North America:</i>     | For unmarried participants, life annuity; for married participants, actuarially reduced 50% joint and survivor annuity. All active employees are eligible to elect a lump sum benefit at separation of employment.                                                                                                                                                                                                                                                                                                                 |
| <i>Thales TRC:</i>               | For unmarried participants, life annuity; for married participants, actuarially reduced 50% joint and survivor annuity.                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Normal Retirement Date</b>    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <i>Thales North America:</i>     | First day of the month coincident with or next following the participant's 65th birthday.                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <i>Thales TRC:</i>               | First of the month coincident with or next following the completion of five years of vesting service and the attainment of age 65.                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Participation Eligibility</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <i>Thales North America:</i>     | An employee shall be eligible for participation on the January 1st after completing six months of Service and attaining age 21.                                                                                                                                                                                                                                                                                                                                                                                                    |
| <i>Thales TRC:</i>               | An employee shall be eligible for participation after completing one year of Service and attaining age 21.                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Social Security</b>           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <i>Covered Compensation</i>      | Average of the Social Security Taxable Wage Bases in effect for each calendar year during the 35-year period ending with the last day of the calendar year in which the Participant attains (or will attain) Social Security Retirement Age.                                                                                                                                                                                                                                                                                       |
| <b>Benefit Formula</b>           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <i>Thales North America:</i>     | For participants who have completed 25 years of Service at Normal Retirement, the benefit is the excess of (A) over (B).<br>A. 50% of final average earnings prior to retirement<br>B. 16.25% of the Average Offset Compensation<br>If a person has less than 25 years of service, retirement benefits are proportionately reduced.                                                                                                                                                                                                |
| <i>Thales TRC:</i>               | The accrued benefit at any point in time is the sum of (A) and (B) multiplied by a ratio, not to exceed one, of (C) divided by (D).<br>In no event will the accrued benefit be less than the December 31, 1988 accrued benefit.<br>A. 25% of final average earnings below covered compensation.<br>B. 45% of final average earnings in excess of covered compensation.<br>C. Credited service at the point of time of the determination.<br>D. 30 years for employees born before 1955 and 31 for employees born in 1955 or later. |
| <b>Early Eligibility</b>         | All benefits were frozen as of December 31, 2002.<br>Age 55 with 10 years of vesting service.                                                                                                                                                                                                                                                                                                                                                                                                                                      |

## Plan Provisions

|                                     |                                                                                                                                                                                                               |
|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Early Benefit Amount</b>         | Early retirement benefits are actuarially reduced based on plan equivalence factors.                                                                                                                          |
| <b>Vesting Schedule</b>             | Five years of Service equals 100% vesting.                                                                                                                                                                    |
| <b>Vested Benefit</b>               | Benefit accrued to date of termination adjusted by the appropriate vesting percentage.                                                                                                                        |
| <b>Preretirement Spouse Benefit</b> |                                                                                                                                                                                                               |
| A. Eligibility                      | Eligible for early retirement, married one full year prior to death.                                                                                                                                          |
| Benefit Formula                     | 50% of the pension benefit accrued to date of death, reduced by appropriate early retirement and joint and survivor factors.                                                                                  |
| B. Eligibility                      | Eligible for vesting but not eligible for early retirement, married one full year prior to death.                                                                                                             |
| Benefit Formula                     | 50% of the vested pension benefit accrued to date of death, payment deferred to early retirement date of the deceased Participant reduced by the appropriate early retirement and joint and survivor factors. |
| <b>Disability Benefit</b>           |                                                                                                                                                                                                               |
| Eligibility                         | Eligible for Early or Normal Retirement.                                                                                                                                                                      |
| Thales North America:               | Terminated as a result of disability.                                                                                                                                                                         |
| Thales TRC:                         |                                                                                                                                                                                                               |
| Benefit Formula                     |                                                                                                                                                                                                               |
| Thales North America:               | Accrued benefit reduced by early retirement factors, if applicable.                                                                                                                                           |
| Thales TRC:                         | Benefit service continues to accrue until retirement. Earnings are assumed to remain at the level prior to disability.                                                                                        |

## Distribution of Active Participants by Age and Service

### Number of Active Employees as of January 1, 2013 – Distribution by Age and Service

| Attained<br>Age | Years of Credited Service |            |            |              |              |              |              |              |              |             | Total |
|-----------------|---------------------------|------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------|
|                 | <u>Under 1</u>            | <u>1-4</u> | <u>5-9</u> | <u>10-14</u> | <u>15-19</u> | <u>20-24</u> | <u>25-29</u> | <u>30-34</u> | <u>35-39</u> | <u>40 +</u> |       |
| Under 25        |                           |            |            |              |              |              |              |              |              |             |       |
| 25-29           |                           |            |            |              |              |              |              |              |              |             |       |
| 30-34           |                           |            |            |              |              |              |              |              |              |             |       |
| 35-39           |                           |            |            | 2            | 5            |              |              |              |              |             | 7     |
| 40-44           |                           |            |            | 2            | 5            |              |              |              |              |             | 7     |
| 45-49           |                           |            |            |              | 2            | 1            |              |              |              |             | 3     |
| 50-54           |                           |            |            | 1            | 1            | 3            |              | 2            |              |             | 7     |
| 55-59           |                           |            |            | 1            | 5            | 6            |              | 3            |              |             | 15    |
| 60-64           |                           |            |            | 2            |              | 1            | 2            |              |              |             | 5     |
| 65-69           |                           |            |            |              | 1            |              |              | 1            |              |             | 2     |
| 70 +            |                           |            |            | 1            |              |              |              |              |              |             | 1     |
| Total           |                           |            |            | 9            | 19           | 11           | 2            | 6            |              |             | 47    |

## Section IV

## Minimum Contribution Amortization

The prior year amortization values and the development of the amortization for the 2013 plan year are shown below.

### **I. Prior Year Amortization Amounts**

| <u>Plan Year</u> | <u>Installment</u> | <u>PV Factor</u> | <u>Present Value</u> |
|------------------|--------------------|------------------|----------------------|
| 2012             | (407,297)          | 5.292892         | (2,155,779)          |
| 2011             | 138,542            | 4.550902         | 630,491              |
| 2010             | 176,340            | 3.726313         | 657,098              |
| 2009             | (55,561)           | 2.861000         | (158,960)            |
| 2008             | 752,618            | 1.952926         | 1,469,807            |
| 2007             | 0                  | N/A              | 0                    |
|                  | <b>\$604,642</b>   |                  | <b>\$ 442,657</b>    |

### **II. Current Year Amortization**

|                                                              |             |
|--------------------------------------------------------------|-------------|
| Exemption from Current Year Amortization                     | No          |
| 1. Funding Shortfall to be amortized                         | \$1,397,897 |
| 2. Present Value of Prior Year Amortization Installments     | 442,657     |
| 3. Current Year Amortization Base<br>(1 - 2)                 | 955,240     |
| 4. Shortfall Amortization Factor                             | 5.991896    |
| 5. Current Year Amortization Installment<br>(3 divided by 4) | 159,422     |
| 6. Sum of Prior Year Amortization Installments               | 604,642     |
| 7. Net Shortfall Amortization Charge<br>(5 + 6)              | \$764,064   |

**THALES PENSION PLAN FOR  
CERTAIN U.S. EMPLOYEES**

FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
DECEMBER 31, 2013 AND 2012



## **INDEPENDENT AUDITORS' REPORT**

To the Retirement Plan Committee and Participants of the  
Thales Pension Plan for Certain U.S. Employees  
Arlington, Virginia

### **Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of the Thales Pension Plan for Certain U.S. Employees (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2013 and 2012, and the related statement of changes in net assets available for benefits for the year ended December 31, 2013, 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 these 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### **Basis for Disclaimer of Opinion**

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 6, which was certified by Prudential Retirement Insurance and Annuity Company and Prudential Bank & Trust, FSB, the custodians of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the custodians hold the Plan's investment assets and execute investment transactions. The plan administrator has obtained a certification from the custodians as of December 31, 2013 and 2012, and for the year ended December 31, 2013, that the information provided to the plan administrator by the custodians is complete and accurate.

### **Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

**Report on Form and Content in Compliance With DOL Rules and Regulations**

The form and content of the information included in the financial statements, other than that derived from the information certified by the custodians, has been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

*Pickett, Chaney & McMullen LLP*

Overland Park, Kansas  
September 29, 2014

# THALES PENSION PLAN FOR CERTAIN U.S. EMPLOYEES

## STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS DECEMBER 31, 2013 AND 2012

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|                                           | 2013                 | 2012                 |
|-------------------------------------------|----------------------|----------------------|
| <b>ASSETS</b>                             |                      |                      |
| Investment in Master Trust, at fair value | \$ 25,227,349        | \$ 21,185,694        |
| Employer contribution receivable          | <u>355,431</u>       | <u>305,000</u>       |
| <b>NET ASSETS AVAILABLE FOR BENEFITS</b>  | <u>\$ 25,582,780</u> | <u>\$ 21,490,694</u> |

See notes to financial statements.

## THALES PENSION PLAN FOR CERTAIN U.S. EMPLOYEES

### STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS YEAR ENDED DECEMBER 31, 2013

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**ADDITIONS TO NET ASSETS ATTRIBUTED TO:**

|                        |              |
|------------------------|--------------|
| Employer contributions | \$ 1,054,431 |
|------------------------|--------------|

|                                   |                  |
|-----------------------------------|------------------|
| Investment gain from Master Trust | <u>4,351,322</u> |
|-----------------------------------|------------------|

|                 |           |
|-----------------|-----------|
| Total additions | 5,405,753 |
|-----------------|-----------|

**DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:**

|                               |           |
|-------------------------------|-----------|
| Benefits paid to participants | 1,111,295 |
|-------------------------------|-----------|

|                                    |                |
|------------------------------------|----------------|
| Administrative and management fees | <u>202,372</u> |
|------------------------------------|----------------|

|                  |                  |
|------------------|------------------|
| Total deductions | <u>1,313,667</u> |
|------------------|------------------|

|                                                      |           |
|------------------------------------------------------|-----------|
| <b>INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS</b> | 4,092,086 |
|------------------------------------------------------|-----------|

**NET ASSETS AVAILABLE FOR BENEFITS:**

|                   |                   |
|-------------------|-------------------|
| Beginning of year | <u>21,490,694</u> |
|-------------------|-------------------|

|             |                             |
|-------------|-----------------------------|
| End of year | <u><u>\$ 25,582,780</u></u> |
|-------------|-----------------------------|

See notes to financial statements.

# THALES PENSION PLAN FOR CERTAIN U.S. EMPLOYEES

## NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

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### 1. DESCRIPTION AND SIGNIFICANT EVENTS OF THE PLAN

The Thales Pension Plan for Certain U.S. Employees (the “Plan”) is a defined benefit plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”) that was established December 1, 1970 for employees of various companies affiliated through common ownership. Employees who had become participants in the Plan prior to the closing of participation on December 31, 2002 and who were covered under the Plan as employees of one of the following participating Companies (collectively “the Company”):

- Thales North America, Inc.
- Thales Training and Simulation, Inc. (now part of Thales, ATM, Inc.)
- Thales Components Corporation (formerly Thomson-CSF Components Corporation)
- Thales Finance Corporation (formerly known as Thomson Corporation of America)
- Thales Avionics, Inc. (Auxilec Division)
- Thales TRC, Inc. (formerly The Racal Corporation; now part of Thales Holdings, Inc.)
- Thomson Passive Components Corporation

No other employees are eligible to participate under the Plan as participation was closed on December 31, 2002. On December 31, 2002, the accrual of plan benefits of the Plan was frozen. As a result of freezing the accrual of benefits, each person who was a general participant in the Plan on December 31, 2002, and who was in the employment of the Company on that date, became fully vested in their accrued benefits as of December 31, 2002. Participants should refer to the Plan Document for a more complete description of the Plan’s provisions.

Effective June 1, 2004, the Plan became one of the participating plans in the Thales Master Trust (Master Trust), see Note 4. The Master Trust’s custodian of the pooled separate account investments is Prudential Retirement Insurance and Annuity Company. The custodian for the Master Trust’s other investments is Prudential Bank & Trust, FSB. Both custodians are affiliated through common ownership, and will collectively be referred to as “Prudential.”

The Plan document was restated in 2013. The restated Plan document has essentially the same provisions as the previous Plan document.

**Contributions** – Employer contributions are based upon actuarial determinations. Under the current provisions of the plan, employees make no contributions. All contributions made by the employer are paid to the trustee and deposited in the trust fund.

**Retirement Benefits** – Participants become eligible for normal retirement on the first day of the month coincident with or next following the employee’s 65<sup>th</sup> birthday. Early retirement is permitted after age 55 with ten years of vested service.

Upon retirement, participants receive benefits based upon years of credited service, average pay, and average offset compensation, as defined by the Plan Document. If an employee was formerly covered under the Racal Pension Plan at June 30, 2001 (or the Racal appendix to the Plan), see the Racal supplement to the Plan’s Summary Plan Description for applicable special provisions.

Benefit distributions upon normal retirement are in the form of a life annuity for unmarried participants, if an optional payment is not selected. Married participants receive an actuarially reduced 50% joint and survivor annuity. Optional payment forms include single life annuity, 75% Joint and Survivor Annuity option, or lump sum.

***Vesting*** – At December 31, 2002, the accrual of plan benefits was frozen and all eligible participants who were employed on that date became fully vested.

***Surviving Spouse Benefits*** – Upon the death of a vested participant prior to eligibility for early retirement, benefits become payable to the spouse beginning on the participant's earliest retirement date. The benefit payable to the spouse is equal to the 50% joint and survivor annuity that would have been paid had the participant survived to their earliest retirement date.

Upon the death of a vested participant after reaching eligibility for early retirement, the benefit payable to the spouse equals the benefit that would have been paid had the participant selected the early retirement option. The benefit is payable in the form of a 50% joint and survivor annuity.

***Disability Retirement Benefits*** – In the event that a participant's employment is terminated as a result of disability, and the participant is eligible to receive a normal or early retirement benefit, they shall receive such benefit.

***Administrative Expenses*** – Accounting fees incurred in administering the Plan are paid by the Company. Actuarial, PBGC, auditing and trustee fees are paid from the assets of the Plan.

***Termination of the Plan*** – Upon termination of the plan, each participant's accrued benefits as of the date of termination shall become fully vested and nonforfeitable to the extent funded. The Pension Benefit Guaranty Corporation (PBGC) guarantees the payment of all nonforfeitable basic benefits subject to certain limitations described in ERISA. Some benefits may be fully or partially provided for by the then existing net assets and PBGC guaranty. Other benefits may not be provided at all.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Basis of Accounting*** – The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

***Use of Estimates*** – The preparation of financial statements in conformity with generally accepted accounting principles requires of the plan administrator to make estimates and assumptions that affect the reported amounts of assets, liabilities and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

***Investment in Master Trust*** – The fair value of the Plan's Investments in the Master Trust is based on the beginning of year value of the Plan's interest in the trust plus actual contributions and allocated investment income less actual distributions and allocated expenses. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

***Funding Policy*** - Annual contributions, as determined by the Plan's actuary, are made by the Company to fund the Plan and have been computed in accordance with the Unit Credit Actuarial Cost Method. The Company's contributions for 2013 and 2012 met the minimum funding requirements of ERISA.

**Date of Management's Review** – Subsequent events have been evaluated through September 29, 2014, which is the date the financial statements were available to be issued, and there were no material events requiring recognition or disclosure.

### 3. ACCUMULATED 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 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. Benefits payable under all circumstances—retirement, death, disability, and termination of employment, are included to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by the plan's actuary, Prudential. Significant actuarial assumptions used include an investment return of 7.75% in both 2013 and 2012, and no projected annual salary increase. Life expectancy assumptions for the 2013 year were based on the IRS 2014 Static Mortality Table for Males and Females, while the life expectancy assumptions for 2012 were based on the IRS 2013 Static Mortality Table for Males and Females.

The actuarial present value of accumulated plan benefits as of December 31 is as follows:

|                                 | 2013                 | 2012                 |
|---------------------------------|----------------------|----------------------|
| Vested Benefits:                |                      |                      |
| Active participants             | \$ 1,386,956         | \$ 1,456,278         |
| Retired participants            | 9,100,112            | 7,559,689            |
| Terminated participants         | 9,004,228            | 10,228,270           |
|                                 | <u>19,491,296</u>    | <u>19,244,237</u>    |
| Non-Vested Benefits             | <u>-</u>             | <u>-</u>             |
| Total accumulated plan benefits | <u>\$ 19,491,296</u> | <u>\$ 19,244,237</u> |

The change in accumulated plan benefits for the years ended December 31, is as follows:

|                                                                             | 2013                 |
|-----------------------------------------------------------------------------|----------------------|
| Actuarial present value of accumulated plan benefits at beginning of period | \$ 19,244,237        |
| Increase (decrease) during the year attributable to:                        |                      |
| Benefits accumulated                                                        | (127,056)            |
| Interest due to the decrease in discount period                             | 1,449,169            |
| Assumption changes                                                          | 36,241               |
| Benefits paid to participants                                               | <u>(1,111,295)</u>   |
| Actuarial present value of accumulated plan benefits at end of period       | <u>\$ 19,491,296</u> |

#### 4. MASTER TRUST

The Plan's sole investment is its interest in the Master Trust which was established for the investment of assets of this Plan (referred to as Plan C below) and two other Thales Company sponsored retirement plans, Thales Communications Pension Plan (Plan A) and Retirement Plan of Thales ATM, Inc. (Plan B). Each participating retirement plan has a divided interest in the Master Trust. The value of the Plan's interest in the Master Trust is based on the beginning-of-year value of the Plan's interest in the Master Trust plus actual contributions and allocated investment income (loss), less actual distributions and allocated administrative expenses. Investment income (loss), investment management fees and other direct expenses relating to the Master Trust are allocated to individual plans based on the average daily balances. The Plan's interest in the Master Trust was 47.94% and 45.54% as of December 31, 2013 and 2012, respectively.

The following is a summary of the value of the investments of the Master Trust as of December 31:

| <b>December 31, 2013</b>    |                      |                      |                      |                      |                                                                  |
|-----------------------------|----------------------|----------------------|----------------------|----------------------|------------------------------------------------------------------|
|                             | <b>Plan A</b>        | <b>Plan B</b>        | <b>Plan C</b>        | <b>Total</b>         | <b>Plan C's<br/>Percent<br/>Interest<br/>in Master<br/>Trust</b> |
| Investments, at fair value: |                      |                      |                      |                      |                                                                  |
| Pooled Sep Accts            | \$ 10,301,753        | \$ 8,755,245         | \$ 15,799,126        | \$ 34,856,124        | 45.33%                                                           |
| Mutual Funds                | 3,154,072            | 3,728,929            | 7,071,540            | 13,954,541           | 50.68%                                                           |
| Ltd Partnership             | -                    | 1,453,812            | 2,356,683            | 3,810,495            | 61.85%                                                           |
|                             | <u>\$ 13,455,825</u> | <u>\$ 13,937,986</u> | <u>\$ 25,227,349</u> | <u>\$ 52,621,160</u> | 47.94%                                                           |
| <b>December 31, 2012</b>    |                      |                      |                      |                      |                                                                  |
|                             | <b>Plan A</b>        | <b>Plan B</b>        | <b>Plan C</b>        | <b>Total</b>         | <b>Plan C's<br/>Percent<br/>Interest<br/>in Master<br/>Trust</b> |
| Investments, at fair value: |                      |                      |                      |                      |                                                                  |
| Pooled Sep Accts            | \$ 9,767,560         | \$ 7,981,882         | \$ 13,490,737        | \$ 31,240,179        | 43.18%                                                           |
| Mutual Funds                | 3,132,849            | 3,287,438            | 5,649,718            | 12,070,005           | 46.81%                                                           |
| Ltd Partnership             | -                    | 1,261,676            | 2,045,239            | 3,306,915            | 61.85%                                                           |
|                             | <u>\$ 12,900,409</u> | <u>\$ 12,530,996</u> | <u>\$ 21,185,694</u> | <u>\$ 46,617,099</u> | 45.45%                                                           |

The following are changes in net assets for the Master Trust for the year ended December 31, 2013:

|                                                             |                      |
|-------------------------------------------------------------|----------------------|
| Investment income:                                          |                      |
| Net appreciation in fair value and dividends - mutual funds | \$ 1,574,536         |
| Net appreciation in fair value - pooled separate accounts   | 6,076,696            |
| Net appreciation in fair value - limited partnerships       | <u>503,580</u>       |
| Net investment income                                       | 8,154,812            |
| Contributions                                               | <u>1,512,800</u>     |
| Total additions                                             | 9,667,612            |
| Deductions from net assets:                                 |                      |
| Benefits paid to participants                               | 3,212,003            |
| Administrative expenses                                     | <u>451,548</u>       |
| Total deductions                                            | 3,663,551            |
| Net increase                                                | 6,004,061            |
| Net Assets available from benefits:                         |                      |
| Beginning of year                                           | <u>46,617,099</u>    |
| End of year                                                 | <u>\$ 52,621,160</u> |

Individual investments in the Master Trust that exceed 5% of total investments as of December 31 were as follows:

|                                      | <b>2013</b>  | <b>2012</b>  |
|--------------------------------------|--------------|--------------|
| Prudential Pooled Separate Accounts: |              |              |
| Dryden S&P 500                       | \$ 9,763,741 | \$ 7,954,782 |
| Core Bond                            | 7,180,494    | 7,885,140    |

The Master Trust is comprised of mutual funds, pooled separate accounts and a limited partnership, which invest in a variety of investments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility due to the level of risk associated with certain investment securities. It is reasonably possible that changes in the values of investment securities will occur in the near term and, that such changes could materially affect the amounts reported in the financial statements.

Investment expenses are allocated to the individual plans based upon each Plan's investments, and certain other expenses are charged to each specific plan. Expenses paid by the Master Trust attributable to this Plan consisted of the following for the year ended December 31, 2013:

|                                            |                   |
|--------------------------------------------|-------------------|
| PBGC premiums                              | \$ 150,792        |
| Professional fees                          | 21,775            |
| Contract administrative and actuarial fees | 194,608           |
| Investment advisory fees                   | <u>84,373</u>     |
|                                            | <u>\$ 451,548</u> |

## 5. FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurements*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation

techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs consist of unadjusted quoted prices for identical assets in active markets that the plan has the ability to access.

Level 2 – Inputs consist of 1) quoted prices for similar assets in active markets, 2) quoted prices for identical or similar assets in inactive markets, 3) inputs other than quoted prices that are observable, and 4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset has a specified (contractual) term, the level 2 input must be observable for substantially the full term.

Level 3 – Inputs consist of unobservable inputs where there is little or no market activity, and the reporting entity makes estimates and assumptions related to the pricing of the asset including assumptions regarding risk.

The assets fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2013 and 2012:

Master Trust – Valued at fair value based on the fair value of the underlying investments of the fund, which have been determined based on the fair value of the underlying investments of the Master Trust. When quoted market prices are not available, the fair value of investments is estimated primarily by independent investment brokerage firms and insurance companies.

The underlying investments in the master trust are valued as follows:

Pooled Separate Accounts – Prudential calculates a unit value (similar to a net asset value “NAV”) of a separate account daily. It is the sum of the market value of the underlying investments as determined by quoted market prices, less operating expenses accrued but not deducted, if any.

Mutual Funds – Valued at the closing price reported on the active market on which the individual securities are traded.

Limited Partnership – Valued at the reported amount in the audited financial statements, based on the fair value of the underlying investments held by the limited partnership.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Master Trust's investments are reported at fair value as follows at December 31, 2013 and 2012:

|                               |                      | <b>Master Trust Assets</b> |                      |                     |
|-------------------------------|----------------------|----------------------------|----------------------|---------------------|
|                               |                      | <b>Fair Value</b>          |                      |                     |
|                               |                      | <b>Measurements Using:</b> |                      |                     |
|                               | <b>Fair Value</b>    | <b>Level 1</b>             | <b>Level 2</b>       | <b>Level 3</b>      |
| <b>December 31, 2013:</b>     |                      |                            |                      |                     |
| Mutual funds:                 |                      |                            |                      |                     |
| International Equity Funds    | \$ 7,230,694         | \$ 7,230,694               |                      |                     |
| Bond Funds                    | 6,723,847            | 6,723,847                  |                      |                     |
| Limited Partnership (a)       | 3,810,495            |                            |                      | \$ 3,810,495        |
| Pooled separate accounts (b): | -                    |                            |                      |                     |
| US Stock Funds                | 24,012,474           |                            | \$ 24,012,474        |                     |
| US Bond Funds                 | 10,002,850           |                            | 10,002,850           |                     |
| Short Term Funds              | 840,800              | -                          | 840,800              | -                   |
|                               | <u>\$ 52,621,160</u> | <u>\$ 13,954,541</u>       | <u>\$ 34,856,124</u> | <u>\$ 3,810,495</u> |

|                               |                      | <b>Master Trust Assets</b> |                      |                     |
|-------------------------------|----------------------|----------------------------|----------------------|---------------------|
|                               |                      | <b>Fair Value</b>          |                      |                     |
|                               |                      | <b>Measurements Using:</b> |                      |                     |
|                               | <b>Fair Value</b>    | <b>Level 1</b>             | <b>Level 2</b>       | <b>Level 3</b>      |
| <b>December 31, 2012:</b>     |                      |                            |                      |                     |
| Mutual funds:                 |                      |                            |                      |                     |
| International Equity Funds    | \$ 6,151,224         | \$ 6,151,224               |                      |                     |
| Bond Funds                    | 5,918,781            | 5,918,781                  |                      |                     |
| Limited Partnership (a)       | 3,306,915            |                            |                      | \$ 3,306,915        |
| Pooled separate accounts (b): | -                    |                            |                      |                     |
| US Stock Funds                | 19,426,438           |                            | \$ 19,426,438        |                     |
| US Bond Funds                 | 11,227,385           |                            | 11,227,385           |                     |
| Short Term Funds              | 586,356              |                            | 586,356              |                     |
|                               | <u>\$ 46,617,099</u> | <u>\$ 12,070,005</u>       | <u>\$ 31,240,179</u> | <u>\$ 3,306,915</u> |

(a) This investment is the "Alternative Investments Institutional, L.P., (the "LP") a Delaware limited partnership. The LP was organized for the purpose of investing in securities and private investment companies. The LP is managed by Alternative Investment Group, L.L.C. (the "General Partner") and Alternative Investment Group Services, L.P. (the "Management Company"). The LP invests substantially all of its assets through a master-feeder structure in Alternative Investments Institutional Master Fund Ltd. (the "Master Fund"), an investment company that has the same investment objectives as the LP. The LP owned approximately 67% of the Master Fund at December 31, 2013. The LP is valued at the end of each calendar year. There are no unfunded commitments. Redemption requirements call for 90 days' notice, and the LP will be redeemed at the end of that quarter. Ninety percent of the fund will be redeemed, and 10% will be held back until the next annual audit is complete.

(b) These are investments in entities that use NAV per share to determine fair value. They are valued daily, can be redeemed daily with no restrictions, and without prior notice. There are no unfunded commitments.

The following table provides further details of Level 3 fair value measurements for the year ended December 31, 2013

|                                                                                                                                                                                                            | <b>Limited<br/>Partnership</b> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| Beginning Balance                                                                                                                                                                                          | \$ 3,306,915                   |
| Realized gains/(losses)                                                                                                                                                                                    | -                              |
| Unrealized gains/(losses) relating<br>to investments still held at the<br>reporting date                                                                                                                   | 503,580                        |
| Sales                                                                                                                                                                                                      | -                              |
| Purchases                                                                                                                                                                                                  | -                              |
| Ending Balance                                                                                                                                                                                             | <u>\$ 3,810,495</u>            |
| The amount of total gains or losses for the period<br>included in changes in net assets attributable to the<br>change in unrealized gains or losses relating to assets<br>still held at the reporting date |                                |
|                                                                                                                                                                                                            | <u>\$ 503,580</u>              |

The Plan Administrator assesses the reasonableness of the valuation of the limited partnership investment by reviewing the published financial statements of the limited partnership, and by reviewing industry and market conditions.

#### 6. INFORMATION CERTIFIED BY CUSTODIANS

The plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Prudential Retirement Insurance and Annuity Company and Prudential Bank & Trust, FSB, the custodians of the Plan, have certified that the following data included in the accompanying financial statements is complete and accurate with respect to investments as of December 31, 2013 and 2012, and for the year ended December 31, 2013:

- Investment in Master Trust, at fair value
- Investment gain from Master Trust

The Plan's independent public accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements.

#### 7. TAX STATUS

The IRS has determined and informed the Company by a letter dated July 27, 2014, that the Plan is designed in accordance with applicable sections of the IRC. The Plan administrator believes the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision has been made in the financial statements for income taxes.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Company has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2013, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) 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 2010.

**8. EXEMPT PARTY-IN-INTEREST TRANSACTIONS**

Certain Plan investments held in the Master Trust are pooled separate accounts managed by Prudential. Prudential is the custodian of the Plan and therefore, these transactions qualify as party-in-interest.

\* \* \* \* \*

|                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                    |                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE SB</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small><br><br><small>Pension Benefit Guaranty Corporation</small> | <b>Single-Employer Defined Benefit Plan</b><br><b>Actuarial Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).<br><br><b>► File as an attachment to Form 5500 or 5500-SF.</b> | OMB No. 1210-0110<br><br><b>2013</b><br><br><b>This Form is Open to Public Inspection</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|

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.

|                                                                                                                                                         |                                                                 |            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|------------|
| <b>A</b> Name of plan<br><br>THALES PENSION PLAN FOR CERTAIN U.S. EMPLOYEES                                                                             | <b>B</b> Three-digit plan number (PN) ►                         | <u>001</u> |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF<br><br>THALES USA, INC.                                                        | <b>D</b> Employer Identification Number (EIN)<br><br>06-0938363 |            |
| <b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B               |                                                                 |            |
| <b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500 |                                                                 |            |

**Part I Basic Information**

|                                                                                                                                                                                                          |              |                            |                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|----------------------------|--------------------|
| <b>1</b> Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2013</u>                                                                                                                          |              |                            |                    |
| <b>2</b> Assets:                                                                                                                                                                                         |              |                            |                    |
| a Market value .....                                                                                                                                                                                     | <b>2a</b>    |                            | 21,489,846         |
| b Actuarial value .....                                                                                                                                                                                  | <b>2b</b>    |                            | 20,940,282         |
| <b>3</b> Funding target/participant count breakdown:                                                                                                                                                     |              | (1) Number of participants | (2) Funding Target |
| a For retired participants and beneficiaries receiving payment .....                                                                                                                                     | <b>3a</b>    | 257                        | 8,474,951          |
| b For terminated vested participants .....                                                                                                                                                               | <b>3b</b>    | 426                        | 12,134,097         |
| c For active participants:                                                                                                                                                                               |              |                            |                    |
| (1) Non-vested benefits .....                                                                                                                                                                            | <b>3c(1)</b> |                            | 9,376              |
| (2) Vested benefits .....                                                                                                                                                                                | <b>3c(2)</b> |                            | 1,719,755          |
| (3) Total active .....                                                                                                                                                                                   | <b>3c(3)</b> | 47                         | 1,729,131          |
| d Total .....                                                                                                                                                                                            | <b>3d</b>    | 730                        | 22,338,179         |
| <b>4</b> If the plan is in at-risk status, check the box and complete lines (a) and (b)..... <input type="checkbox"/>                                                                                    |              |                            |                    |
| a Funding target disregarding prescribed at-risk assumptions .....                                                                                                                                       | <b>4a</b>    |                            |                    |
| 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 ..... | <b>4b</b>    |                            |                    |
| <b>5</b> Effective interest rate .....                                                                                                                                                                   | <b>5</b>     |                            | 6.28 %             |
| <b>6</b> Target normal cost .....                                                                                                                                                                        | <b>6</b>     |                            | 236,000            |

**Statement by Enrolled Actuary**

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

|                                                                   |                                                          |                                                              |
|-------------------------------------------------------------------|----------------------------------------------------------|--------------------------------------------------------------|
| <b>SIGN HERE</b>                                                  | Darlene T. Buxton <i>DTB</i><br><br>Signature of actuary | 9/25/2014<br><br>Date                                        |
| DARLENE T. BUXTON<br><br>Type or print name of actuary            |                                                          | 14-06222<br><br>Most recent enrollment number                |
| PRIAC<br><br>Firm name                                            |                                                          | (860) 534-2303<br><br>Telephone number (including area code) |
| P.O. BOX 2975<br><br>HARTFORD CT 06103<br><br>Address of the firm |                                                          |                                                              |

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

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

Schedule SB (Form 5500) 2013 v. 130118

| <b>Part II Beginning of Year Carryover and Prefunding Balances</b> |                                                                                                                                            | (a) Carryover balance | (b) Prefunding balance |
|--------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------|
| <b>7</b>                                                           | Balance at beginning of prior year after applicable adjustments (line 13 from prior year) .....                                            | 0                     | 0                      |
| <b>8</b>                                                           | Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....                                         | 0                     | 0                      |
| <b>9</b>                                                           | Amount remaining (line 7 minus line 8) .....                                                                                               | 0                     | 0                      |
| <b>10</b>                                                          | Interest on line 9 using prior year's actual return of <u>13.89</u> % .....                                                                |                       |                        |
| <b>11</b>                                                          | Prior year's excess contributions to be added to prefunding balance:                                                                       |                       |                        |
|                                                                    | <b>a</b> Present value of excess contributions (line 38a from prior year) .....                                                            |                       | 0                      |
|                                                                    | <b>b</b> Interest on (a) using prior year's effective interest rate of <u>6.98</u> % except as otherwise provided (see instructions) ..... |                       |                        |
|                                                                    | <b>c</b> Total available at beginning of current plan year to add to prefunding balance .....                                              |                       | 0                      |
|                                                                    | <b>d</b> Portion of (c) to be added to prefunding balance .....                                                                            |                       | 0                      |
| <b>12</b>                                                          | Other reductions in balances due to elections or deemed elections .....                                                                    | 0                     | 0                      |
| <b>13</b>                                                          | Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) .....                                                         | 0                     | 0                      |

| <b>Part III Funding Percentages</b> |                                                                                                                                                                  |           |         |
|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------|
| <b>14</b>                           | Funding target attainment percentage .....                                                                                                                       | <b>14</b> | 93.74 % |
| <b>15</b>                           | Adjusted funding target attainment percentage .....                                                                                                              | <b>15</b> | 93.74 % |
| <b>16</b>                           | Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement ..... | <b>16</b> | 94.85 % |
| <b>17</b>                           | If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage .....                                        | <b>17</b> | %       |

| <b>Part IV Contributions and Liquidity Shortfalls</b>                                    |                                   |                                 |                          |                                   |                                 |
|------------------------------------------------------------------------------------------|-----------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|
| <b>18</b> Contributions made to the plan for the plan year by employer(s) and employees: |                                   |                                 |                          |                                   |                                 |
| (a) Date<br>(MM-DD-YYYY)                                                                 | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
| 04/15/2013                                                                               | 197,000                           |                                 |                          |                                   |                                 |
| 07/15/2013                                                                               | 197,000                           |                                 |                          |                                   |                                 |
| 09/17/2013                                                                               | 305,000                           |                                 |                          |                                   |                                 |
| 01/17/2014                                                                               | 89,000                            |                                 |                          |                                   |                                 |
| 09/15/2014                                                                               | 266,431                           |                                 |                          |                                   |                                 |
|                                                                                          |                                   |                                 | <b>Totals ►</b>          | <b>18(b)</b>                      | 1,054,431                       |
|                                                                                          |                                   |                                 |                          | <b>18(c)</b>                      | 0                               |

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

|                                                                                                                         |            |           |
|-------------------------------------------------------------------------------------------------------------------------|------------|-----------|
| <b>a</b> Contributions allocated toward unpaid minimum required contributions from prior years .....                    | <b>19a</b> | 0         |
| <b>b</b> Contributions made to avoid restrictions adjusted to valuation date .....                                      | <b>19b</b> | 0         |
| <b>c</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date ..... | <b>19c</b> | 1,000,064 |

**20** Quarterly contributions and liquidity shortfalls:

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

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

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

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

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

|                                                                                                                                                                                              |                        |                        |                        |                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|------------------------|-----------------------------------------------------|
| <b>21</b> Discount rate:                                                                                                                                                                     |                        |                        |                        |                                                     |
| <b>a</b> Segment rates:                                                                                                                                                                      | 1st segment:<br>4.94 % | 2nd segment:<br>6.15 % | 3rd segment:<br>6.76 % | <input type="checkbox"/> N/A, full yield curve used |
| <b>b</b> Applicable month (enter code).....                                                                                                                                                  |                        |                        |                        | <b>21b</b> 4                                        |
| <b>22</b> Weighted average retirement age .....                                                                                                                                              |                        |                        |                        | <b>22</b> 62                                        |
| <b>23</b> Mortality table(s) (see instructions) <input type="checkbox"/> Prescribed - combined <input checked="" type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute |                        |                        |                        |                                                     |

**Part VI Miscellaneous Items**

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

**Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years**

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

**Part VIII Minimum Required Contribution For Current Year**

|                                                                                                                                                                                      |                     |                    |               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|---------------|
| <b>31</b> Target normal cost and excess assets (see instructions):                                                                                                                   |                     |                    |               |
| <b>a</b> Target normal cost (line 6).....                                                                                                                                            | <b>31a</b>          | 236,000            |               |
| <b>b</b> Excess assets, if applicable, but not greater than line 31a .....                                                                                                           | <b>31b</b>          | 0                  |               |
| <b>32</b> Amortization installments:                                                                                                                                                 | Outstanding Balance | Installment        |               |
| <b>a</b> Net shortfall amortization installment.....                                                                                                                                 | 1,397,897           | 764,064            |               |
| <b>b</b> Waiver amortization installment .....                                                                                                                                       | 0                   | 0                  |               |
| <b>33</b> If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount ..... | <b>33</b>           |                    |               |
| <b>34</b> Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..                                                            | <b>34</b>           | 1,000,064          |               |
|                                                                                                                                                                                      | Carryover balance   | Prefunding balance | Total balance |
| <b>35</b> Balances elected for use to offset funding requirement.....                                                                                                                | 0                   | 0                  | 0             |
| <b>36</b> Additional cash requirement (line 34 minus line 35).....                                                                                                                   | <b>36</b>           | 1,000,064          |               |
| <b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....                                                   | <b>37</b>           | 1,000,064          |               |
| <b>38</b> Present value of excess contributions for current year (see instructions)                                                                                                  |                     |                    |               |
| <b>a</b> Total (excess, if any, of line 37 over line 36) .....                                                                                                                       | <b>38a</b>          | 0                  |               |
| <b>b</b> Portion included in line 38a attributable to use of prefunding and funding standard carryover balances .....                                                                | <b>38b</b>          | 0                  |               |
| <b>39</b> Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) .....                                                                      | <b>39</b>           | 0                  |               |
| <b>40</b> Unpaid minimum required contributions for all years .....                                                                                                                  | <b>40</b>           | 0                  |               |

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

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

| (1)                                                             | (2)          | (3)                       | (4) = (2) x (3) | (5) = (1) x (4)          | (6)                             |
|-----------------------------------------------------------------|--------------|---------------------------|-----------------|--------------------------|---------------------------------|
| Decrement<br>Age                                                | Participants | Retirement<br>Probability | Retirees        | Age-Weighted<br>Retirees | Weighted Avg.<br>Retirement Age |
| 55                                                              | 1000.0       | 3.0%                      | 30.0            | 1650.0                   |                                 |
| 56                                                              | 970.0        | 3.0%                      | 29.1            | 1629.6                   |                                 |
| 57                                                              | 940.9        | 3.0%                      | 28.2            | 1608.9                   |                                 |
| 58                                                              | 912.7        | 3.0%                      | 27.4            | 1588.1                   |                                 |
| 59                                                              | 885.3        | 3.0%                      | 26.6            | 1567.0                   |                                 |
| 60                                                              | 858.7        | 10.0%                     | 85.9            | 5152.4                   |                                 |
| 61                                                              | 772.9        | 5.0%                      | 38.6            | 2357.2                   |                                 |
| 62                                                              | 734.2        | 25.0%                     | 183.6           | 11380.4                  |                                 |
| 63                                                              | 550.7        | 15.0%                     | 82.6            | 5203.8                   |                                 |
| 64                                                              | 468.1        | 15.0%                     | 70.2            | 4493.4                   |                                 |
| 65                                                              | 397.9        | 100.0%                    | 397.9           | 25860.5                  |                                 |
| Sum of Age-Weighted Retirees<br>Participants at First Decrement |              |                           |                 | 62491.3<br>1000.0        | = 62.5                          |

## Actuarial Cost Method

### I. ACTUARIAL COST METHOD

Costs have been computed in accordance with the Unit Credit Actuarial Cost Method and reflect the actuarial assumptions described in “Plan Assumptions” of this report as provided under the applicable regulations of the Pension Protection Act of 2006.

#### Target Normal Cost

The Target Normal Cost is the present value of benefits expected to accrue during the plan year for all Participants plus an estimate of the expenses to be paid from the plan assets during the plan year.

#### Target Liability and Funding Shortfall

As of January 1, 2008, a Target Liability is established which represents the present value of accrued benefits. This Target Liability is offset by adjusted assets, and the remainder (i.e. Funding Shortfall), if any, is amortized over seven years.

Subsequent changes in the Funding Shortfall due to asset experience, liability experience, plan amendments, and/or actuarial assumption changes will be amortized over a seven year period from their valuation dates.

#### Discount Rate

The plan sponsor has elected to use the Segment Rate approach for discount rate purposes, with an applicable month that is 4 months prior to the valuation date.

In addition, beginning with the 2012 plan year, solely for purposes of determining the minimum required contribution level, applicability of benefit restrictions, and for the at-risk determination, the adjusted 24-month average segment rates established by the Moving Ahead for Progress in the 21st Century Act (MAP-21) have been incorporated.

The adjusted 24-month average segment rates are generated by taking the unadjusted 24-month average segment rates for the sponsor-chosen lookback month and adjusting them so that each individual segment rate is not outside of the stipulated corridor around the corresponding 25-year average segment rate for the given plan year. For the 2013 plan year, the stipulated corridor is 85% - 115% of these 25-year average segment rates.

### II. ASSET VALUATION METHOD

Assets have been valued in accordance with generally accepted procedures as described below.

All funds invested are valued in the following manner:

#### Definitions

|        |                                                                                                                                               |
|--------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| i(t)   | assumed growth rate, set equal to the lesser of the expected return on assets or the applicable 3 <sup>rd</sup> segment rate for Plan Year t. |
| C(t)   | sum of contributions and other additions to the fund from all sources other than investment transactions in Plan Year t                       |
| W(t)   | sum of all withdrawals and other decreases to the fund from all sources other than investment transactions in Plan Year t                     |
| AV(t)  | Actuarial Value of Assets as of Plan Year t                                                                                                   |
| MV(t)  | Market Value of Assets as of Plan Year t                                                                                                      |
| EV(t)  | Expected Value of Assets as of Plan Year t                                                                                                    |
| G/L(t) | Gain or Loss for Plan Year t                                                                                                                  |

## Actuarial Cost Method

### Method

A description of the method used to determine the current year's Actuarial Value of Assets {AV(t)} is below.

For the preceding 2 years, G/L(t) is determined as follows:

$$EV(t) = MV(t-1) * (1 + i(t-1)) + [C(t-1) - W(t-1)] * (1 + i(t-1) * m)$$

Where m represents a proportionate yield consistent with the portion of the year for which C and W are invested

$$G/L(t-1) = EV(t) - MV(t)$$

For the current year, AV(t) is determined as follows:

$$AV(t) = MV(t) + 2/3 * G/L(t-1) + 1/3 * G/L(t-2)$$

### Corridor Limits

The Actuarial Value of Assets may not be less than 90% or more than 110% of the current market value of plan assets as of the applicable valuation date [as required by IRC Section 430(g)(3)(B)(iii)]

Please note, as highlighted above, the assumed asset growth rate for each year is limited to the applicable 3<sup>rd</sup> segment rate by law. As a result, if the plan's expected rate of return is greater than this applicable rate, this method is expected to produce an actuarial value of assets that can be expected to be slightly less than the market value of assets, on average.

The market value of the Guaranteed Deposit Account is an estimate only and not the result of the precise calculation which would be done at contract discontinuance or to measure the impact of excess withdrawals in any calendar year. It does not constitute an offer by Prudential or a final experience adjustment. Please be sure that anyone to whom you quote this value receives this explanation.

## Actuarial Assumptions

Assumptions have been chosen to anticipate the long range experience of the Plan. Consistency among assumptions is important as each interacts with the others; equally important is the recognition of inflationary trends in the economy. As the Enrolled Actuary for the Plan, I will certify to the reasonableness of these assumptions, in aggregate, as required by ERISA.

The actuarial assumptions used to compute Plan costs are:

**Mortality:** Male: The IRS 2013 Static Mortality Table - Male.  
Female: The IRS 2013 Static Mortality Table - Female.

**Termination:** The probabilities that Participants at the ages indicated will terminate before reaching the assumed retirement age are:

| Age | Male  | Female |
|-----|-------|--------|
| 20  | 13.0% | 13.0%  |
| 25  | 10.5% | 10.5%  |
| 30  | 8.0%  | 8.0%   |
| 35  | 6.0%  | 6.0%   |
| 40  | 4.0%  | 4.0%   |
| 45  | 2.0%  | 2.0%   |
| 50+ | 0.0%  | 0.0%   |

**Retirement Age:** The percentage of participants expected to retire within one year depends on age; typical percentages are as follows:

| Age | Rate of Retirement |
|-----|--------------------|
| 55  | 3%                 |
| 56  | 3%                 |
| 57  | 3%                 |
| 58  | 3%                 |
| 59  | 3%                 |
| 60  | 10%                |
| 61  | 5%                 |
| 62  | 25%                |
| 63  | 15%                |
| 64  | 15%                |
| 65  | 100%               |

**Investment Return:** *For ASC 960 purposes:*  
7.75% per annum, compounded annually, net of investment and contract fees.

*For minimum required contribution level, applicability of benefit restrictions, and at risk determination only:*  
Segment Rates with a 4 month lookback, as adjusted by the 85%-115% corridor around the 25-year average segment rates (4.94%, 6.15%, and 6.76% for the 2013 plan year)

*For all other purposes:*  
Segment Rates with a 4 month lookback, unadjusted (1.75%, 4.62%, and 5.72% for the 2013 plan year)

**Survivor's Benefit:** It is assumed that husbands are three years older than wives and that 80% of the male participants and 80% of the female participants who are or will become eligible for coverage under the Survivor's Benefit will be survived by an eligible survivor.

## Actuarial Assumptions

|                     |                          |                |
|---------------------|--------------------------|----------------|
| Estimated Expenses: | \$236,000.               |                |
| Disability:         | None                     |                |
| Salary Scale:       | Not applicable           |                |
| Social Security:    | Primary Insurance Amount | Not applicable |
|                     | Covered Compensation     | Not applicable |

## Plan Provisions

|                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Earnings</b>                  | Basic compensation paid to Employee by Employer, including overtime pay, bonuses, commissions and contributions to any salary reduction agreement.                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Final Earnings</b>            | Average Compensation for the five (5) consecutive years of employment within the ten (10) year period immediately prior to earlier of Retirement Date or termination of employment. If less than five (5) years, average taken over total period of employment.                                                                                                                                                                                                                                                                    |
| <b>Service</b>                   | 1,000 Hours of Service during Vesting Computation Period equals one year.                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Credited Service</b>          | 1,000 Hours of Service during an Accrual Computation Period (Accrual Computation Period is a Plan Year). Partial Year of Credited Service credited for each calendar month for which an Hour of Service is worked in 1/12th increments. If less than 1,000 Hours during the first twelve-month period of employment, partial Year of Credited Service is disregarded.                                                                                                                                                              |
| <b>Form of Annuity</b>           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <i>Thales North America:</i>     | For unmarried participants, life annuity; for married participants, actuarially reduced 50% joint and survivor annuity. All active employees are eligible to elect a lump sum benefit at separation of employment.                                                                                                                                                                                                                                                                                                                 |
| <i>Thales TRC:</i>               | For unmarried participants, life annuity; for married participants, actuarially reduced 50% joint and survivor annuity.                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Normal Retirement Date</b>    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <i>Thales North America:</i>     | First day of the month coincident with or next following the participant's 65th birthday.                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <i>Thales TRC:</i>               | First of the month coincident with or next following the completion of five years of vesting service and the attainment of age 65.                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Participation Eligibility</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <i>Thales North America:</i>     | An employee shall be eligible for participation on the January 1st after completing six months of Service and attaining age 21.                                                                                                                                                                                                                                                                                                                                                                                                    |
| <i>Thales TRC:</i>               | An employee shall be eligible for participation after completing one year of Service and attaining age 21.                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Social Security</b>           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <i>Covered Compensation</i>      | Average of the Social Security Taxable Wage Bases in effect for each calendar year during the 35-year period ending with the last day of the calendar year in which the Participant attains (or will attain) Social Security Retirement Age.                                                                                                                                                                                                                                                                                       |
| <b>Benefit Formula</b>           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <i>Thales North America:</i>     | For participants who have completed 25 years of Service at Normal Retirement, the benefit is the excess of (A) over (B).<br>A. 50% of final average earnings prior to retirement<br>B. 16.25% of the Average Offset Compensation<br>If a person has less than 25 years of service, retirement benefits are proportionately reduced.                                                                                                                                                                                                |
| <i>Thales TRC:</i>               | The accrued benefit at any point in time is the sum of (A) and (B) multiplied by a ratio, not to exceed one, of (C) divided by (D).<br>In no event will the accrued benefit be less than the December 31, 1988 accrued benefit.<br>A. 25% of final average earnings below covered compensation.<br>B. 45% of final average earnings in excess of covered compensation.<br>C. Credited service at the point of time of the determination.<br>D. 30 years for employees born before 1955 and 31 for employees born in 1955 or later. |
| <b>Early Eligibility</b>         | All benefits were frozen as of December 31, 2002.<br>Age 55 with 10 years of vesting service.                                                                                                                                                                                                                                                                                                                                                                                                                                      |

## Plan Provisions

### Early Benefit Amount

Early retirement benefits are actuarially reduced based on plan equivalence factors.

### Vesting Schedule

Five years of Service equals 100% vesting.

### Vested Benefit

Benefit accrued to date of termination adjusted by the appropriate vesting percentage.

### Preretirement Spouse Benefit

#### A. Eligibility

*Benefit Formula*

Eligible for early retirement, married one full year prior to death.

50% of the pension benefit accrued to date of death, reduced by appropriate early retirement and joint and survivor factors.

#### B. Eligibility

*Benefit Formula*

Eligible for vesting but not eligible for early retirement, married one full year prior to death.

50% of the vested pension benefit accrued to date of death, payment deferred to early retirement date of the deceased Participant reduced by the appropriate early retirement and joint and survivor factors.

### Disability Benefit

#### *Eligibility*

*Thales North America:*

*Thales TRC:*

Eligible for Early or Normal Retirement.

Terminated as a result of disability.

#### *Benefit Formula*

*Thales North America:*

*Thales TRC:*

Accrued benefit reduced by early retirement factors, if applicable.

Benefit service continues to accrue until retirement. Earnings are assumed to remain at the level prior to disability.

## Distribution of Active Participants by Age and Service

### Number of Active Employees as of January 1, 2013 – Distribution by Age and Service

| Attained<br>Age | Years of Credited Service |            |            |              |              |              |              |              |              |             | Total |
|-----------------|---------------------------|------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------|
|                 | <u>Under 1</u>            | <u>1-4</u> | <u>5-9</u> | <u>10-14</u> | <u>15-19</u> | <u>20-24</u> | <u>25-29</u> | <u>30-34</u> | <u>35-39</u> | <u>40 +</u> |       |
| Under 25        |                           |            |            |              |              |              |              |              |              |             |       |
| 25-29           |                           |            |            |              |              |              |              |              |              |             |       |
| 30-34           |                           |            |            |              |              |              |              |              |              |             |       |
| 35-39           |                           |            |            | 2            | 5            |              |              |              |              |             | 7     |
| 40-44           |                           |            |            | 2            | 5            |              |              |              |              |             | 7     |
| 45-49           |                           |            |            |              | 2            | 1            |              |              |              |             | 3     |
| 50-54           |                           |            |            | 1            | 1            | 3            |              | 2            |              |             | 7     |
| 55-59           |                           |            |            | 1            | 5            | 6            |              | 3            |              |             | 15    |
| 60-64           |                           |            |            | 2            |              | 1            | 2            |              |              |             | 5     |
| 65-69           |                           |            |            |              | 1            |              |              | 1            |              |             | 2     |
| 70 +            |                           |            |            | 1            |              |              |              |              |              |             | 1     |
| Total           |                           |            |            | 9            | 19           | 11           | 2            | 6            |              |             | 47    |

## Section IV

## Minimum Contribution Amortization

The prior year amortization values and the development of the amortization for the 2013 plan year are shown below.

### **I. Prior Year Amortization Amounts**

| <u>Plan Year</u> | <u>Installment</u> | <u>PV Factor</u> | <u>Present Value</u> |
|------------------|--------------------|------------------|----------------------|
| 2012             | (407,297)          | 5.292892         | (2,155,779)          |
| 2011             | 138,542            | 4.550902         | 630,491              |
| 2010             | 176,340            | 3.726313         | 657,098              |
| 2009             | (55,561)           | 2.861000         | (158,960)            |
| 2008             | 752,618            | 1.952926         | 1,469,807            |
| 2007             | 0                  | N/A              | 0                    |
|                  | <b>\$604,642</b>   |                  | <b>\$ 442,657</b>    |

### **II. Current Year Amortization**

|                                                              |             |
|--------------------------------------------------------------|-------------|
| Exemption from Current Year Amortization                     | No          |
| 1. Funding Shortfall to be amortized                         | \$1,397,897 |
| 2. Present Value of Prior Year Amortization Installments     | 442,657     |
| 3. Current Year Amortization Base<br>(1 - 2)                 | 955,240     |
| 4. Shortfall Amortization Factor                             | 5.991896    |
| 5. Current Year Amortization Installment<br>(3 divided by 4) | 159,422     |
| 6. Sum of Prior Year Amortization Installments               | 604,642     |
| 7. Net Shortfall Amortization Charge<br>(5 + 6)              | \$764,064   |