

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2014</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or ☒ a single-employer plan; ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan RAYTHEON COMPANY PENSION PLAN FOR SALARIED EMPLOYEES	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;">024</td> </tr> <tr> <td colspan="2">1c Effective date of plan 01/01/1950</td> </tr> </table>	1b Three-digit plan number (PN) ▶	024	1c Effective date of plan 01/01/1950	
1b Three-digit plan number (PN) ▶	024				
1c Effective date of plan 01/01/1950					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) RAYTHEON COMPANY 870 WINTER STREET WALTHAM, MA 02451-1449	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) 95-1778500</td> </tr> <tr> <td>2c Plan Sponsor's telephone number 781-522-3000</td> </tr> <tr> <td>2d Business code (see instructions) 335900</td> </tr> </table>	2b Employer Identification Number (EIN) 95-1778500	2c Plan Sponsor's telephone number 781-522-3000	2d Business code (see instructions) 335900	
2b Employer Identification Number (EIN) 95-1778500					
2c Plan Sponsor's telephone number 781-522-3000					
2d Business code (see instructions) 335900					

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	09/28/2015	DEBORAH A. TULLY
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	09/28/2015	DEBORAH A. TULLY
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number) (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☐ Same as Plan Sponsor DEBORAH A. TULLY RAYTHEON COMPANY 870 WINTER STREET WALTHAM, MA 02451-1449		3b Administrator's EIN 95-1778500
		3c Administrator's telephone number 781-522-5080
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name		4b EIN 4c PN
5 Total number of participants at the beginning of the plan year		5 84117
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).		
a(1) Total number of active participants at the beginning of the plan year		6a(1) 26153
a(2) Total number of active participants at the end of the plan year		6a(2) 23678
b Retired or separated participants receiving benefits		6b 25395
c Other retired or separated participants entitled to future benefits.....		6c 29411
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d 78484
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e 4900
f Total. Add lines 6d and 6e		6f 83384
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6h 1
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 1E		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

Part III**Form M-1 Compliance Information (to be completed by welfare benefit plans)**

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2014 Form M-1 annual report. If the plan was not required to file the 2014 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>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).</div> <div>▶ File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>2014</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

▶ Round off amounts to nearest dollar.
▶ Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan RAYTHEON COMPANY PENSION PLAN FOR SALARIED EMPLOYEES	B Three-digit plan number (PN) ▶ 024
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF RAYTHEON COMPANY	D Employer Identification Number (EIN) 95-1778500

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B **F** Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2014			
2 Assets:			
a Market value	2a	9549320964	
b Actuarial value	2b	8956245625	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment.....	28793	3805246895	3805246895
b For terminated vested participants.....	29171	895468678	895468678
c For active participants.....	26153	3497112927	3652448728
d Total.....	84117	8197828500	8353164301
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b		
5 Effective interest rate	5	6.51%	
6 Target normal cost	6	245611616	

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

SIGN HERE		
Signature of actuary	Date	
JONATHAN R. BARRY, F.S.A.	14-06048	
Type or print name of actuary	Most recent enrollment number	
MERCER	617-747-9500	
Firm name	Telephone number (including area code)	
99 HIGH STREET BOSTON, MA 02110-2320		
Address of the firm		

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

Part II Beginning of Year Carryover and Prefunding Balances		
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	310453298
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	310453298
9 Amount remaining (line 7 minus line 8)	0	0
10 Interest on line 9 using prior year's actual return of <u>15.43</u> %	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		387534759
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.33</u> %		5919643
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		45366899
c Total available at beginning of current plan year to add to prefunding balance		438821301
d Portion of (c) to be added to prefunding balance		261712165
12 Other reductions in balances due to elections or deemed elections		0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	261712165

Part III Funding Percentages		
14 Funding target attainment percentage	14	104.08 %
15 Adjusted funding target attainment percentage	15	107.21 %
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	98.65 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
12/03/2014	375000000				
			Totals ►	18(b)	375000000
				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	353848293
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year?		☒ Yes ☐ No
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?		☒ Yes ☐ No
c If line 20a is "Yes," see instructions and complete the following table as applicable:		
Liquidity shortfall as of end of quarter of this plan year		
(1) 1st	(2) 2nd	(3) 3rd
0	0	0
		(4) 4th
		0

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

21 Discount rate:				
a Segment rates:	1st segment: 4.99 %	2nd segment: 6.32 %	3rd segment: 6.99 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 0
22 Weighted average retirement age				22 64
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	245611616	
b Excess assets, if applicable, but not greater than line 31a	31b	245611616	
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment.....	0		0
b Waiver amortization installment	0		0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	261712165	261712165
36 Additional cash requirement (line 34 minus line 35).....	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	353848293	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	353848293	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

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

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

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2014
		This Form is Open to Public Inspection.

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan <u>RAYTHEON COMPANY PENSION PLAN FOR SALARIED EMPLOYEES</u>	B Three-digit plan number (PN) <u>024</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>RAYTHEON COMPANY</u>	D Employer Identification Number (EIN) <u>95-1778500</u>

Part I Service Provider Information (see instructions)

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) 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)

XEROX BUSINESS SERVICES, LLC

51-0310342

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) 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) Did the service provider give you a formula instead of an amount or estimated amount?
13	NONE	4012233	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

THE BANK OF NEW YORK MELLON

13-5160382

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) 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) Did the service provider give you a formula instead of an amount or estimated amount?
21	NONE	651147	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

MERCER

13-2834414

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) 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) Did the service provider give you a formula instead of an amount or estimated amount?
11	NONE	482452	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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)

PRICEWATERHOUSECOOPERS LLP

13-4008324

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) 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) Did the service provider give you a formula instead of an amount or estimated amount?
10	NONE	85556	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

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

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

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 (see instructions)	(c) Enter amount of indirect 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 (see instructions)	(c) Enter amount of indirect 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 (see instructions)	(c) Enter amount of indirect 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.	

Part II Service Providers Who Fail or Refuse to Provide Information

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.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) 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)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

<p style="text-align: center;">SCHEDULE D (Form 5500)</p> <p style="text-align: center; font-size: small;">Department of the Treasury Internal Revenue Service</p> <hr/> <p style="text-align: center; font-size: small;">Department of Labor Employee Benefits Security Administration</p>	<p style="text-align: center;">DFE/Participating Plan Information</p> <p style="text-align: center; font-size: small;">This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</p> <p style="text-align: center; font-weight: bold;">▶ File as an attachment to Form 5500.</p>	<p style="text-align: center; font-size: small;">OMB No. 1210-0110</p> <hr/> <p style="text-align: center; font-size: large; font-weight: bold;">2014</p> <hr/> <p style="text-align: center; font-size: small;">This Form is Open to Public Inspection.</p>
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan RAYTHEON COMPANY PENSION PLAN FOR SALARIED EMPLOYEES	B Three-digit plan number (PN) ▶	024
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 RAYTHEON COMPANY	D Employer Identification Number (EIN) 95-1778500	

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

b Name of sponsor of entity listed in (a): THE BANK OF NEW YORK MELLON

c EIN-PN 04-3172773-001	d Entity code M	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 10185408405
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a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2014 This Form is Open to Public Inspection
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>		
A Name of plan <u>RAYTHEON COMPANY PENSION PLAN FOR SALARIED EMPLOYEES</u>		B Three-digit plan number (PN) ▶ <u>024</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>RAYTHEON COMPANY</u>		D Employer Identification Number (EIN) <u>95-1778500</u>

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.				
	Assets			
a	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions.....	1b(1)	267683000	0
	(2) Participant contributions.....	1b(2)		
	(3) Other.....	1b(3)	6939097	9474679
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
	(2) U.S. Government securities	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common.....	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property).....	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans.....	1c(8)		
	(9) Value of interest in common/collective trusts	1c(9)		
	(10) Value of interest in pooled separate accounts	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)	9657798496	10185408405
	(12) Value of interest in 103-12 investment entities.....	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
	(15) Other.....	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	9932420593	10194883084

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	200187	663995
i Acquisition indebtedness	1i		
j Other liabilities	1j	17525509	18064726
k Total liabilities (add all amounts in lines 1g through 1j)	1k	17725696	18728721

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	9914694897	10176154363
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	375476746	
(B) Participants	2a(1)(B)	14058882	
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		389535628
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		572507686
(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		373096
d Total income. Add all income amounts in column (b) and enter total.....	2d		962416410

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	693956629	
(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)		693956629
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)		
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)		
(4) Other.....	2i(4)	16474994	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		16474994
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		710431623

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		251984787
l Transfers of assets:			
(1) To this plan.....	2l(1)		9474679
(2) From this plan.....	2l(2)		0

Part III Accountant's Opinion

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

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

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

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

☐ Yes ☒ No

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

(1) Name: PRICEWATERHOUSECOOPERS LLP

(2) EIN: 13-4008324

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

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

Part IV Compliance Questions

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

During the plan year:

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

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
4c			
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
4d			
e Was this plan covered by a fidelity bond?	X		20000000
4e			
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f			
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?.....		X	
4g			
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?.....		X	
4h			
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)		X	
4i			
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X	
4j			
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
4k			
l Has the plan failed to provide any benefit when due under the plan?.....		X	
4l			
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

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

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

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

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

Part V Trust Information (optional)

6a Name of trust	6b Trust's EIN

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2014 This Form is Open to Public Inspection.
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan <u>RAYTHEON COMPANY PENSION PLAN FOR SALARIED EMPLOYEES</u>	B Three-digit plan number (PN) ▶ <u>024</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>RAYTHEON COMPANY</u>	D Employer Identification Number (EIN) <u>95-1778500</u>

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>13-5160382</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>453</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....	6a		
b Enter the amount contributed by the employer to the plan for this plan year.....	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?.....	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☒ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☒ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- a** Enter the percentage of plan assets held as:

Stock: 29% Investment-Grade Debt: 22% High-Yield Debt: 3% Real Estate: 3% Other: 43%

- 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 Auditor's Report

To the Administrator of Raytheon Company Pension Plan for Salaried Employees

We have audited the accompanying financial statements of Raytheon Company Pension Plan for Salaried Employees (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2014 and December 31, 2013, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding the Plan's net assets available for benefits as of December 31, 2014 and changes therein for the year then ended and its financial status as of December 31, 2013, and changes therein for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Princeton House Coopers LLP

Boston, Massachusetts
September 25, 2015

Schedule SB, Line 22 — Description of Weighted Average Retirement Age

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 64.

Raytheon Company Pension Plan for Salaried Employees before Merger

(A) Retirement age	(B) Retirement Percent	(C) Lx	(D) Number of employees expected to retire (B) x (C)	(E) (A) x (D)
55	2.26%	10,000	226	12,430
56	0.72%	9,774	70	3,941
57	0.73%	9,704	71	4,038
58	0.75%	9,633	72	4,190
59	0.77%	9,561	73	4,315
60	1.32%	9,487	125	7,486
61	1.36%	9,363	127	7,767
62	8.48%	9,235	783	48,556
63	9.67%	8,452	817	51,491
64	10.88%	7,635	830	53,138
65	73.13%	6,805	4,967	323,451
66	58.02%	1,828	1,061	70,009
67	48.18%	768	370	24,778
68	58.06%	398	231	15,705
69	48.76%	167	81	5,614
70	100.00%	86	86	5,986
Total				642,894
Average				64.29

Schedule SB, Line 22 — Description of Weighted Average Retirement Age***Former Raytheon TI Systems Employees Pension Plan***

(A) Retirement age	(B) Retirement Percent	(C) Lx	(D) Number of employees expected to retire (B) x (C)	(E) (A) x (D)
55	5.00%	10,000	500	27,500
56	3.00%	9,500	285	15,960
57	3.00%	9,215	276	15,758
58	3.00%	8,939	268	15,553
59	5.00%	8,670	434	25,578
60	8.00%	8,237	659	39,537
61	10.00%	7,578	758	46,225
62	20.00%	6,820	1,364	84,570
63	17.00%	5,456	928	58,435
64	30.00%	4,529	1,359	86,948
65	54.00%	3,170	1,712	111,267
66	35.00%	1,458	510	33,684
67	35.00%	948	332	22,227
68	35.00%	616	216	14,663
69	75.00%	400	300	20,724
70	100.00%	100	100	7,008
Total				625,636
Average				62.56

Schedule SB, Line 22 — Description of Weighted Average Retirement Age***Former E-Systems, Inc. Salaried Retirement Plan******Former HRB Systems, Inc. Salaried Retirement Plan******Former Raytheon E-Systems, Inc. Richardson/Waco Retirement Plan***

(A) Retirement age	(B) Retirement Percent	(C) Lx	(D) Number of employees expected to retire (B) x (C)	(E) (A) x (D)
55	2.50%	10,000	250	13,750
56	2.50%	9,750	244	13,650
57	2.50%	9,506	238	13,546
58	5.00%	9,269	463	26,879
59	5.00%	8,805	440	25,975
60	7.50%	8,365	627	37,642
61	5.00%	7,738	387	23,599
62	15.00%	7,351	1,103	68,361
63	5.00%	6,248	312	19,681
64	5.00%	5,936	297	18,994
65	20.00%	5,639	1,128	73,305
66	50.00%	4,511	2,256	148,866
67	100.00%	2,256	2,256	151,122
Total				635,372
Average				63.54

Schedule SB, line 22 — Description of Weighted Average Retirement Age**All Plans** (Weighted by Active Headcount)

Plan Name	(A) Average Retirement Age	(B) Active Headcount	[(A) x (B)]
Raytheon Company Pension Plan for Salaried Employees before Merger	64.29	20,907	1,344,111.03
Former Raytheon TI Systems Employees Pension Plan	62.56	2,984	186,679.04
Former E-Systems, Inc. Salaried Retirement Plan	63.54	1,894	120,344.76
Former HRB Systems, Inc. Salaried Retirement Plan	63.54	231	14,677.74
Former Raytheon E-Systems, Inc. Richardson/Waco Retirement Plan	63.54	137	8,704.98
Former Raytheon Company Pension Plan for Discontinued Operations	N/A	N/A	N/A
Total		26,153	1,674,517.55
Average			64.03

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Actuarial Assumptions for January 1, 2014 Funding Valuation****Discount rate sponsor elections**

• Segment rates or full yield curve	Segment		
• Look-back months	0		
		Stabilized¹	Nonstabilized
• First 5 years		4.99%	1.25%
• Next 15 years		6.32%	4.06%
• Over 20 years		6.99%	5.08%

Mortality sponsor elections

• Healthy participants	Section 430(h)(3) prescribed separate static annuitant and nonannuitant mortality tables. These tables are based on the RP-2000 mortality tables projected with mortality improvement to the valuation year plus 7 and 15 years based on Scale AA
• Disabled active and inactive participants for Raytheon Company Pension Plan for Salaried Employees before Merger, Raytheon Company Pension Plan for Discontinued Operations, and Raytheon TI Systems Employees Pension Plan	Same as healthy
• Disabled active and inactive participants for all other plans	Revenue Ruling 96-7 Post-1994 Disabled Mortality Table

417(e) lump sums for Raytheon TI Systems Employees Pension Plan

The basis for lump sum payments is based on either:

- PBGC interest rates of 1.75% for 2014 and 2.75% thereafter and the UP-1984 mortality table; **or**
- Segmented interest rates of 4.5% for 5 years, 5.5% for the next 15 years and 6.0% thereafter and the current year 417(e) unisex mortality

whichever yields a larger lump sum value.

The PBGC rates are based on long-term view of future PBGC rates; the lump-sum rates are based on long-term assumed corporate bond rates from Mercer Investment Consulting's *Capital Market Outlook*

¹ Reflects interest rates applicable under the Highway and Transportation Act of 2014.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Other economic assumptions**

- Salary increases

Rates are based on past experience and current plan membership, adjusted to reflect management's expectation of future wage increases.

Attained age	Actives and Transfers ²
20	6.68%
25	6.55%
30	5.99%
35	5.08%
40	4.45%
45	3.94%
50	3.62%
55	3.34%
60	3.16%
65	2.94%

- Social Security wage base 3.75% per year and reflects long-term view of inflation and the average real wage increases for the U.S. economy as a whole
- Inflation 3.00% per year which is within a reasonable range of outcomes from the inflation assumption periodically published by Mercer Investment Consulting's *Capital Market Outlook*
- Expected investment return 8.75% per year, but no greater than 3rd segment rate in effect for each year (6.76% for 2013 and 7.52% for 2012). The rate determined reflects a combination of historical and forward looking returns
- Expenses \$21,043,227 (added to current year normal cost) as our best estimate of the current year's expenses given actual administrative expenses incurred in the prior plan year

² Employees on leave of absence and transfers from E-Systems, Inc. Salaried Retirement Plan, HRB Systems, Inc. Salaried Retirement Plan, and Raytheon TI Systems Employees Pension Plan have no assumed salary increases.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Demographic assumptions**

- | | | |
|--|--|-----------------------------------|
| • Withdrawal | See table of sample rates by plan. | |
| • Disability incidence | | |
| – HRB Systems, Inc. Salaried Retirement Plan, E-Systems, Inc. Salaried Retirement Plan, and Raytheon TI Systems Employees Pension Plan | See table of sample rates: 1985 Pension Disability Tables for Class 1 Occupations for males and females. | |
| – Raytheon E-Systems, Inc. Richardson/Waco Retirement Plan | See table of sample rates: 1985 Pension Disability Tables for Class 3 Occupations for males and females. | |
| – All other plans | No disability incidence assumed. | |
| • Retirement age | See table of sample rates by plan | |
| • Benefit commencement age for | | |
| – Future vested deferred | 65 | |
| – Current vested deferred ³ | 65 | |
| • Spouse assumptions | <u>Male participants</u> | <u>Female participants</u> |
| – Percentage married | 85% | 75% |
| – Spouse age difference | 3 years younger | 3 years older |

³ In the Raytheon Company Pension Plan for Salaried Employees (before merger), certain deferred vested participants are assumed to retire at age 60 if they terminated after age 55 with 10 or more years of vesting service.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Form of payment		<u>5 Year Certain and Life</u>		<u>J&S 50%</u>
• HRB Systems, Inc. Salaried Retirement Plan and E-Systems, Inc. Salaried Retirement Plan	Active retirements	100%		0%
	Future vested deferred	100%		0%
	Future disabilities	100%		0%
	Future deaths	0%		100%
	Current vested deferred	100%		0%
		<u>Single Life</u>		<u>J&S 50%</u>
• Raytheon E-Systems, Inc. Richardson/Waco Retirement Plan	Active retirements	100%		0%
	Future vested deferred	100%		0%
	Future disabilities	100%		0%
	Future deaths	0%		100%
	Current vested deferred	100%		0%
		<u>Single Life</u>		<u>J&S 50%</u>
• Raytheon Company Pension Plan for Salaried Employees before Merger	Active retirements	100%		0%
	Future vested deferred	100%		0%
	Future disabilities	N/A		N/A
	Future deaths	0%		100%
	Current vested deferred	100%		0%
		<u>Single Life</u>	<u>Lump Sum</u>	<u>J&S 50%</u>
• Raytheon TI Systems Employees Pension Plan	Active retirements	10%	90%	0%
	Future vested deferred	0%	100%	0%
	Future disabilities	100%	0%	0%
	Future deaths	0%	0%	100%
	Current vested deferred	0%	100%	0%
		<u>Single Life</u>		
• Raytheon Company Pension Plan for Discontinued Operations	Active retirements		N/A	
	Future vested deferred		N/A	
	Future disabilities		N/A	
	Future deaths		N/A	
	Current vested deferred		100%	
Unpredictable contingent event assumptions		N/A		

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods***Table of Sample Rates******Raytheon Company Pension Plan for Salaried Employees before Merger***

<u>Attained Age</u>	<u>Ultimate Withdrawal</u>	<u>Disability</u>
20	5.4%	N/A
25	5.3	N/A
30	5.1	N/A
35	4.7	N/A
40	3.5	N/A
45	1.8	N/A
50	0.4	N/A
55	0.0	N/A

As further allowance for heavy turnover in the early years of employment, the following additional select turnover rates are based on years of service.

<u>Service</u>	<u>Percent Terminating</u>
< 1	50.0%
< 2	30.0
< 3	21.0
< 4	15.8
< 5	12.6
< 6	10.7
< 7	9.6
< 8	9.2
< 9	8.7
< 10	8.3
10 and over	0.0

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Attained Age	Retirement	
	Males	Females
55	2.20%	2.32%
56	0.70	0.74
57	0.71	0.75
58	0.73	0.77
59	0.75	0.78
60	1.29	1.34
61	1.34	1.38
62	8.36	8.60
63	9.54	9.80
64	10.76	10.99
65	72.60	73.66
66	57.44	58.59
67	47.64	48.71
68	57.48	58.63
69	48.38	49.13
70	100.00	100.00

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods
Former Raytheon TI Systems Employees Pension Plan

Attained Age	Withdrawal	Disability	
		Male	Female
20	0.00%	0.029%	0.030%
25	10.50	0.038	0.047
30	7.57	0.048	0.080
35	5.91	0.069	0.136
40	4.35	0.117	0.211
45	3.34	0.202	0.323
50	2.41	0.358	0.533
55	1.64	0.722	0.952
60	1.08	1.256	1.159
65	0.52	1.753	1.358
70	0.00	0.000	0.000

Attained Age	Retirement
55	5.00%
56	3.00
57	3.00
58	3.00
59	5.00
60	8.00
61	10.00
62	20.00
63	17.00
64	30.00
65	54.00
66	35.00
67	35.00
68	35.00
69	75.00
70	100.00

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods
Former E-Systems, Inc. Salaried Retirement Plan

Attained Age	Ultimate Withdrawal	Disability	
		Male	Female
20	0.00%	0.029%	0.030%
25	10.20	0.038	0.047
30	7.30	0.048	0.080
35	5.40	0.069	0.136
40	4.10	0.117	0.211
45	3.30	0.202	0.323
50	2.70	0.358	0.533
55	2.20	0.722	0.952
60	1.90	1.256	1.159
65	0.00	1.753	1.358
70	0.00	0.000	0.000

As further allowance for heavy turnover in the early years of employment, the following select turnover rates are based on years of service

Entry Age	Select Period – Years of Service				
	<1	<2	<3	<4	<5
25	24.00%	24.00%	20.00%	16.60%	14.20%
30	17.00	17.00	14.20	12.20	10.40
35	12.80	12.80	10.90	9.20	8.00
40	9.80	9.80	8.20	7.20	6.20
45	8.00	8.00	6.90	5.80	5.10
50	6.50	6.50	5.60	4.80	4.20
55	5.30	5.30	4.70	4.00	3.50
60	4.50	4.50	4.00	3.60	3.30
64	4.50	4.50	4.00	3.60	3.30

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Attained Age	Retirement
55	2.50%
56	2.50
57	2.50
58	5.00
59	5.00
60	7.50
61	5.00
62	15.00
63	5.00
64	5.00
65	20.00
66	50.00
67	100.00

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods***Former HRB Systems, Inc. Salaried Retirement Plan***

Attained Age	Ultimate Withdrawal	Disability	
		Male	Female
20	0.00%	0.029%	0.030%
25	10.20	0.038	0.047
30	7.30	0.048	0.080
35	5.40	0.069	0.136
40	4.10	0.117	0.211
45	3.30	0.202	0.323
50	2.70	0.358	0.533
55	2.20	0.722	0.952
60	1.90	1.256	1.159
65	0.00	1.753	1.358
70	0.00	0.000	0.000

As further allowance for heavy turnover in the early years of employment, the following select turnover rates are based on years of service.

Entry Age	Select Period – Years of Service				
	<1	<2	<3	<4	<5
25	24.00%	25.50%	22.70%	20.40%	18.50%
30	17.00	18.30	16.20	14.60	13.30
35	12.80	13.50	12.00	10.80	9.80
40	9.80	10.30	9.10	8.20	7.50
45	8.00	8.30	7.30	6.60	6.00
50	6.50	6.80	6.00	5.40	4.90
55	5.30	5.50	4.90	4.40	4.00
60	4.50	4.80	4.20	3.80	3.50
64	4.50	4.50	4.00	3.60	3.30

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Attained Age	Retirement
55	2.50%
56	2.50
57	2.50
58	5.00
59	5.00
60	7.50
61	5.00
62	15.00
63	5.00
64	5.00
65	20.00
66	50.00
67	100.00

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods***Former Raytheon E-Systems, Inc. Richardson/Waco Retirement Plan***

Attained Age	Ultimate Withdrawal	Disability	
		Male	Female
20	0.00%	0.151%	0.089%
25	10.20	0.219	0.150
30	7.30	0.309	0.252
35	5.40	0.431	0.388
40	4.10	0.597	0.547
45	3.30	0.829	0.777
50	2.70	1.224	1.201
55	2.20	2.118	1.962
60	1.90	3.240	2.326
65	0.00	4.369	2.718
70	0.00	0.000	0.000

As further allowance for heavy turnover in the early years of employment, the following select turnover rates are based on years of service.

Entry Age	Select Period – Years of Service				
	<1	<2	<3	<4	<5
25	24.00%	24.00%	20.00%	16.60%	14.20%
30	17.00	17.00	14.20	12.20	10.40
35	12.80	12.80	10.90	9.20	8.00
40	9.80	9.80	8.20	7.20	6.20
45	8.00	8.00	6.90	5.80	5.10
50	6.50	6.50	5.60	4.80	4.20
55	5.30	5.30	4.70	4.00	3.50
60	4.50	4.50	4.00	3.60	3.30
64	4.50	4.50	4.00	3.60	3.30

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Attained Age	Retirement
55	2.50%
56	2.50
57	2.50
58	5.00
59	5.00
60	7.50
61	5.00
62	15.00
63	5.00
64	5.00
65	20.00
66	50.00
67	100.00

Actuarial Methods for Funding***Asset Methods***

The asset valuation method is an average of the adjusted market value for each year during the last 24 months preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110 percent and no less than 90 percent of the fair market value, as defined in IRC Section 430.

A characteristic of this asset method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than the market value.

Participant Methods

Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** Xerox HR Solutions, LLP provides us with data on all employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:**
 - No actuarial liability is included for nonvested participants who terminated prior to the valuation date.
 - It is assumed that 100% of participants with deferred benefits past age 66 will forfeit their benefits as described in Article 4.3 of the plan document.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

- In addition, for Raytheon Company Pension Plan for Salaried Employees before Merger only, for retirees who elected a contingent annuitant form of payment, 15% of future beneficiaries are assumed to decess prior to receiving benefits.
- **Insurance contracts:** The plan does not have any insurance contracts.

Minimum Funding Methods

The funding target for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- The plan's valuation date is the beginning of the plan year.
- An individual's **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target normal cost for an individual is the sum of the component funding targets and target normal costs associated with the various anticipated separation dates.
- The **plan's target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan.

Schedule SB, Part V — Summary of Plan Provisions**Summary of Major Plan Provisions*****Raytheon Company Pension Plan for Salaried Employees before Merger***

Effective date and plan year	Original plan: January 1, 1950 Last amendment: December 28, 2009 Plan year: January 1
Status of the plan	The plan has ongoing benefit accruals but is closed to new entrants as of January 1, 2007.
Significant events that occurred during the year	None
Definitions	
• Participation	Age 21 and 1 year of service.
• Final average earnings	Annualized average of earnings during the best 60 consecutive months out of the last 120 months. "Earnings" include base pay, cash or deferred bonuses, and commissions, but may not exceed the compensation limit as specified in Section 401(a) of the Internal Revenue Code.
Normal retirement	
• Eligibility	Age 65
▪ Benefit	<p>The greater of:</p> <ul style="list-style-type: none"> • 1.8% for the first 20 years of Membership plus 1.2% for each year of Membership in excess of 20, multiplied by the excess of Final Average Earnings over the primary Social Security benefit. • \$492 per year of service (\$41 per month), plus 20% of employee contributions. <p>For members as of December 31, 1980, a benefit based on the prior plan formula. Prior to January 1, 1981, employee contributions were required to participate in the plan. Members may withdraw their contributions with interest and receive a reduced benefit at retirement. Benefits may not exceed the maximum benefit limit as specified in Section 415 of the Internal Revenue Code.</p>
Early retirement	
• Eligibility	Age 55 and 10 years of service.
• Benefit	Accrued benefit reduced 7.00% at age 59, plus an additional 7.00% for each year younger than age 59.
Late retirement	
• Benefit	Benefit will continue to accrue until retirement.

Schedule SB, Part V — Summary of Plan Provisions**Deferred vested**

- | | |
|---------------|--|
| • Eligibility | Completion of five years of vesting service. |
| • Benefit | Percentage of accrued benefit according to the following schedule: |

Age	Percentage
65	100.0%
64	93.3
63	86.7
62	80.0
61	73.3
60	66.7
59	63.3
58	60.0
57	56.7
56	53.3
55	50.0

Disability

- | | |
|---------------|--|
| • Eligibility | Disabled as defined under LTD plan. |
| • Benefit | Member continues to accrue benefits during disability. |

Pre-retirement death

- | | |
|---------------|--|
| • Eligibility | 5 years of vesting service |
| • Benefit | <p>If an active employee dies before retirement, the benefit consists of a return of member contributions accumulated at 8.00% interest per annum since December 31, 1980, if member is not vested at time of death.</p> <p>If a retired employee dies, the benefit consists of member contributions accumulated at 8.00% interest to early or normal retirement date, less the sum of contributory benefits received.</p> <p>The survivor benefit is equal to the amount payable to the member's spouse as if the member had survived to early retirement age, retired early, elected a 50% Joint and Survivor Annuity and then died. Benefit commences on the first of the month following the date the member would have been eligible to retire early and is payable for the lifetime of the spouse.</p> |

Unpredictable contingent event benefits

N/A

Schedule SB, Part V — Summary of Plan Provisions

Form of benefits	
• Automatic form for unmarried participants	Single Life Annuity
• Automatic form for married participants	Actuarially reduced 50% Joint and Survivor benefit with the spouse as beneficiary
• Optional forms	66% Joint & Survivor Annuity 75% Joint & Survivor Annuity 100% Joint & Survivor Annuity Social Security Level Income 10 year Certain & Life
• Optional form conversion factors	Optional forms are converted using Actuarial Equivalence based on the PBGC interest rate used for valuing immediate and deferred annuities in effect for the period commencing two months prior to the commencement date and UP-1984 mortality.
Employee Contributions	Voluntary contributions are applied to provide a supplemental benefit. Employees who leave their contributions in the fund until retirement receive their contributions plus actual investment experience; employees who withdraw their contributions prior to retirement receive their contributions plus 8.0% interest
Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2014, the limit is \$260,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2014, the limit is \$210,000.

Schedule SB, Part V — Summary of Plan Provisions***Former Raytheon TI Systems Employees Pension Plan*****Definitions**

• Covered employees	<p>All employees, whether full-time or part-time, are eligible to participate.</p> <ul style="list-style-type: none"> ▪ Any employee who was a participant under the TI Employees Pension Plan on July 22, 1997 continued as a participant. <p>Any employee who was not an employee on July 11, 1997 is eligible to participate in the plan after 12 months of employment during which the employee completed 1,000 hours of service.</p>
• Credited Service	<p>Credited Service for benefit accrual purposes for employment prior to January 1, 1976 is equal to the number of years and completed days of service from the participant's last date of employment to the earlier of January 1, 1976, normal retirement date, or date of termination. This includes any period of leave of absence during this time unless the participant was employed with a nonparticipating subsidiary.</p> <p>Credited Service for benefit accrual purposes for employment on or after January 1, 1976 is equal to the number of years and completed days of service during which an employee participated in the plan (or would have participated in the plan if there had been no age requirement.) This includes any period of leave of absence. For anyone employed on December 31, 1975 who became a participant on or before January 1, 1977, service during 1978 prior to participation is credited for benefit accrual purposes.</p> <p>Credited service for benefit accrual excludes all years of service prior to a break-in-credited-service occurring after December 1, 1975 and before January 1, 1985 of a participant who has not satisfied the requirements for a vested right to a deferred benefit and whose number of consecutive breaks in credited service equal or exceed the aggregate number of his years of credited service prior to the break in credited service. After January 1, 1985, five consecutive one-year breaks must occur before any service is excluded as described above.</p>

Schedule SB, Part V — Summary of Plan Provisions

• Vesting Service	<p>The number of years of credited service completed by a participant, excluding:</p> <ul style="list-style-type: none"> • All years of credited service prior to a termination of employment which occurred before January 1, 1976 except full calendar years of service for a participant who was rehired within two years after such termination of employment; and • All years of credited service prior to a break-in-credited-service until the participant has completed a year of credited service after the break-in-credited-service; and <p>All years of credited service prior to a break-in-credited service of any participant who has not satisfied the requirements for a vested right to deferred benefits and whose number of consecutive breaks-in-credited-service equal or exceed the aggregate number of his years of credited service prior to the break in credited service. After January 1, 1985, five consecutive one-year breaks must occur before any service is excluded as described above.</p>
• Average credited earnings	<p>The annual average of the participant's compensation for the highest five consecutive calendar years of credited service for benefit accrual.</p>
• Final average earnings	<p>The lower of:</p> <ul style="list-style-type: none"> • The average of participant's compensation, up to Social Security Wage Base, for the 3-year period ending with the year preceding retirement or termination, and • The average of the Social Security Wage Base for the 35-year period ending with the year the participant reaches Social Security Retirement Age.
• Covered Compensation	<p>Total earnings, including overtime, sales bonuses, performance premiums, incentive compensation, premiums for hazardous duty, hardship, etc., but excluding any travel expenses, resettlement allowances, cost-of-living differentials, income from stock options and completion bonuses. Compensation is limited in accordance with Section 401(a)(17) of the Code.</p>

Schedule SB, Part V — Summary of Plan Provisions**Normal retirement**

• Eligibility	Age 65
• Benefit	<p>Expressed as a single-life annual annuity with payments commencing on the normal retirement date, the greater of:</p> <ul style="list-style-type: none"> • (1) less (2) below: <ul style="list-style-type: none"> (1) 1.5% of average credited earnings multiplied by the credited service for benefit accrual. (2) The product of the following factors: <ul style="list-style-type: none"> (i) The retirement age factor which ranges between 0.316% and 0.75% depending on Social Security normal retirement age at commencement; (ii) Final average earnings; (iii) Credited service for benefit accrual at normal retirement date, or actual retirement if later, limited to 35 years; (iv) The ratio, not greater than 1.0, of the credited service for benefit accrual at actual retirement or termination, to the credited service for benefit accrual at normal retirement date; • \$84 multiplied by credited service for benefit accrual. The benefit cannot be less than the benefit accrued to December 31, 1988, under the formula in effect at that date, plus the benefit based upon the above formula using credited service for benefit accrual after December 31, 1988 and reducing 35 years in (2)(iii) above by the credited service for benefit accrual prior to 1989. <p>For participants whose credited earnings in any year prior to 1994 exceeded \$150,000, the benefit cannot be less than the benefit accrued to December 31, 1993, plus the benefit based on the formula outlined above using credited service for benefit accrual after December 31, 1993 and reducing the 35 years in (2)(iii) above by the credited service for benefit accrual prior to 1994.</p> <p>For participants listed in Appendix A of the Plan, the single life annuity at normal retirement date cannot be less than the benefit shown in Appendix A plus the total amount of annual retirement benefit accrued from section (a) above after December 31, 1997, reduced by sections (2)(i-iv) above the entire credited service for benefit accrual.</p>

Schedule SB, Part V — Summary of Plan Provisions

Early retirement	
• Eligibility	Age 60 with 5 years of service, or age 55 with 20 years of service.
• Benefit	The annuity is determined as for normal retirement considering credited service for benefit accrual and compensation to date of termination. An employee may elect to receive a reduced benefit commencing on the first day of any month prior to his normal retirement date beginning with the second month following his termination. The reduction is 1/3% for each of the first 60 months for which payment shall be made before age 65 and 7/24% for each of the next 60 months, except for the portion under (2) of the formula, as described above, since the retirement age factor has been adjusted for early commencement.
Late retirement	
• Benefit	The annuity is computed considering credited service for benefit accrual and compensation to actual retirement.
Deferred vested	
• Eligibility	Completion of five years of vesting service.
• Benefit	The participant is entitled to an annuity deferred to age 65. The benefit is determined as for early retirement. If the participant terminates prior to age 60, then the participant may elect to receive a reduced benefit commencing on the first day of any month prior to his normal retirement date, beginning with the second month following his attainment of age 60. This reduced benefit shall be actuarially determined.
Disability	
• Eligibility	Totally and permanently disabled prior to age 65 and after 5 years of credited service for vesting.
• Benefit	The annuity, deferred to age 65, is computed as for normal retirement, considering compensation to date of disablement and credited service for benefit accrual (including number of years and days between the date of disablement and the normal retirement date) to normal retirement date.

Schedule SB, Part V — Summary of Plan Provisions

Pre-retirement death	
• Eligibility	5 years of vesting service
• Benefit prior to normal retirement	The designated beneficiary of a participant who dies in-service and beyond normal retirement shall receive a benefit equal to 50% of the normal retirement benefit the participant would have received had he retired on the date of his death.
• Benefit after normal retirement	Upon the death of an active participant who has met the requirements for a deferred vested benefit, the designated beneficiary is eligible to receive a benefit for life (or the equivalent lump sum) equal to 50% of the benefit the employee could have received if he had terminated employment on the date of his death and elected a Joint and Survivor option with payments commencing at the earliest date permissible.
Unpredictable contingent event benefits	N/A
Form of benefits	
• Automatic form for unmarried participants	Single Life Annuity
• Automatic form for married participants	Actuarially reduced 50% Joint and Survivor benefit with the spouse as beneficiary.
• Optional forms	Lump sum 100% Joint & Survivor Annuity 5 or 10 year Certain & Life
• Optional form conversion factors	Optional forms are converted using Actuarial Equivalence based on an interest rate equal to the rate used by the PBGC for lump sum determinations in the first month of the Plan Year and UP-1984 mortality with no set-back for participants and a 3-year set-back for beneficiaries.
Mortality used in lump sum	The plan was amended effective December 31, 2002 to reflect the change in mandated mortality used in lump sum calculations. This change was made in accordance with IRC Section 417(e) and IRS Revenue Ruling 2001-62.
Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2014, the limit is \$260,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2014, the limit is \$210,000.

Schedule SB, Part V — Summary of Plan Provisions***Former Raytheon Company Pension Plan for Discontinued Operations***

Status of the plan	<p>Effective December 31, 1999, the following plans merged to form the Raytheon Company Plan for Discontinued Operations:</p> <ul style="list-style-type: none"> • Raytheon Company Retirement Income Plan for Appliance Employees • Amana Florence Hourly Pension Plan • Seiscor Technologies Inc. Retirement Income Plan • Seismograph Service Corporation Retirement Plan (that was merged into the Raytheon Company Pension Plan for Salaried Employees effective January 1, 1993) • Amana New Jersey Service Group Bargaining Unit Plan • Amana Delaware Bargaining Unit Pension Plan • Raytheon Company Pension Plan for Hourly Appliances Employees
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Former Raytheon Company Pension Plan for Discontinued Operations (Appliance Employees)**Definitions**

• Participation	Age 21 and 1 year of service.
• Credited Service	Participants whose benefit accrual under the Plan terminated as a result of the sale of Raytheon Appliances shall continue to receive credit from September 11, 1997 to the earlier of retirement, death, or September 11, 1998.
• Final average earnings	The average gross compensation earned by a participant during the 5 highest consecutive calendar years of the last 10 calendar years worked. Gross compensation includes amounts contributed to Company 401(k) plan under salary reduction arrangement, and bonuses and commissions paid, and may not exceed the compensation limit as specified in Section 401(a)(17) of the Internal Revenue Code.

Normal retirement

• Eligibility	Age 65
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Schedule SB, Part V — Summary of Plan Provisions

• Benefit	<p>The greater of:</p> <ul style="list-style-type: none"> 1.8% for the first 20 years of Membership plus 1.2% for each year of Membership in excess of 20, multiplied by the excess of Final Average Earnings over the primary Social Security benefit. \$348 per year of service (\$29 per month), plus 20% of employee contributions. <p>The benefit payable to former participants of the Speed Queen Company Pension Plan for Salaried Employees will be no less than the benefit the participant had earned as of December 31, 1996.</p>
Early retirement	
• Eligibility	Age 55 and 5 years of service.
• Benefit	Normal retirement benefit reduced 7.00% at age 59, plus an additional 7.00% for each year younger than age 59.
Deferred vested	
• Eligibility	5 years of service or eligible employees on September 11, 1997 who were participants under the Plan on September 11, 1997.
• Benefit	Normal retirement benefit deferred to age 65. However, a participant may elect to retire early provided early retirement eligibility criteria are met. In this case, the benefit equals early retirement benefit.
Disability	
• Eligibility	Totally and permanently disabled following 10 years of service.
• Benefit	Member continues to accrue benefits during disability.
Pre-retirement death	
• Eligibility	5 years of vesting service
• Benefit	Surviving Spouse Benefit equal to the amount payable to the member's spouse as if the member had survived to early retirement age, retired early, elected a 50 percent Joint and Survivor Annuity and then died. Benefit commences on the first of the month following the date the member would have been eligible to retire early and is payable for lifetime of spouse.
Unpredictable contingent event benefits	N/A

Schedule SB, Part V — Summary of Plan Provisions**Form of benefits**

• Automatic form for unmarried participants	Single Life Annuity
• Automatic form for married participants	Actuarially reduced 50% Joint and Survivor benefit with the spouse as beneficiary.
• Optional forms	66% Joint & Survivor Annuity 75% Joint & Survivor Annuity 100% Joint & Survivor Annuity 5 or 10 year Certain & Life
• Optional form conversion factors	Optional forms are converted using Actuarial Equivalence based on the PBGC interest rate used for valuing immediate and deferred annuities in effect for the period commencing two months prior to the commencement date and UP-1984 mortality.

Miscellaneous

• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2014, the limit is \$260,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2014, the limit is \$210,000.

Schedule SB, Part V — Summary of Plan Provisions***Former Raytheon Company Pension Plan for Discontinued Operations (Amana Florence Hourly)*****Definitions**

- | | |
|-----------------|--|
| • Participation | Immediate. Employees on January 1, 1991 receive service credit back to date of hire. The plan is closed to new entrants. |
|-----------------|--|

Normal retirement

- | | |
|---------------|---|
| • Eligibility | Social Security Retirement Age dependent upon the Participant's birth date. |
| • Benefit | \$204 per year of service. |

Early retirement

- | | |
|---------------|--|
| • Eligibility | Age 62 and 10 years of service. |
| • Benefit | Normal retirement benefit reduced 7.00% for each year prior to normal retirement date. |

Deferred vested

- | | |
|---------------|---|
| • Eligibility | 5 years of service or eligible employees on September 11, 1997 who were participants under the Plan on September 11, 1997. |
| • Benefit | Normal retirement benefit deferred to age 65. However, a participant may elect to retire early provided early retirement eligibility criteria are met. In this case, the benefit equals early retirement benefit. |

Pre-retirement death

- | | |
|---------------|---|
| • Eligibility | 5 years of vesting service |
| • Benefit | Surviving Spouse Benefit equal to the amount payable to the member's spouse as if the member had survived to earliest retirement age, retired early, elected a 50 percent Joint and Survivor Annuity and then died. Benefit commences on the first of the month following the date the member would have been eligible to retire early and is payable for the lifetime of spouse. If the member was eligible to retire early at the time of death, the amount will be calculated as if the member had elected a 100 percent Joint and Survivor Annuity. |

Unpredictable contingent event benefits

N/A

Schedule SB, Part V — Summary of Plan Provisions**Form of benefits**

• Automatic form for unmarried participants	Single Life Annuity
• Automatic form for married participants	Actuarially reduced 50% Joint and Survivor benefit with the spouse as beneficiary.
• Optional forms	66% Joint & Survivor Annuity 75% Joint & Survivor Annuity 100% Joint & Survivor Annuity 10 year Certain & Life
• Optional form conversion factors	Optional forms are converted using Actuarial Equivalence based on the PBGC interest rate used for valuing immediate and deferred annuities in effect for the period commencing two months prior to the commencement date and UP-1984 mortality.

Miscellaneous

• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2014, the limit is \$260,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2014, the limit is \$210,000.

Schedule SB, Part V — Summary of Plan Provisions***Former Raytheon Company Pension Plan for Discontinued Operations (Seiscor Technologies)*****Definitions**

• Participation	Age 21 and 1 year of service.
• Credited Service	Service credited while an employee is a member of the plan. Due to the sale of Seiscor Technologies effective March 31, 1998, all benefit accruals were frozen.
• Final average earnings	Annualized average of earnings during highest 5 consecutive calendar years out of last 10 calendar years worked. "Earnings" include base pay, overtime, premium pay and commissions, but exclude bonuses and may not exceed the compensation limit as specified in Section 401(a)(17) of the Internal Revenue Code.

Normal retirement

• Eligibility	Age 65.
• Benefit	1 2/3% of Final Average Earnings multiplied by total Benefit Service less 1 2/3% of Primary Social Security Benefit multiplied by total Benefit Service, not to exceed 30 years.

Early retirement

• Eligibility	Age 55 and 10 years of service, or age 50 and 15 years of service.
• Benefit	Normal retirement benefit reduced 3.00% at age 59, plus an additional 3.00% at age 58, an additional 4.00% for each year younger than age 58 to age 54, and an additional 6.00% per year younger than age 54 to age 50.

Deferred vested

• Eligibility	5 years of service.
• Benefit	Normal retirement benefit deferred to age 65. However, a participant may elect to retire early provided early retirement eligibility criteria are met. In this case, the benefit equals early retirement benefit.

Pre-retirement death

• Eligibility	5 years of vesting service
• Benefit	<p>Surviving Spouse Benefit equal to half of the amount the employee would have received had the employee terminated employment at death, retired immediately (or when first eligible, if later) and elected to receive benefits under the 50 percent Joint and Survivor form.</p> <p>If previously elected by the participant, an optional death benefit equal to the amount which would have been payable under a 66 2/3 or 75 percent Joint and Survivor form may be elected by an employee at a respective cost of 1/6 or 1/4 percent, of the benefit per year of coverage.</p>

Unpredictable contingent event benefits

N/A

Schedule SB, Part V — Summary of Plan Provisions

Form of benefits	
• Automatic form for unmarried participants	Single Life Annuity
• Automatic form for married participants	Actuarially reduced 50% Joint and Survivor benefit with the spouse as beneficiary.
• Optional forms	66% Joint & Survivor Annuity 75% Joint & Survivor Annuity 100% Joint & Survivor Annuity 5 or 10 year Certain & Life Level Income Lump Sum
• Optional form conversion factors	Optional forms are converted using Actuarial Equivalence based on the PBGC interest rate used for valuing immediate and deferred annuities in effect for the period commencing two months prior to the commencement date and UP-1984 mortality.
• Cost of living adjustment eligibility	All those receiving benefits from the plan.
• Cost of living adjustment	The benefit payable to a participant or beneficiary will be adjusted beginning with the 37th monthly payment based on the average annual U.S. Department of Labor Cost-of-Living Index as a whole during the preceding 3 years. Subsequent annual adjustments will be based on the preceding calendar year's Cost-of-Living Index. Each adjustment will be limited to 4.5% and will not be applied if the adjustment amount does not exceed \$1.00.
Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2014, the limit is \$260,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2014, the limit is \$210,000.

Schedule SB, Part V — Summary of Plan Provisions***Former Raytheon Company Pension Plan for Discontinued Operations (Seismograph Service Corporation)*****Definitions**

• Participation	Age 21 and 1 year of service.
• Credited Service	Service credited while an employee is a member of the plan. Due to the sale of Seismograph Service Corporation effective November 20, 1992, all benefit accruals were frozen.
• Final average earnings	Annualized average of earnings during highest 5 consecutive calendar years out of last 10 calendar years worked. "Earnings" include base pay, overtime, premium pay and commissions, but exclude bonuses and may not exceed the compensation limit as specified in Section 401(a)(17) of the Internal Revenue Code.

Normal retirement

• Eligibility	Age 65.
• Benefit	1 2/3% of Final Average Earnings multiplied by total Benefit Service less 1 2/3% of Primary Social Security Benefit multiplied by total Benefit Service, not to exceed 30 years.

Early retirement

• Eligibility	Age 55 and 10 years of service, or age 50 and 15 years of service.
• Benefit	Normal retirement benefit reduced 3.00% at age 59, plus an additional 3.00% at age 58, an additional 4.00% for each year younger than age 58 to age 54, and an additional 6.00% per year younger than age 54 to age 50.

Deferred vested

• Eligibility	5 years of service.
• Benefit	Normal retirement benefit deferred to age 65. However, a participant may elect to retire early provided early retirement eligibility criteria are met. In this case, the benefit equals early retirement benefit.

Pre-retirement death

• Eligibility	5 years of vesting service
• Benefit	<p>Surviving Spouse Benefit equal to half of the amount the employee would have received had the employee terminated employment at death, retired immediately (or when first eligible, if later) and elected to receive benefits under the 50 percent Joint and Survivor form.</p> <p>If previously elected by the participant, an optional death benefit equal to the amount which would have been payable under a 66 2/3 or 75 percent Joint and Survivor form may be elected by an employee at a respective cost of 1/6 or 1/4 percent, of the benefit per year of coverage.</p>

Unpredictable contingent event benefits

N/A

Schedule SB, Part V — Summary of Plan Provisions

Form of benefits	
• Automatic form for unmarried participants	Single Life Annuity
• Automatic form for married participants	Actuarially reduced 50% Joint and Survivor benefit with the spouse as beneficiary.
• Optional forms	66% Joint & Survivor Annuity 75% Joint & Survivor Annuity 100% Joint & Survivor Annuity 5 or 10 year Certain & Life Level Income Lump Sum
• Optional form conversion factors	Optional forms are converted using Actuarial Equivalence based on the PBGC interest rate used for valuing immediate and deferred annuities in effect for the period commencing two months prior to the commencement date and UP-1984 mortality.
• Cost of living adjustment eligibility	All those receiving benefits from the plan.
• Cost of living adjustment	The benefit payable to a participant or beneficiary will be adjusted beginning with the 37th monthly payment based on the average annual U.S. Department of Labor Cost-of-Living Index as a whole during the preceding 3 years. Subsequent annual adjustments will be based on the preceding calendar year's Cost-of-Living Index. Each adjustment will be limited to 4.5% and will not be applied if the adjustment amount does not exceed \$1.00.
Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2014, the limit is \$260,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2014, the limit is \$210,000.

Schedule SB, Part V — Summary of Plan Provisions***Former Raytheon Company Pension Plan for Discontinued Operations (Amana New Jersey)***

Definitions	
• Participation	1 year of service.
Normal retirement	
• Eligibility	Age 65.
• Benefit	\$276 per year of service. Effective June 7, 1997 the annual benefit increased to \$288 per year of service for members of Teamsters Local 1518. Only service through September 11, 1997 is used in calculating the benefit.
Early retirement	
• Eligibility	Age 62, or age 55 and 20 years of service.
• Benefit	Normal retirement benefit reduced 10.00% at age 61, plus an additional 5.00% for each year younger than age 61.
Deferred vested	
• Eligibility	5 years of service.
• Benefit	Normal retirement benefit deferred to age 65. However, a participant may elect to retire early provided early retirement eligibility criteria are met. In this case, the benefit equals early retirement benefit.
Disability	
• Eligibility	Totally and permanently disabled.
• Benefit	Actuarially reduced normal retirement benefit if under age 50 at onset of disability; otherwise, normal retirement benefit without reduction.
Pre-retirement death	
• Eligibility	5 years of vesting service
• Benefit	Surviving Spouse Benefit equal to the amount payable to the member's spouse as if the member had survived to early retirement age, retired early, elected a 100 percent Joint and Survivor Annuity and then died. Benefit commences on the first of the month following the date the member would have been eligible to retire early and is payable for lifetime of spouse.
Unpredictable contingent event benefits	N/A

Schedule SB, Part V — Summary of Plan Provisions

Form of benefits	
• Automatic form for unmarried participants	Single Life Annuity
• Automatic form for married participants	Actuarially reduced 50% Joint and Survivor benefit with the spouse as beneficiary.
• Optional forms	66% Joint & Survivor Annuity 75% Joint & Survivor Annuity 100% Joint & Survivor Annuity 5 or 10 year Certain & Life Lump Sum
• Optional form conversion factors	Optional forms are converted using Actuarial Equivalence based on the PBGC interest rate used for valuing immediate and deferred annuities in effect for the period commencing two months prior to the commencement date and UP-1984 mortality.
Employees contributions	Voluntary contributions are applied to provide a supplemental benefit. Employees who leave their contributions in the fund until retirement receive their contributions plus actual investment experience; employees who withdraw their contributions prior to retirement receive their contributions plus 3.5% interest.
Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2014, the limit is \$260,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2014, the limit is \$210,000.

Schedule SB, Part V — Summary of Plan Provisions***Former Raytheon Company Pension Plan for Discontinued Operations (Amana Delaware)***

Definitions	
• Participation	1 year of service.
Normal retirement	
• Eligibility	Age 65.
• Benefit	\$204 per year of service. Only service through September 11, 1997 is used in calculating the benefit.
Early retirement	
• Eligibility	Age 55 and 10 years of benefit accrual service.
• Benefit	Normal retirement benefit reduced 5.00% at age 61, plus an additional 5.00% for each year younger than age 61.
Deferred vested	
• Eligibility	5 years of service.
• Benefit	Normal retirement benefit deferred to age 65. However, a participant may elect to retire early provided early retirement eligibility criteria are met. In this case, the benefit equals early retirement benefit.
Disability	
• Eligibility	Totally and permanently disabled following 15 years of service.
• Benefit	Normal retirement benefit payable immediately.
Pre-retirement death	
• Eligibility	Vested.
• Benefit	Surviving Spouse Benefit equal to the amount payable to the member's spouse as if the member had survived to early retirement age, retired early, elected a 50 percent Joint and Survivor Annuity and then died. Benefit commences on the first of the month following the date the member would have been eligible to retire early and is payable for lifetime of spouse.
Unpredictable contingent event benefits	N/A
Form of benefits	
• Automatic form for unmarried participants	Single Life Annuity.
• Automatic form for married participants	Actuarially reduced 50% Joint and Survivor benefit with the spouse as beneficiary.
• Optional forms	66% Joint & Survivor Annuity 75% Joint & Survivor Annuity 100% Joint & Survivor Annuity 5 or 10 year Certain & Life
• Optional form conversion factors	Optional forms are converted using Actuarial Equivalence based on the PBGC interest rate used for valuing immediate and deferred annuities in effect for the period commencing two months prior to the commencement date and UP-1984 mortality.
Miscellaneous	

Schedule SB, Part V — Summary of Plan Provisions

• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2014, the limit is \$260,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2014, the limit is \$210,000.

Schedule SB, Part V — Summary of Plan Provisions***Former Raytheon Company Pension Plan for Discontinued Operations (Hourly Appliance)*****Definitions**

• Participation	1 year of service.
• Credited Service	Participants whose benefit accruals terminated as a result of the Raytheon Appliances sale received credit from September 11, 1997 to the earlier of retirement, death or September 11, 1998.

Normal retirement

• Eligibility	Age 65.
• Benefit	\$228 per year of service (effective March 1, 1997).

Early retirement

• Eligibility	Age 55 and 10 years of benefit accrual service.
• Benefit	Normal retirement benefit reduced 10.00% at age 61, plus an additional 5.00% for each year younger than age 61.

Deferred vested

• Eligibility	5 years of service or eligible employees on September 11, 1997 who were participants under the Plan on September 11, 1997.
• Benefit	Normal retirement benefit deferred to age 65. However, a participant may elect to retire early provided early retirement eligibility criteria are met. In this case, the benefit equals early retirement benefit.

Disability

• Eligibility	Totally and permanently disabled following 10 years of service.
• Benefit	Normal retirement benefit payable on or after age 55.

Pre-retirement death

• Eligibility	5 years of vesting service.
• Benefit	Surviving Spouse Benefit equal to the amount payable to the member's spouse as if the member had survived to early retirement age, retired early, elected a 50 percent Joint and Survivor Annuity and then died. Benefit commences on the first of the month following the date the member would have been eligible to retire early and is payable for lifetime of spouse.

Unpredictable contingent event benefits

N/A

Schedule SB, Part V — Summary of Plan Provisions

Form of benefits	
• Automatic form for unmarried participants	Single Life Annuity
• Automatic form for married participants	Actuarially reduced 50% Joint and Survivor benefit with the spouse as beneficiary.
• Optional forms	66% Joint & Survivor Annuity 75% Joint & Survivor Annuity 100% Joint & Survivor Annuity 5 or 10 year Certain & Life
• Optional form conversion factors	Optional forms are converted using Actuarial Equivalence based on the PBGC interest rate used for valuing immediate and deferred annuities in effect for the period commencing two months prior to the commencement date and UP-1984 mortality.
Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2014, the limit is \$260,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2014, the limit is \$210,000.

Schedule SB, Part V — Summary of Plan Provisions***Former Raytheon E-Systems, Inc. Richardson Waco Retirement Plan*****Definitions**

• Participation	Age 21 and 1 year of service, provided the employee is not represented by a collective bargaining unit calling for contributions to another pension plan. The plan is closed to new entrants.
• Credited Service	Service after completion of an hour of service. 1,000 or more hours of service constitute one year of eligibility service. Benefit service is equal to the total of all periods of employment after January 1, 1990.
• Vesting Service	The total of all service at Chrysler Technologies Corporation, Raytheon E-Systems at Waco and Richardson, and Raytheon E-Systems.
• Final average earnings	Base Salary (excluding contingent, incentive, or deferred compensation, bonuses, overtime, and all other extraordinary compensation) up to the limit of IRC Section 401(a)(17). Average monthly compensation is the considered compensation for a period divided by the number of months for which the compensation was received. The period is the 60 successive calendar months out of the last 180 calendar months which yield the highest average prior to the earlier of termination date or normal retirement date.

Normal retirement

• Eligibility	The later of age 65 or 5 years of service.
• Benefit	<p>The benefit is based on one or both of the following benefit formulas. Waco participants are covered by the Excess Formula. Richardson participants have their pension determined under both formulas as described:</p> <ul style="list-style-type: none"> • Step-Up/\$12 Formula (Post-1996 Benefit Service) <ul style="list-style-type: none"> (1) Basic Part $1.2\% \times \text{Average Monthly Pay} \times \text{Post-1996 Years of Benefit Service up to 10 years}$ <p style="text-align: center;">Plus</p> $1.6\% \times \text{Average Monthly Pay} \times \text{Post-1996 Years of Benefit Service in excess of 10 years}$ (2) Minimum Part $\\$12.00 \times \text{Years of Post-1996 Benefit Service}$ • Excess Formula (Pre-1997 Benefit Service for Richardson Employees) $1\% \times \text{Average Monthly Pay} \times \text{Pre-1997 Years of Benefit Service up to 35 years}$ <p style="text-align: center;">Plus</p> $0.4\% \times \text{Average Monthly Pay in excess of 150\% of Social Security Monthly Pay} \times \text{Pre-1997 Years of Benefit Service up to 35 years}$

Schedule SB, Part V — Summary of Plan Provisions

Early retirement	
• Eligibility	Age 55 or 60, with 10 years of service.
• Benefit	<p>The benefit, commencing immediately and payable for life with a minimum of 60 monthly payments, is calculated in the same manner as the Normal Retirement Benefit and reduced for commencement more than five years prior to normal retirement age according to the following schedule:</p> <ul style="list-style-type: none"> ▪ Step-Up/\$12 Formula – Normal retirement benefit reduced 1.00% at age 59, 3.00% more at age 58, 5.00% more at age 57, 7.00% more at age 56, and 9.00% more at age 55. <p>Percent of Excess Formula – Normal retirement benefit reduced 6.00% at age 61, plus 6.00% for each year younger than age 61.</p>
Late retirement	
• Benefit	Benefit will continue to accrue until retirement.
Deferred vested	
• Eligibility	5 years of service.
• Benefit	An employee who terminates with five or more years of vesting service but does not, at the termination date, meet the requirements for normal or early retirement as specified, is eligible for a deferred vested benefit. The annuity, commencing at Normal Retirement Date, shall be computed as for normal retirement using service and compensation to date of termination.
Disability	
• Eligibility	Totally and permanently disabled, following 10 years of service.
• Benefit	The benefit is calculated in the same manner as the Normal Retirement Benefit based on average monthly pay at termination and benefit service projected to Normal Retirement Age.
Pre-retirement death	
• Eligibility	5 years of vesting service.
• Benefit	The monthly benefit is an amount equal to 50% of the benefit the employee would have received if the employee had terminated on the date of his death under the Deferred Vested, Early, or Normal Retirement and chosen a 50% Joint and Survivor benefit and then died. The benefit would commence on the date the employee would have reached his earliest retirement date.
Unpredictable contingent event benefits	N/A

Schedule SB, Part V — Summary of Plan Provisions**Form of benefits**

• Automatic form for unmarried participants	Single Life Annuity
• Automatic form for married participants	Actuarially reduced 50% Joint and Survivor benefit with the spouse as beneficiary, unless they reject it. The married Participant may elect in writing with the written consent of his spouse to receive benefits in the form of a single life annuity.
• Optional forms	75% Joint & Survivor Annuity 100% Joint & Survivor Annuity 66% Last To Survive Annuity 5 or 10 year Certain & Life
• Optional form conversion factors	Optional forms are converted using Actuarial Equivalence based on a 9% interest rate and GAM-1983 mortality (70% male, 30% female).

Miscellaneous

• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2014, the limit is \$260,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2014, the limit is \$210,000.

Schedule SB, Part V — Summary of Plan Provisions***Former Raytheon E-Systems, Inc. Salaried*****Definitions**

• Participation	<p>Age 21 and 1 year of service, provided:</p> <ul style="list-style-type: none"> • The employee is paid on a salaried basis or works for the Melpar or Montek Divisions of E-Systems; and, • The employee is not represented by a collective bargaining unit calling for contributions to another pension plan.
• Credited Service	<p>Prior to January 1, 1976, service from the participant's last period of continuous employment. On and after January 1, 1976, total of all periods of employment as an eligible employee, including leaves of absences of less than one year. Benefit service will not begin until February 1, 1975 for prior Air-Asia employees, until September 1, 1978 for prior Serv-Air employees, or September 21, 1970 for prior Melpar employees.</p>
• Vesting Service	<p>Prior to January 1, 1976 (September 1, 1978 for prior Serv-Air employees), service from the participant's last period of continuous employment. On and after January 1, 1976 (September 1, 1978 for prior Serv-Air employees), total of all periods of employment including absences of less than one year.</p>
• Final average earnings	<p>Total W-2 (excluding bonuses and overtime pay paid prior to January, 1982, commissions paid after July 1, 1970, expense allowances, and all other extraordinary compensation). Average monthly compensation is the considered compensation for a period divided by the number of months for which the compensation was received. The period is the 60 successive calendar months out of the last 120 months which yield the highest average prior to the earlier of termination or normal retirement date.</p>

Schedule SB, Part V — Summary of Plan Provisions**Normal retirement**

• Eligibility	The later of age 65 or 5 years of service.
• Benefit	<p>An annuity, payable for life with a minimum of 60 monthly payments, computed as follows:</p> <ul style="list-style-type: none"> • For retirement before January 1, 1991, the greater of: <ol style="list-style-type: none"> (1) The difference between <ol style="list-style-type: none"> (i) 1-1/2% of average monthly compensation multiplied by the number of years of benefit service; <u>less</u>, (ii) 1/2% of monthly primary Social Security benefit multiplied by the number of years of benefit service; or (2) \$12 multiplied by the number of years of benefit service (3) for participants attaining age 50 before January 1, 1990, the amount calculated under (1) above. • For retirement on or after January 1, 1991, the greatest of: <ol style="list-style-type: none"> (4) The sum of <ol style="list-style-type: none"> (i) 1.2% of average monthly compensation multiplied by the number of years of benefit service (limited to ten years); plus (ii) 1.6% of average monthly compensation multiplied by the number of years of benefit service in excess of ten years; and (5) The sum of <ol style="list-style-type: none"> (i) The amount calculated under (1) above, with service, earnings, and Social Security as of December 31, 1990; plus <p>The amount calculated under (4) above, based on benefit service after December 31, 1990 (but using all benefit service to determine whether (2) or (3) above applies)</p>

Early retirement

• Eligibility	Age 55 with 10 years of service.
• Benefit	Normal retirement benefit reduced 1.00% for 6 years prior to normal retirement date, 3.00% more for 7 years, 5.00% more for 8 years, 7.00% more for 9 years, and 9.00% more for 10 years.

Late retirement

• Benefit	Benefit will continue to accrue until retirement.
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Schedule SB, Part V — Summary of Plan Provisions

Deferred vested	
• Eligibility	5 years of service.
• Benefit	An employee who terminates with five or more years of vesting service is eligible for a deferred vested benefit. The annuity, commencing at Normal Retirement Date and payable for life with a minimum of 60 monthly payments, shall be computed as for early retirement using service and compensation to date of termination and projected primary Social Security. An actuarially reduced pension may commence after attainment of age 55.
Disability	
• Eligibility	Totally and permanently disabled, following 10 years of service.
• Benefit	The benefit, payable for life with a minimum of 60 monthly payments, shall be computed as for normal retirement using compensation to date of retirement but anticipated benefit service to normal retirement date and projected primary Social Security.

Schedule SB, Part V — Summary of Plan Provisions**Pre-retirement death**

- | | |
|---------------|---|
| • Eligibility | 5 years of vesting service. |
| • Benefit | If an active employee who is eligible for an early or vested benefit dies on or after January 1, 1995, the surviving spouse is eligible for a pension. The monthly benefit is an amount equal to 50% of the benefit the employee would have received if the employee had terminated on the date of his death under the Deferred Vested, Early, Optional Early, or Normal Retirement, chosen a 50% Joint and Survivor benefit and then died. |

If a retired employee dies on or after August 1, 1995, but before the Normal Retirement Date, the surviving spouse is eligible for a pension payable for life. The spouse's monthly benefit is an amount equal to 50% of the benefit the employee would have received based on the 50% Joint and Survivor option.

If an employee dies after disability retirement and after August 1, 1995, the surviving spouse is eligible for a pension payable for life. The monthly benefit is an amount equal to 50% of the benefit the employee would have received if the employee had terminated on the date of his death under the Deferred Vested, Optional Early or Early Retirement based on the 50% Joint and Survivor option.

If an employee dies after deferred vested retirement and after August 1, 1995, the surviving spouse is eligible for a pension. The monthly benefit is an amount equal to 50% of the benefit the employee would have received on the spouse's commencement date based on the 50% Joint and Survivor option.

The spouse can choose to begin receiving the pension on the first day of any month prior to the employee's Normal Retirement Date. All reductions and 50% conversion factors are based on the ages of the employee and the spouse at the date benefits commence. However, if the spouse does not make this election, payments will commence on the employee's Normal Retirement Date. If the employee's death is after his Normal Retirement Date, payments will commence on the first day of the next month.

Unpredictable contingent event benefits	N/A
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Schedule SB, Part V — Summary of Plan Provisions**Form of benefits**

• Automatic form for unmarried participants	5-year certain and life.
• Automatic form for married participants	Actuarially reduced 50% Joint and Survivor benefit with the spouse as beneficiary, unless they reject it.
• Optional forms	66% Joint & Survivor Annuity 75% Joint & Survivor Annuity 100% Joint & Survivor Annuity 66% Last To Survive Annuity 10 year Certain & Life Single Life Annuity Lump sum (if the present value of the pension benefit is less than \$5,000.)
• Optional form conversion factors	Optional forms are converted using Actuarial Equivalence based on an interest rate of 7% and 1971 Group Annuity Mortality Table Projected by Scale D to 1975.

Miscellaneous

• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2014, the limit is \$260,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2014, the limit is \$210,000.

Schedule SB, Part V — Summary of Plan Provisions***Former HRB Systems, Inc. Salaried Retirement Plan*****Definitions**

• Participation	Age 21 and 1 year of service, provided the employee is not represented by a collective bargaining unit calling for contributions to another pension plan.
• Credited Service	Total of all period of employment after January 1, 1991, and upon the completion of one year of service for eligibility purposes, including leaves of absences of less than one year.
• Vesting Service	The total of all periods of employment including absences of less than one year.
• Final average earnings	Total W-2 (excluding commissions, expense allowances, and all other extraordinary compensation). Average monthly compensation is the considered compensation for a period divided by the number of months for which the compensation was received. The period is the best 60 successive calendar months out of the last 120 months which yield the highest average prior to the earlier of termination or normal retirement date.

Normal retirement

• Eligibility	The later of age 65 or 5 years of service.
• Benefit	An annuity, payable for life with a minimum of 60 monthly payments, which is the greater of: <ul style="list-style-type: none"> • The sum of: <ul style="list-style-type: none"> (1) 1.2% of average monthly compensation multiplied by the number of years of benefit service (limited to 10 years) plus, (2) 1.6% of average monthly compensation multiplied by the number of years of benefit service in excess of 10 years; or • \$12 multiplied by the number of years of benefit service.

Early retirement

• Eligibility	Age 55 with 10 years of service.
• Benefit	The annuity, commencing immediately and payable for life with a minimum of 60 monthly payments, is reduced for commencement more than 5 years prior to normal retirement age according to the following schedule: 1.00% for 6 years, 3.00% more for 7 years, 5.00% more for 8 years, 7.00% more for 9 years, and 9.00% more for 10 years.

Late retirement

• Benefit	Benefit will continue to accrue until retirement.
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Schedule SB, Part V — Summary of Plan Provisions

Deferred vested

• Eligibility	5 years of service.
• Benefit	An employee who terminates with five or more years of vesting service is eligible for a deferred vested benefit. The annuity, commencing at Normal Retirement Date and payable for life with a minimum of 60 monthly payments, shall be computed as for early retirement using service and compensation to date of termination and projected primary Social Security. An actuarially reduced pension may commence after attainment of age 55.

Disability

• Eligibility	Totally and permanently disabled, following 10 years of service, and to start at normal retirement date.
• Benefit	The benefit, payable for life with a minimum of 60 monthly payments, shall be computed as for normal retirement using compensation to date of retirement but anticipated benefit service to normal retirement date and projected primary Social Security.

Schedule SB, Part V — Summary of Plan Provisions

Pre-retirement death

- | | |
|---------------|--|
| • Eligibility | 5 years of vesting service. |
| • Benefit | If an active employee who's eligible for an early or vested benefit dies on or after January 1, 1995, the surviving spouse is eligible for a pension. The monthly benefit is an amount equal to 50% of the benefit the employee would have received if the employee had terminated on the date of his death under the Deferred Vested, Early, Optional Early, or Normal Retirement, chosen a 50% joint and survivor benefit and then died. |

If a retired employee dies on or after August 1, 1995, but before the Normal Retirement Date, the surviving spouse is eligible for a pension payable for life. The spouse's monthly benefit is an amount equal to 50% of the benefit the employee would have received based on the 50% joint and survivor option.

If an employee dies after disability retirement and after August 1, 1995, the surviving spouse is eligible for a pension payable for life. The monthly benefit is an amount equal to 50% of the benefit the employee would have received if the employee had terminated on the date of his death under the Deferred Vested, Optional Early or Early Retirement based on the 50% joint and survivor option.

If an employee dies after deferred vested retirement and after August 1, 1995, the surviving spouse is eligible for a pension. The monthly benefit is an amount equal to 50% of the benefit the employee would have received on the spouse's commencement date based on the 50% joint and survivor option.

The spouse can choose to begin receiving the pension on the first day of any month prior to the employee's Normal Retirement Date. All reductions and 50% conversion factors are based on the ages of the employee and the spouse at the date benefits commence. However, if the spouse does not make this election, payments will commence on the employee's Normal Retirement Date. If the employee's death is after his Normal Retirement Date, payments will commence on the first day of the next month.

Unpredictable contingent event benefits	N/A
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Schedule SB, Part V — Summary of Plan Provisions

Form of benefits	
• Automatic form for unmarried participants	5-year certain and life.
• Automatic form for married participants	Actuarially reduced 50% Joint and Survivor benefit with the spouse as beneficiary, unless they reject it.
• Optional forms	66% Joint & Survivor Annuity 75% Joint & Survivor Annuity 100% Joint & Survivor Annuity 66% Last To Survive Annuity 5 or 10 year Certain & Life Single Life Annuity Lump sum (if the present value of the pension benefit is less than \$5,000.)
• Optional form conversion factors	Optional forms are converted using Actuarial Equivalence based on an interest rate of 7% and 1971 Group Annuity Mortality Table Projected by Scale D to 1975.
Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2014, the limit is \$260,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2014, the limit is \$210,000.

Benefits Included or Excluded

Unless noted below, all benefits provided by the plan, as restated effective January 1, 2001, with provisions in effect as of March 28, 2005 and amended December 28, 2009 are included in this valuation.

- **Most recent plan amendments included:** None
- **Plan amendments excluded:** None
- **Late retirement increases:**
 - *Deferred vested participants:* Current deferred vested participants over age 66 are valued including the late retirement actuarial increase.
- **Internal Revenue Code limitations:** The limitations of Internal Revenue Code Section 415(b) and 401(a)(17) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60 percent of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.

Schedule SB, Part V — Summary of Plan Provisions**Plan Provisions Specific to Funding*****Additional Benefits Included or Excluded***

- **IRC Section 436 benefit restrictions:**
 - *Unpredictable contingent event benefits:* This valuation excludes restricted contingent event benefits that occurred before the valuation date but includes contingent event benefits which are expected to occur on or after the valuation date regardless of anticipated funding-based limitations.
 - *Plan amendments:* See above.
 - *Prohibited payments:* Limitations on prohibited benefits (if any) are reflected for annuity starting dates before the valuation date but are ignored for annuity starting dates on or after the valuation date.
 - *Benefit accruals:* The plan's funding target does not reflect any limitation on benefit accruals. The target normal cost does not reflect any limitation on benefit accruals.
 - *Scheduled benefit increases:* None.
- **Unpredictable contingent event benefits:** The plan does not have any unpredictable contingent event benefits.

Plan Provision Changes Since Prior Valuation

Maximum compensation and maximum benefits were updated from 2013 to 2014.

Schedule SB, line 24 — Change in Actuarial Assumptions

- Expenses loaded on the normal cost increased from \$18,043,989 to \$21,043,227 to reflect our best estimate of the current plan year's expenses.
- Mortality and Interest rates were updated from 2013 to 2014 in accordance with PPA. Reflects interest rates in accordance to the Highway and Transportation Funding Act of 2014.
- The salary scale assumption was updated from 4.5% to an age-weighted table to reflect current plan demographics and management's expectation of future salary increases.

Schedule SB, line 26 — Schedule of Active Participant Data

Attained age	Years of credited service										
	Under 1	1–4	5–9	10–14	15–19	20–24	25–29	30–34	35–39	40 & up	Total
Under 25											
25–29	5 56,315	53 56,315	312 79,608								370
30–34	12 68,930	82 68,930	1,979 89,752	409 100,058	2						2,484
35–39	14 81,137	88 81,137	1,224 96,214	1,276 105,346	171 123,283	1					2,774
40–44	11 87,488	81 87,488	993 104,812	886 110,906	424 127,737	43 121,979	3				2,441
45–49	27 79,073	90 84,220	1,067 109,992	825 114,209	403 132,555	377 130,619	346 121,300	5			3,140
50–54	28 74,505	102 81,416	1,411 116,255	1,101 118,134	503 132,267	551 136,946	1,479 138,627	639 128,324	8		5,822
55–59	37 79,158	121 83,987	1,124 118,085	954 115,772	438 127,153	333 132,252	843 131,032	1,147 135,446	279 122,407	19	5,295
60–64	23 86,029	59 74,747	633 113,658	474 116,132	185 122,204	191 129,775	358 119,229	442 125,255	215 121,183	105 102,292	2,685
65–69	15 72,982	24 72,982	239 128,707	163 122,129	54 128,477	66 112,258	74 132,776	100 125,666	61 138,677	88 110,750	884
70 & up	3 46,844	21 46,844	52 91,286	45 111,148	22 114,974	15	24 122,003	24 135,433	21 116,623	31 113,317	258
Total	175	721	9,034	6,133	2,202	1,577	3,127	2,357	584	243	26,153

In each cell, the top number is the count of active participants for each age/service combination and the bottom number is average pay for 2013 limited to \$255,000. Average pay is not shown for cells with fewer than 20 participants.

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2014 This Form is Open to Public Inspection
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

► Round off amounts to nearest dollar.

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

A Name of plan <u>Raytheon Company Pension Plan for Salaried Employees</u> C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>Raytheon Company</u>	B Three-digit plan number (PN) <u>024</u> D Employer Identification Number (EIN) <u>95-1778500</u> F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500
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Part I Basic Information

1	Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2014</u>		
2	Assets:		
	a Market value	2a	<u>9,549,320,964</u>
	b Actuarial value	2b	<u>8,956,245,625</u>
3	Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target
	a For retired participants and beneficiaries receiving payment.....	<u>28,793</u>	<u>3,805,246,895</u>
	b For terminated vested participants.....	<u>29,171</u>	<u>895,468,678</u>
	c For active participants.....	<u>26,153</u>	<u>3,652,448,728</u>
	d Total.....	<u>84,117</u>	<u>8,353,164,301</u>
4	If the plan is in at-risk status, check the box and complete lines (a) and (b). ☐		
	a Funding target disregarding prescribed at-risk assumptions	4a	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b	
5	Effective interest rate	5	<u>6.51 %</u>
6	Target normal cost	6	<u>245,611,616</u>

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

SIGN HERE	<u>Jonathan Barry (JS)</u> Signature of actuary <u>Jonathan R. Barry, F.S.A.</u> Type or print name of actuary <u>Mercer</u> Firm name <u>99 High Street</u> <u>Boston</u> <u>MA 02110-2320</u> Address of the firm	<u>September 9, 2015</u> Date <u>14-06048</u> Most recent enrollment number <u>(617) 747-9500</u> Telephone number (including area code)
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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	310,453,298
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	310,453,298
9 Amount remaining (line 7 minus line 8)	0	0
10 Interest on line 9 using prior year's actual return of <u>15.43%</u>	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		387534759
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.3%</u>		5919643
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		45,366,899
c Total available at beginning of current plan year to add to prefunding balance		438821301
d Portion of (c) to be added to prefunding balance		261712165
12 Other reductions in balances due to elections or deemed elections		0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	261712165

Part III Funding Percentages

14 Funding target attainment percentage	14	104.08 %
15 Adjusted funding target attainment percentage	15	107.21 %
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	98.65 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
12/03/2014	375,000,000				
Totals ▶			18(b)	375,000,000	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	353,848,293

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No
- b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No
- c** If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

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

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

21 Discount rate:			
a Segment rates:	1st segment: 4.99 %	2nd segment: 6.32 %	3rd segment: 6.99 %
			☐ N/A, full yield curve used
b Applicable month (enter code).....	21b		0
22 Weighted average retirement age	22		64
23 Mortality table(s) (see instructions)	☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute		

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	245,611,616	
b Excess assets, if applicable, but not greater than line 31a	31b	245,611,616	
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment	0	0	
b Waiver amortization installment.....	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	261,712,165	261,712,165
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	353,848,293	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	353,848,293	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

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

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

Raytheon Company Pension Plan For Salaried Employees

Financial Statements

To Accompany 2014 Form 5500

Annual Report of Employee Benefit Plan

Under ERISA of 1974

December 31, 2014 and 2013

Raytheon Company Pension Plan for Salaried Employees

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December 31, 2014 and 2013

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The supplemental schedules to the Plan's Form 5500 are not required since the Plan's assets are held in a Master Trust. Accordingly, the Plan Administrator must file detailed financial information for the Master Trust, including the supplemental schedules, separately with the Department of Labor.



Independent Auditor's Report

To the Administrator of Raytheon Company Pension Plan for Salaried Employees

We have audited the accompanying financial statements of Raytheon Company Pension Plan for Salaried Employees (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2014 and December 31, 2013, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding the Plan's net assets available for benefits as of December 31, 2014 and changes therein for the year then ended and its financial status as of December 31, 2013, and changes therein for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Princeton House Coopers LLP

Boston, Massachusetts
September 25, 2015

Raytheon Company Pension Plan for Salaried Employees
Statements of Net Assets Available for Benefits
December 31, 2014 and 2013

	2014	2013
Assets		
Investments at fair value (Notes 2, 6 and 7)		
Raytheon Master Pension Trust	\$10,001,434,726	\$ 9,469,128,476
Net assets held in 401(h) account (Notes 5, 6 and 7)	183,973,679	188,670,020
Receivables		
Employer contributions	-	267,683,000
Plan transfers in (Note 1)	9,474,679	6,939,097
Total assets	<u>\$10,194,883,084</u>	<u>\$9,932,420,593</u>
Liabilities		
Accrued administrative expenses	663,995	200,187
Other liabilities	18,064,726	17,525,509
Net assets held in 401(h) account (Notes 5, 6 and 7)	183,973,679	188,670,020
Total liabilities	<u>202,702,400</u>	<u>206,395,716</u>
Net assets available for benefits	<u>\$9,992,180,684</u>	<u>\$9,726,024,877</u>

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

Raytheon Company Pension Plan for Salaried Employees
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2014 and 2013

	2014	2013
Additions		
Raytheon Master Pension Trust investment income (Notes 2, 6 and 7)	\$ 561,318,979	\$ 1,254,090,024
Employer contributions	375,000,000	417,683,000
Other Income	373,096	330,458
Plan transfer in (Note 1)	9,474,679	6,939,097
Total additions	<u>946,166,754</u>	<u>1,679,042,579</u>
Deductions		
Benefit payments	\$ 664,894,037	\$ 557,444,306
Administrative expenses	15,116,910	20,877,907
Total deductions	<u>680,010,947</u>	<u>578,322,213</u>
Net increase in net assets available for benefits	266,155,807	1,100,720,366
Net assets available for benefits, beginning of year	<u>9,726,024,877</u>	<u>8,625,304,511</u>
Net assets available for benefits, end of year	<u>\$9,992,180,684</u>	<u>\$9,726,024,877</u>

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

Raytheon Company Pension Plan for Salaried Employees

Notes to Financial Statements

December 31, 2014 and 2013

1. Plan Description

The following description of the Raytheon Company Pension Plan for Salaried Employees (the "Plan") is for general purposes only. Participants should refer to the Summary Plan Document or the Plan document for a complete description of the Plan's provisions.

General

The Plan is a noncontributory defined benefit pension plan that covers all eligible salaried employees of the Raytheon Company and certain of its subsidiaries (the "Company").

Effective December 31, 2000, the HRB Systems, Inc. Salaried Retirement Plan, Raytheon E-Systems Inc. Salaried Employees Retirement Plan, Raytheon E-Systems, Inc. Richardson/Waco Retirement Plan (formerly the ESI/CTAS Retirement Plan), Raytheon TI Systems, Inc. Employee Pension Plan, and Raytheon Company Pension Plan for Discontinued Operations were merged into the Plan and ceased to exist as separate plans after December 31, 2000. Participants in the original plans retain the provisions and benefits of the original plans.

Investments are held in the Raytheon Master Pension Trust ("Master Trust"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Benefits, Eligibility and Vesting

The Plan provides specified retirement and death benefits to be paid from the net assets available for benefits. The level of benefits is based principally upon years of service and average compensation. Annual earnings in excess of the limit provided for that year by Section 401(a) (17) of the Internal Revenue Code, are not used in determining benefits under the Plan. The references to Exhibits in the following disclosures relate to Exhibits contained in the Plan Document. The standard form of retirement benefit for unmarried participants covered by Exhibit A (Raytheon Salaried); Exhibit E (Raytheon TI Systems); and Exhibit F (Discontinued Operations) is a monthly payment beginning the month following retirement and continuing until death. The standard form of benefit for unmarried participants covered by Exhibit B (E-Systems Salaried); Exhibit C (HRB Systems) and Exhibit D (Richardson Waco for participants terminating or retiring after January 1, 1999) is a five year certain and continuous benefit for all participants except Waco participants in Exhibit D. The standard form of benefit for married participants is a reduced monthly payment for the participant's life and one-half of that payment for the life of the participant's surviving spouse (or same sex domestic partner, if appropriate forms have been filed with the Raytheon Benefit Center). Other optional forms of benefits are also available. Under Exhibit E (Raytheon TI Systems) a lump sum form of payment is available to participants.

Each employee becomes a participant in this Plan on attainment of age 21 and completion of one year of service. Participants are fully vested upon completion of five years of vesting service. Effective January 1, 1999, any new employee who became a participant in the Plan entered Exhibit A, contained in the Plan document, the legacy Raytheon salaried provisions of the Plan.

Effective January 1, 2007, employees who are either hired or rehired (after the expiration of any salary continuation payments) are not eligible to participate in the Plan. In addition, former employees who are rehired on or after March 1, 2007, and have received or are receiving payment from a Company-sponsored pension plan are not eligible to participate in the Plan.

Raytheon Company Pension Plan for Salaried Employees
Notes to Financial Statements
December 31, 2014 and 2013

Participants in the Plan retain the benefit rate of their legacy plans. The following schedule details these benefit rates:

Legacy Plan	Benefit Rate
Raytheon Company Pension Plan for Salaried Employees	The greater of: (a) 1.8% for the first 20 years of membership plus 1.2% for each year of membership in excess of 20, multiplied by the excess of final average earnings over the primary Social Security benefit; or (b) For retirements on and after November 1, 1993 and before November 1, 2001, an annual benefit of \$348 per year of service. For retirements on and after November 1, 2001, an annual benefit of \$492 per year of service, or (c) for participants who earned pension credit under the Plan as of December 31, 1980, the benefit earned under the provisions then in effect increased by 10% plus a benefit for service on and after January 1, 1981 which participant would have earned if the benefit formula in the Plan on December 31, 1980 had remained in effect.
Raytheon TI Systems, Inc. Employees Pension Plan	The greater of (a) 1.5% per year of service times Final Average Compensation less a Retirement Age Factor times years of service times the smaller of (average of the last three years earnings up to the Social Security Wage Base, and Social Security Covered Compensation), and (b) an annual benefit of \$84 per year of credited service. The Retirement Age Factor is defined as 0.65% for participants born on or after January 1, 1955; 0.70% for Participants born after December 31, 1937, and before January 1, 1955; and 0.75%, for Participant's born on or before December 31, 1937.
Raytheon E-Systems, Inc. Richardson/ Waco Retirement Plan (CTAS Division) – Waco Participants	Years of benefit service after 1989 (not to exceed 35) multiplied by the sum of (a) 1% of the participant's final average compensation, as defined in the plan document and (b) 0.4% of the participant's final average compensation, as defined in the plan document, in excess of 150% of Social Security Covered Compensation.
Raytheon E-Systems, Inc. Richardson/ Waco Retirement Plan (ESI Division) – Richardson Participants	Years of Benefit service after 1989 and before 1997 (not to exceed 35) multiplied by the sum of (a) 1% of the participant's final average compensation, as defined in the plan document and (b) 0.4% of the participant's final average compensation, as defined in the plan document in excess of 150% of Social Security Covered Compensation plus 1.2% of final average compensation multiplied by years of benefit service earned on and after January 1, 1997, but not to exceed 10 years, plus 1.6% of final average compensation multiplied by the years of benefit service earned on and after January 1, 1997 that exceed 10 years.

Raytheon Company Pension Plan for Salaried Employees
Notes to Financial Statements
December 31, 2014 and 2013

Legacy Plan	Benefit Rate
Raytheon E-Systems, Inc. Salaried Employees Retirement Plan	For retirements on or after January 1, 1991, the greater of: (a) 1.2% of average monthly compensation for the first 10 years of benefit service plus 1.6% of average monthly compensation for each year in excess of 10; (b) \$12 per year of benefit service; (c) 1.5% of average monthly compensation for each year of benefit service earned as of December 31, 1990 less 0.5% of monthly Primary Social Security Benefit as of December 31, 1990 plus 1.2% of average monthly compensation for the first 10 years of benefit service accrued after December 31, 1990 plus 1.6% of average monthly compensation for each year in excess of 10 years of benefit service accrued after December 31, 1990; or (d) for participants who were 50 or older on December 31, 1990: 1.5% of average monthly compensation for each year of benefit service less 0.5% of monthly Primary Social Security Benefit.
HRB Systems, Inc. Salaried Retirement Plan	A monthly benefit which is the greater of: (a) 1.2% of average monthly compensation for the first 10 years of benefit service plus 1.6% of average monthly compensation for each year in excess of 10; or (b) \$12 per year of benefit service after 1990.
Raytheon Company Pension Plan for Discontinued Operations (Former Participants of the Raytheon Company Retirement Income Plan for Appliances Employees)	The greater of: (a) 1.8% of Final Average Compensation for the first 20 years plus 1.2% for each year of compensation in excess of 20, multiplied by the excess of final average earnings over the primary Social Security benefit; or (b) an annual benefit of \$348 per year of service.
Raytheon Company Pension Plan for Discontinued Operations (Former Participants of the Amana Florence Hourly Pension Plan)	An annual benefit of \$204 per year of service.
Raytheon Company Pension Plan for Discontinued Operations (Former Participants of the Seiscor Technologies, Inc. Retirement Income Plan)	An annual benefit of 1 2/3% of Final Average Compensation multiplied by total benefit service less 1 2/3% of Primary Social Security Benefit multiplied by benefit service, not to exceed 30 years reduced by the cost of optional death benefit coverage, if applicable.

Raytheon Company Pension Plan for Salaried Employees
Notes to Financial Statements
December 31, 2014 and 2013

Legacy Plan	Benefit Rate
Raytheon Company Pension Plan for Discontinued Operations (Former Participants of the Amana New Jersey Service Group Bargaining Unit Plan)	An annual benefit of \$288 per year of service for employees terminated on or after June 6, 1997, subject to a minimum benefit of \$125 per month for participants who have a termination of employment on or after January 1, 1975 with 20 or more years of service.
Raytheon Company Pension Plan for Discontinued Operations (Former Participants of the Amana Delaware Bargaining Unit Pension Plan)	An annual benefit of \$204 per year of service for employees terminated on or after November 1, 1993.
Raytheon Company Pension Plan for Discontinued Operations (Former Participants of the Raytheon Company Pension Plan for Hourly Appliances Employees)	An annual benefit of \$228 per year of service for participants terminating on or after March 1, 1997.
Raytheon Company Pension Plan for Discontinued Operations (Former Participants of the Seismograph Service Corporation Retirement Plan)	An annual benefit of 1 2/3% of Final Average Earnings multiplied by total benefit service less 1 2/3% of Primary Social Security Benefit multiplied by benefit service, not to exceed 30 years reduced by the cost of optional death benefit coverage, if applicable.

Contributions

The Company makes contributions to the Plan to ensure assets are sufficient to pay the benefits of the Plan. The Plan does not permit contributions by participants.

Plan Transfers In

Transfers in are assets transferred from the Raytheon Company Pension Plan for Hourly Employees to the Plan for retirees with service under both plans, and whose benefit and liability were transferred to the Plan.

2. Summary of Significant Accounting Policies

Basis of Presentation

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

Investment Valuation and Income Recognition

The Plan and 401(h) account's interest in the Master Trust is stated at fair value. Net investment income/ (loss) from the Master Trust is allocated proportionately on a monthly basis based on the Plan and 401(h) account's interest in the Master Trust. See Note 5 and Note 7 for additional information.

Raytheon Company Pension Plan for Salaried Employees

Notes to Financial Statements

December 31, 2014 and 2013

Contributions

Employer contributions are funded and recorded as determined by actuarial computation. See Note 4 for additional information.

Benefit Payments

Benefit payments to participants are recorded when paid.

Administrative Expenses

The Plan is administered by the Plan Administrator appointed by the Company's Vice President of Human Resources and Global Security. All expenses of the Plan, which primarily consist of professional and administrative fees, are paid by the Plan. Expenses specifically related to the Plan are included in the Statements of Changes in Net Assets Available for Benefits under "Administrative expenses." Additionally, expenses paid directly by the Master Trust, which primarily consist of investment management fees, are allocated proportionally on a monthly basis based on the Plan's interest in the Master Trust and are included in the Statements of Changes in Net Assets Available for Benefits under "Raytheon Master Pension Trust investment income."

Use of Estimates

The Plan's financial statements have been prepared in conformity with U.S. Generally Accepted Accounting Principles ("GAAP") and require the Plan Administrator to make significant estimates and assumptions that affect the reported amounts of net assets available for benefits at the date of the financial statements and the actuarial present value of accumulated plan benefits as of the benefit information date, the changes in net assets available for benefits during the reporting period and, when applicable, the disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

New Accounting Pronouncements

In May 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2015-07 "Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)." For all investments for which fair value is measured using the net asset value per share practical expedient, ASU 2015-07 removes the requirement to make certain disclosures and to categorize them within the fair value hierarchy. The new standard is preferable for disclosure as it removes inconsistency of the leveling of certain investments. As these investments have been removed from the fair value hierarchy tabular disclosure, the change in accounting policy has resulted in a reconciliation of investment assets between the fair value hierarchy disclosure and the Master Trust net assets disclosure.

These disclosure changes are required for annual reporting periods beginning after December 15, 2016, and interim periods within those annual periods. The Plan's financial statements reflect the early adoption, including the retrospective application, as allowed by the accounting standard.

In July 2015, FASB issued ASU No. 2015-12 "I. Fully Benefit-Responsive Investment Contracts, II. Plan Investment Disclosures, III. Measurement Date Practical Expedient." Under Part I of the update, fully benefit-responsive investment contracts are measured, presented and disclosed only at contract value for defined contribution and health and welfare benefit plans. Part II of the update eliminates the requirement to disclose individual investments that represent 5 percent or more of net assets available for benefits and the net appreciation or depreciation for investment by general type. Additionally, Part II will require that investments of employee benefit plans be grouped only by general type, eliminating the need to disaggregate the investment in multiple ways. Part III of the update provides a practical expedient to permit plans to measure investment and investment-related accounting as of a month-end date that is closest to the plan's fiscal year-end, when the fiscal period does not coincide with a month-end.

Raytheon Company Pension Plan for Salaried Employees
Notes to Financial Statements
December 31, 2014 and 2013

The update is effective for fiscal years beginning after December 15, 2015. Earlier application is permitted. Management is currently evaluating the impact ASU 2015-12 will have on the Plan's financial statements and disclosures.

3. Actuarial Present Value of Accumulated Pension Plan Benefits

Accumulated plan benefits are those future periodic payments 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 deceased employees, and (c) active employees or their beneficiaries. Benefits are based principally upon years of service and compensation. Benefits payable under all circumstances – retirement, death, and termination of employment – are included to the extent that they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by the Company's consulting actuary, Mercer, and is the amount which results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of retirement, decrements for death, or withdrawal) between the valuation date and the expected date of payment.

Raytheon Company Pension Plan for Salaried Employees

Notes to Financial Statements

December 31, 2014 and 2013

The significant actuarial assumptions used in the valuation as of December 31, 2013 and 2012, are as follows:

Assumed rate of return on investment for accumulated benefits	8.75%
Mortality basis	
Healthy Participants	<p>As of December 31, 2013:</p> <p>- A modified version of the RP-2014 employee / retiree no collar tables, which has the projection scale backed off to 2007 and projected future generational mortality improvement based on a modified version of the MP-2014 scale, which reflects a 10-year downgrade period and an ultimate rate of improvement of 0.75%</p> <p>As of December 31, 2012:</p> <p>- Section 430(h)(3) prescribed separate static annuitant and non- annuitant mortality tables. These tables are based on RP-2000 mortality tables projected with mortality improvement to the valuation year plus 7 and 15 years based on scale AA</p>
Disabled participants	
-Raytheon TI Systems, Inc Employees Pension Plan; Raytheon E-Systems, Inc, Richardson / Waco Retirement Plan; Raytheon E-Systems Inc. Salaried Employees Retirement Plan and HRB Systems, Inc, Salaried Retirement Plan	- 1985 Pension Disability Mortality for males and females
-All other plans	-Same as healthy
Retirement age	- Several rates, varying by age from 55 to 70

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

Raytheon Company Pension Plan for Salaried Employees
Notes to Financial Statements
December 31, 2014 and 2013

Assumption Changes

There have been changes in the actuarial assumptions since the prior valuation of the Plan, as follows:

- Mortality was updated from section 430(h)(3) prescribed separate static annuitant and non-annuitant mortality tables to a modified version of the RP-2014 employee/retiree no collar tables, which has the projection scale backed off to 2007 and projected future generational mortality improvement based on a modified version of the MP-2014 scale, which reflects a 10-year downgrade period and an ultimate rate of improvement of 0.75%.
- The salary scale assumption was updated from 4.5% to an age-weighted table.

The above changes were made to better reflect anticipated demographic experience.

As of December 31, 2013, the most recent valuation date, the actuarial present value of accumulated plan benefits is as follows:

Vested benefits	
Participants receiving benefits	\$3,354,901,375
Participants with deferred benefits	683,571,216
Active participants	<u>2,914,603,476</u>
Total vested benefits	6,953,076,067
Nonvested benefits	<u>118,798,171</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 7,071,874,238</u>

The following is an analysis of changes in the present value of accumulated plan benefits:

Actuarial present value of accumulated plan benefits as of December 31, 2012	\$6,544,970,486
Benefits accumulated and non-investment (gains)/losses	279,164,393
Increase for interest due to decrease in discount period	543,550,197
Benefit payments	(557,444,306)
Assumption changes	<u>261,633,468</u>
Actuarial present value of accumulated plan benefits as of December 31, 2013	<u>\$ 7,071,874,238</u>

Raytheon Company Pension Plan for Salaried Employees
Notes to Financial Statements
December 31, 2014 and 2013

4. Funding Policy

Pension Benefits

The employer's contributions are actuarially determined to fund the Plan's current normal costs on a current basis and to generally fund the existing unfunded liability on account of qualified service prior to the valuation date in accordance with the amortization schedules prescribed by ERISA minimum funding requirements (as amended by the Pension Protection Act). At the Company's discretion, and to the extent allowable under maximum tax deductibility regulations, contributions above the ERISA minimum requirements may be made to the Plan. Contributions for the years ended December 31, 2014 and 2013 met the minimum funding requirements of ERISA.

Medical Benefits

The medical benefits to be provided through the 401 (h) Account will be funded by participant and employer contributions. Company contributions to the Plan, which are specifically designated by the Company at the time made as contributions to fund medical benefits, are maintained in a separate Retiree Medical Account (Note 5). To the extent assets in this account are not sufficient to fund such medical benefits, such benefits shall be paid from such other funding vehicles as the Company may establish, or in the absence of such other funding vehicles, directly by the Company. Assets designated for pension benefits may not be used to pay for medical benefits.

5. 401(h) Account

The Plan includes a medical-benefit component in addition to the normal retirement benefits to fund a portion of the postretirement obligations for retirees and their beneficiaries in accordance with Section 401(h) of the Internal Revenue Code (IRC). A separate account has been established and maintained in the Plan for the net assets related to the medical-benefit component ("401(h) account"). In accordance with IRC Section 401(h), the Plan's investments in the 401(h) account may not be used for, or diverted to, any purpose other than providing health benefits for retirees and their beneficiaries. Any assets transferred to the 401(h) account from the defined benefit pension plan in a qualified transfer of excess pension plan assets (and any income allocable thereto) that are not used during the plan year must be transferred out of the account to the pension plan. The obligations related to the health benefits are not included in this plan's present value of accumulated plan benefits but are reflected as obligations in the financial statements of Raytheon Retiree Health Benefits Plan. Employer contributions or qualified transfers to the 401(h) account are determined annually and are at the discretion of the plan sponsor. Certain of the Plan's net assets are restricted to fund a portion of postretirement health benefits for retirees and their beneficiaries in accordance with IRC Section 401(h).

The following table presents the components of the net assets as of December 31, 2014 and 2013:

	December 31, 2014	December 31, 2013
Interest in Raytheon Master Pension Trust (See Note 7)	<u>\$ 183,973,679</u>	<u>\$ 188,670,020</u>

Raytheon Company Pension Plan for Salaried Employees
Notes to Financial Statements
December 31, 2014 and 2013

6. Reconciliation between Financial Statements and Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

	December 31, 2014	December 31, 2013
Net assets per Form 5500	\$10,176,154,363	\$9,914,694,897
Less: 401(h) account (Note 5)	<u>(183,973,679)</u>	<u>(188,670,020)</u>
Net assets per financial statements	<u>\$9,992,180,684</u>	<u>\$9,726,024,877</u>

The following is a reconciliation of the changes in net assets per the financial statements to the Form 5500:

	Year ended 2014		
	Amounts per Financial Statements	401(h) Account	Amounts per Form 5500
Raytheon Master Pension			
Trust investment income	\$ 561,318,979	\$ 11,188,707	\$ 572,507,686
Employer contributions	375,000,000	476,746	375,476,746
Participant contributions	-	14,058,882	14,058,882
Other income	373,096	-	373,096
Administrative expenses	15,116,910	1,358,084	16,474,994
Benefit payments	664,894,037	29,062,592	693,956,629
	Year ended 2013		
	Amounts per Financial Statements	401(h) Account	Amounts per Form 5500
Raytheon Master Pension			
Trust investment income	\$ 1,254,090,024	\$ 25,984,165	\$ 1,280,074,189
Employer contributions	417,683,000	1,117,232	418,800,232
Participant contributions	-	13,302,364	13,302,364
Other income	330,458	-	330,458
Administrative expenses	20,877,907	1,439,518	22,317,425
Benefit payments	557,444,306	28,649,073	586,093,379

Raytheon Company Pension Plan for Salaried Employees
Notes to Financial Statements
December 31, 2014 and 2013

7. Master Trust

Summary Financial Information

The Plan's assets are held in the Master Trust, which was established for the investment of assets of the Plan and several other Company sponsored retirement plans. The assets of the Master Trust are held by the Bank of New York Mellon ("BNY Mellon"), the Trustee. The Investment Committee, appointed by the Chairman and CEO of the Company, periodically reviews the asset allocation and performance of the investments held in the Master Trust. The investment policy, as approved by the Investment Committee, permits asset diversification to include a combination of cash and cash equivalents, publicly traded equity securities, private equity funds, fixed-income securities, private real estate funds, commingled funds and other investments such as insurance contracts, derivatives and repurchase agreements.

Investment securities are exposed to various risks, such as interest rate, market, currency, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur and such changes could materially affect the amounts reported in the statements of net assets available for benefits.

Raytheon Company Pension Plan for Salaried Employees

Notes to Financial Statements

December 31, 2014 and 2013

At December 31, 2014 and 2013, the Plan owned approximately 52% and 51%, respectively, of the fair value of the Master Trust net assets, which includes the 401(h) account. The total net assets of the Master Trust at December 31, 2014 and 2013 were:

	2014	2013
Assets		
Investments at fair market value		
Interest-bearing cash	\$276,489	\$44,224,802
U.S. government bonds	105,921,536	63,196,935
Corporate debt instruments and other fixed income securities	2,711,719,385	2,323,391,457
Corporate stock - preferred	18,046,380	28,349,357
Corporate stock - common and other equity securities	3,685,308,484	4,809,526,586
Commingled funds	7,805,044,527	7,840,043,642
Registered investment companies	3,589,618,430	2,789,823,773
Unallocated insurance contracts	17,570,569	16,980,737
Purchased options (premiums paid of \$- and \$1,029,518)	-	375,959
Collateral for futures held	20,316,268	20,754,673
	<u>\$17,953,822,068</u>	<u>\$17,936,667,921</u>
Investments at estimated fair market value		
Private equity funds	928,800,989	621,508,525
Private real estate funds	391,502,259	337,986,066
	<u>\$1,320,303,248</u>	<u>\$959,494,591</u>
Cash	26,323,762	7,107,922
Cash held at broker due to variation margin	23,814,288	15,479,687
Foreign cash	3,212,232	8,696,455
Interest and dividends receivable	53,038,048	31,609,370
Receivable for forward foreign currency contracts	1,269,831	1,464,964
Receivable for securities sold	225,725,742	113,142,699
Other receivables	-	51,752
Total assets	<u>19,607,509,219</u>	<u>\$19,073,715,361</u>
Liabilities		
Interest and dividend payable	\$161,867	\$54,945
Payable for forward foreign currency contracts	448,464	822,196
Payable for securities purchased	99,872,018	30,106,502
Other payables	7,860,934	8,290,949
Total liabilities	<u>\$108,343,283</u>	<u>\$39,274,592</u>
Master Trust net assets	<u>\$19,499,165,936</u>	<u>\$19,034,440,769</u>
Plan's interest in Master Trust, including 401(h) account	<u>\$10,185,408,405</u>	<u>\$9,657,798,496</u>

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The following table is a summary of the investment earnings and the net appreciation (depreciation) in the fair market value of the Master Trust for the years ended December 31, 2014 and 2013:

	2014	2013
Net appreciation (depreciation) in fair value of investments		
Interest-bearing and foreign cash	(\$112,713)	(\$315,276)
U.S. government bonds	19,214,291	(5,666,123)
Corporate debt instruments and other fixed income securities	99,857,155	(76,390,047)
Corporate stock – preferred	(3,112,448)	(4,224,083)
Corporate stock – common and other equity securities	170,547,701	853,405,674
Commingled funds	675,811,451	1,339,913,858
Registered investment companies	22,033,294	68,172,183
Purchased options	(3,937,314)	(908,559)
Written options	(26,019)	(1,454,288)
Forward currency contracts	(1,689,058)	3,667,970
Futures contracts	(103,967,039)	81,383,534
Other investments	(683,573)	(1,449,300)
	<u>\$873,935,728</u>	<u>\$2,256,135,543</u>
Net appreciation in estimated fair value of investments		
Private equity funds	35,680,695	98,689,301
Private real estate funds	44,111,404	47,502,992
	<u>\$79,792,099</u>	<u>\$146,192,293</u>
Interest	118,214,230	84,750,544
Dividends	183,113,373	171,328,630
Securities lending program income	-	34,763
Other income	4,182,413	3,263,972
Subtotal Master Trust investment income	<u>\$1,259,237,843</u>	<u>\$2,661,705,745</u>
Total expenses	<u>\$132,669,079</u>	<u>\$112,743,900</u>
Total Master Trust net investment income	<u>\$1,126,568,764</u>	<u>\$2,548,961,845</u>
Portion allocated to the Plan, including 401(h) account	<u>\$572,507,686</u>	<u>\$1,280,074,189</u>

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Fair Value Measurements

The accounting standard for fair value measurements provides a framework for measuring fair value and requires expanded disclosures regarding fair value measurements. Fair value is defined as the price that would be received for an asset or the exit price that would be paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. The accounting standard established a fair value hierarchy which requires an entity to maximize the use of observable inputs, where available. The following summarizes the three levels of inputs required as well as the assets and liabilities that we value using those levels of inputs.

- Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2:** Observable inputs, other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs which are observable or have been corroborated by observable market data for substantially the full term of the related assets or liabilities.
- Level 3:** Unobservable inputs supported by little or no market activity that are significant to the fair value of the assets or liabilities.

A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. See valuation policy section for further information.

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

For the years ended December 31, 2014 and December 31, 2013, there were no transfers in or out of Levels 1, 2 or 3.

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The following tables summarize the fair value of investment assets and liabilities as of December 31, 2014.

Fair Value of Investment Assets as of 12/31/2014					
	Level 1	Level 2	Level 3	Total	
Interest-bearing cash	\$ -	\$ 276,489	\$ -	\$ -	276,489
U.S. government bonds	98,210,540	7,710,996	-	-	105,921,536
Corporate debt instruments and other fixed income securities ⁽¹⁾	-	2,711,719,385	-	-	2,711,719,385
Corporate stock – preferred					
International equity	18,046,380	-	-	-	18,046,380
Corporate stock - common and other equity securities ⁽²⁾					
U.S. equity	2,303,268,695	221,784	-	-	2,303,490,479
International equity	1,381,581,836	236,169	-	-	1,381,818,005
Registered investment companies					
U.S. equity	844,036,675	-	-	-	844,036,675
International equity	362,006,096	-	-	-	362,006,096
Fixed income	1,881,361,237	-	-	-	1,881,361,237
Money market funds	502,214,422	-	-	-	502,214,422
Unallocated insurance contracts	-	-	17,570,569	-	17,570,569
Collateral for futures held	20,316,268	-	-	-	20,316,268
Unrealized gain on futures contracts ⁽³⁾	6,154,059	-	-	-	6,154,059
Receivable for forward foreign currency contracts	-	1,269,831	-	-	1,269,831
Total assets in fair value hierarchy	\$ 7,417,196,208	\$ 2,721,434,654	\$ 17,570,569	\$ -	10,156,201,431
Investments Measured at Net Asset Value as of 12/31/2014 ⁽⁴⁾					
Commingled funds					
103-12 investment entities					621,240,373
Absolute return					1,418,314,190
Common/collective trusts					4,228,784,563
Equity					281,252,682
Fixed income					1,135,803,930
Real estate pooled separate accounts					119,648,789
Private equity funds					928,800,989
Private real estate funds					391,502,259
Total investments measured at net asset value				\$ -	9,125,347,775
Total assets at fair value				\$ -	19,281,549,206
Fair Value of Investment Liabilities as of 12/31/2014					
	Level 1	Level 2	Level 3	Total	
Unrealized loss on futures contracts ⁽³⁾	\$ 13,745,864	\$ -	\$ -	\$ -	13,745,864
Payable for forward foreign currency contracts	-	448,464	-	-	448,464
Total liabilities	\$ 13,745,864	\$ 448,464	\$ -	\$ -	14,194,328

(1) Corporate debt instruments and other fixed income securities includes \$71,663,654 of asset backed securities and \$136,774,275 of term loans.

(2) Corporate stock - common and other equity securities includes \$195,345,848 of master limited partnership securities in U.S. equity.

(3) Unrealized gain/loss on futures contracts are recorded as Cash held at broker due to variation margin on the balance sheet.

(4) In accordance with Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of net assets available for benefits.

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The following tables summarize the fair value of investment assets and liabilities as of December 31, 2013.

Fair Value of Investment Assets as of 12/31/2013					
	Level 1	Level 2	Level 3	Total	
Interest-bearing cash	\$ -	\$ 44,224,802	\$ -	\$ -	44,224,802
U.S. government bonds	63,196,935	-	-	-	63,196,935
Corporate debt instruments and other fixed income securities ⁽¹⁾	-	2,323,391,457	-	-	2,323,391,457
Corporate stock – preferred					
U.S. equity	-	1,074,937	-	-	1,074,937
International equity	27,274,420	-	-	-	27,274,420
Corporate stock - common and other equity securities ⁽²⁾					
U.S. equity	2,416,946,275	3,523,777	-	-	2,420,470,052
International equity	2,389,056,534	-	-	-	2,389,056,534
Registered investment companies					
U.S. equity	407,294,192	-	-	-	407,294,192
International equity	229,192,475	-	-	-	229,192,475
Fixed income	1,598,915,126	-	-	-	1,598,915,126
Money market funds	554,421,980	-	-	-	554,421,980
Unallocated insurance contracts	-	-	16,980,737	-	16,980,737
Purchased options	375,959	-	-	-	375,959
Collateral for futures held	20,754,673	-	-	-	20,754,673
Unrealized gain on futures contracts ⁽³⁾	20,401,172	-	-	-	20,401,172
Receivable for forward foreign currency contracts	-	1,464,964	-	-	1,464,964
Total assets in fair value hierarchy	\$ 7,727,829,741	\$ 2,373,679,937	\$ 16,980,737	\$ -	10,118,490,415

Investments Measured at Net Asset Value as of 12/31/2013 ⁽⁴⁾			
Commingled funds			
103-12 investment entities			693,061,801
Absolute return			1,262,601,546
Common/collective trusts			4,664,713,570
Equity			101,449,957
Fixed income			1,008,751,343
Real estate pooled separate accounts			109,465,425
Private equity funds			621,508,525
Private real estate funds			337,986,066
Total investments measured at net asset value	-	-	8,799,538,233
Total assets at fair value			\$ 18,918,028,648

Fair Value of Investment Liabilities as of 12/31/2013				
	Level 1	Level 2	Level 3	Total
Unrealized loss on futures contracts ⁽³⁾	\$ 1,579,212	\$ -	\$ -	\$ 1,579,212
Payable for forward foreign currency contracts	-	822,196	-	822,196
Total liabilities	\$ 1,579,212	\$ 822,196	\$ -	2,401,408

(1) Corporate debt instruments and other fixed income securities includes \$116,981,177 of asset backed securities and \$201,747,995 of term loans.

(2) Corporate stock - common and other equity securities includes \$68,356,917 of master limited partnership securities in U.S. equity.

(3) Unrealized gain/loss on futures contracts are recorded as Cash held at broker due to variation margin on the balance sheet.

(4) In accordance with Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of net assets available for benefits.

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Level 3 Investments

The tables below summarize changes in the fair value of the Master Trust's Level 3 investment assets for the years ended December 31, 2014 and December 31, 2013.

Level 3 Investment Assets 12/31/2014						
	Balance, beginning of year	Realized gains (losses)	Change in unrealized gains (losses)	Purchases	Sales	Transfers in (out) of level 3
Unallocated insurance contracts	\$ 16,980,737	\$ -	\$ -	\$ 714,017	\$ 124,185	\$ -
Total	\$ 16,980,737	\$ -	\$ -	\$ 714,017	\$ 124,185	\$ -

There was no change in unrealized gain or loss related to investment assets held by the Master Trust at December 31, 2014.

Level 3 Investment Assets 12/31/2013						
	Balance, beginning of year	Realized gains (losses)	Change in unrealized gains (losses)	Purchases	Sales	Transfers in (out) of level 3
Corporate stock - common and other equity securities						
U.S. equity	\$ 157,716	\$ (4,914)	\$ 9,243	\$ -	\$ 162,045	\$ -
Unallocated insurance contracts	16,258,269	-	-	846,733	124,265	-
Total	\$ 16,415,985	\$ (4,914)	\$ 9,243	\$ 846,733	\$ 286,310	\$ -

There was no change in unrealized gain or loss related to investment assets held by the Master Trust at December 31, 2013.

Level 3 investments consist mainly of unallocated insurance contracts. Unallocated insurance contracts represent less than 1% of the Master Trust assets and are valued at their contract price which approximates fair value.

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The table below summarizes the fair value measurements of the investments in certain entities that calculate net asset value per share as of December 31, 2014.

Category of Investment	Fair Value	Unfunded Commitments	Remaining Life, if applicable	Redemption Terms, if currently eligible	Redemption restrictions and terms	Redemption restrictions and terms in place at year end
Commingled Funds						
103-12 Entities	\$ 621,240,373	Not applicable	Not applicable	Ranges from 5-15 days notice monthly	100% of these funds are either not under lock or have a lock of one year or less.	Less than 5% of the funds have gates in place as of December 31, 2014.
Absolute Return	1,418,314,190	Not applicable	Not applicable	Ranges from 45-65 days notice monthly, 45-90 days notice quarterly, 90 days notice semi-annually, 90 days notice annually	86% of these funds are either not under lock or have a lock of one year or less. 14% of these funds have a lock up provision greater than one year and up to ten years.	Less than 15% of the funds have gates in place as of December 31, 2014.
Common/collective Trusts	4,228,784,563	\$ 94,006,515	Not applicable	Ranges up to 2 days notice daily, 90 days notice quarterly	100% of these funds are either not under lock or have a lock of one year or less.	None
Equity Funds	281,252,682	Not applicable	Not applicable	Ranges from 30 days notice monthly, 60 days notices quarterly	100% of these funds are either not under lock or have a lock of one year or less.	None
Fixed Income Funds	1,135,803,930	Not applicable	Not applicable	Ranges from 45 days notice monthly, 60-90 notice days quarterly	74% of these funds are either not under lock or have a lock of one year or less. 26% of these funds have a lock up provision of two years.	Less than 5% of the funds have gates in place as of December 31, 2014.
Real Estate Pooled Separate Accounts	119,648,789	Not applicable	Not applicable	90 days quarterly	100% of these funds are either not under lock or have a lock of one year or less.	None
Private Equity Funds	928,800,989	1,225,071,953	0-10 years	Not applicable	Not applicable	Not applicable
Private Real Estate Funds	391,502,259	647,242,017	0-10 years	Not applicable	Not applicable	Not applicable

The table below summarizes the fair value measurements of the investments in certain entities that calculate net asset value per share as of December 31, 2013.

Category of Investment	Fair Value	Unfunded Commitments	Remaining Life, if applicable	Redemption Terms, if currently eligible	Redemption restrictions and terms	Redemption restrictions and terms in place at year end
Commingled Funds						
103-12 Entities	\$ 693,061,801	Not applicable	Not applicable	Ranges from 5-15 days notice monthly	100% of funds are either not under lock or have a lock of one year or less.	Less than 5% of the funds have gates in place as of December 31, 2013.
Absolute Return	1,262,601,546	\$ 5,753,557	Not applicable	Ranges from 45-120 days notice monthly, 45-90 days notice quarterly, 90 days notice annually	96% of funds are either not under lock or have a lock of one year or less. 4% of funds have a lock up provision of two to ten years.	Less than 15% of the funds have gates in place as of December 31, 2013.
Common/collective Trusts	4,664,713,570	50,000,000	Not applicable	Ranges from 1-7 days notice daily	None	None
Equity Funds	101,449,957	Not applicable	Not applicable	Ranges from 15-30 days notice monthly	100% of funds are either not under lock or have a lock of one year or less.	None
Fixed Income Funds	1,008,751,343	Not applicable	Not applicable	Ranges from 45 days notice monthly, 60-90 days notice quarterly	79% of funds are either not under lock or have a lock of one year or less. 21% of funds have a lock up provision of two to five years.	Less than 5% of the funds have gates in place as of December 31, 2013.
Real Estate Pooled Separate Accounts	109,465,425	Not applicable	Not applicable	90 days notice quarterly	100% of funds are either not under lock or have a lock of one year or less.	None
Private Equity Funds	621,508,525	1,178,541,014	0-9 years	Not applicable	Not applicable	Not applicable
Private Real Estate Funds	337,986,066	411,678,478	0-9 years	Not applicable	Not applicable	Not applicable

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Valuation Policy

The Plan's interest in the Master Trust is stated at fair value. The Trustee values Master Trust investments as follows:

Cash and cash equivalents are valued at amortized cost, which approximates fair value.

Investments in equity securities (common and preferred) and equity securities sold short, if any, are valued at the exchange traded closing price if available.

Investments in fixed income securities (U.S. Government, domestic and foreign bonds, asset backed securities and term loans) are valued by a pricing service which determines valuations for normal institutional-size trading units of such securities using methods based upon market transactions for comparable securities and various relationships between securities which are generally recognized by institutional traders, or at fair value as determined in good faith by the Trustee of the Master Trust and management.

Investments denominated in foreign currencies are translated into U.S. Dollars using the last reported exchange rate.

Investments in registered investment companies are valued at their last reported net asset value.

Commingled funds, private equity funds and private real estate funds are generally valued at their last reported net asset value. Certain commingled funds, private equity funds and private real estate funds are recorded at fair market value which considers, but is not limited to fair values reported by the investment advisor, audited financial statements, and independently appraised values. In the event that audited financial statements for these investments are not available in time to prepare our financial statements or management believes the value reported by the investment advisor does not accurately reflect fair value due to an event in the market place, such as a prime-broker filing for bankruptcy, management will adjust the reported value to fair value based upon information provided by the investment manager or independent valuation experts.

Unallocated insurance contracts are valued at their contract price which approximates fair value.

Securities and other assets for which market quotations are not readily available or for which the above valuation procedures are deemed not to reflect fair value are valued in a manner that is intended to reflect their fair value.

Valuation policies for derivative investments are disclosed in the Derivative Policy paragraph.

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Investment Income (Loss)

The Trustee maintains separate records of each plan's proportionate share in the Master Trust's investment accounts. The Plan's share of investment income (loss) and net appreciation (depreciation) in the fair value of investments of the Master Trust is included in the Statements of Changes in Net Assets Available for Benefits as Master Trust investment income (loss). The net appreciation (depreciation) in the fair value of investments consists of the realized gains (losses) and the change in unrealized appreciation (depreciation) on those investments.

Under the Master Trust Agreement, each plan's assets are jointly invested. The Plan uses the unit participation method to calculate the Plan's interest in the Master Trust. Under this method, contributions made to and benefits paid from the Master Trust result in increases or decreases in units of participation. All Master Trust income or loss results in a change in unit value.

Dividends are recorded on the ex-dividend date and interest income is accrued as earned. All security transactions are recorded on the trade date. Premiums and discounts on debt securities are amortized to maturity. Gains or losses on sales of securities are based on average cost.

Investments Sold Short

As of December 31, 2014 and 2013, the Master Trust was not invested in any securities sold short.

The Master Trust may sell a security it does not own in anticipation of a decline in the fair value of that security or as part of its core investment strategy. The Master Trust, in "selling short," sells borrowed securities that must at some date be repurchased and returned to the lender. The risk associated with this practice is that if the market value of the securities sold short increases, the Master Trust may realize losses upon repurchase at prices which may exceed the proceeds received from the sale of the security. Further, in unusual circumstances, the Master Trust may be unable to purchase securities to close its short positions. The Master Trust is obligated to pay a prime broker interest based on the value of the securities sold short and any dividends declared on the securities sold short. Such fees and dividends are recorded on the accrual basis as an expense to the Master Trust.

Repurchase Agreements

As of December 31, 2014 and 2013, the Master Trust was not directly invested in any repurchase agreements.

The Master Trust may lend extra cash through the use of repurchase agreements whereby the Master Trust agrees to purchase and automatically agrees to sell certain securities at a mutually agreed-upon date and price. At the same time, the counterparty to this agreement agrees to pledge some of its securities. The underlying collateral securities consist of securities in which the Master Trust is permitted to invest.

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Securities Lending Program

The Master Trust previously participated in a securities lending program with the Trustee and exited the program by December 31, 2013. The program allowed the Trustee to loan securities, which are assets of the Master Trust, to approved brokers (the "Borrowers"). The Trustee required Borrowers, pursuant to a security loan agreement, to deliver collateral to secure each loan. The collateral required 102% of the fair value of U.S. securities borrowed and 105% for non-U.S. securities borrowed. The Master Trust bore the risk of loss with respect to the unfavorable change in fair value of the invested cash collateral. However, the Borrower bore the risk of loss related to the decrease in the fair value of the securities collateral and, therefore, will have to deliver additional securities to maintain the required collateral. In the event of default by the Borrower, the Trustee shall indemnify the Master Trust by purchasing replacement securities equal to the number of unreturned loaned securities or, if replacement securities are not able to be purchased, the Trustee shall credit the Master Trust for the market value of the unreturned securities. In each case, the Trustee would apply the proceeds from the collateral for such a loan to make the Master Trust whole.

A portion of the income generated upon investment of cash collateral is remitted to the Borrowers, and the remainder is allocated between the Master Trust and the Trustee in its capacity as a security agent. Securities lending income allocated to the Master Trust amounted to \$34,763 as of December 31, 2013. Securities lending income allocated to the Trustee amounted to \$8,762 as of December 31, 2013.

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Derivative Policy

The Master Trust enters into contractual arrangements classified as derivatives in carrying out its investment strategy, principally to: (1) hedge a portion of the Master Trust's portfolio to limit or minimize exposure to certain risks, (2) gain exposure to a market more rapidly or less expensively than could be accomplished through the use of the cash markets, and (3) increase investment returns by reducing the cost of structuring the portfolio or capturing value disparities between financial instruments. The Master Trust may utilize both exchange traded investment instruments such as equity and fixed income futures and options contracts and over-the-counter derivatives such as forward contracts and swaps. Select major financial institutions are used in derivatives transactions. When engaging in over the counter derivatives and forward foreign exchange contracts, there is exposure to credit loss in the event of nonperformance by the counterparties to these transactions. The Master Trust manages this exposure through credit approvals, limits, monitoring procedures, and to the extent possible, by restricting the period over which unpaid balances are allowed to accumulate. The Master Trust does not anticipate nonperformance by counterparties to these contracts.

The following tables present the values of derivatives carried on the Statement of Net Assets and the Statement of Changes in Net Assets of the Master Trust as of and for the year ended December 31, 2014:

Derivatives not accounted for as hedging instruments

Assets	Credit	Equity	Foreign Exchange	Total
Unrealized gain on futures contracts	\$ 6,154,059	\$ -	\$ -	\$ 6,154,059
Unrealized gain on forward currency contracts	-	-	1,269,831	1,269,831
	<u>\$ 6,154,059</u>	<u>\$ -</u>	<u>\$ 1,269,831</u>	<u>\$ 7,423,890</u>
Liabilities				
Unrealized loss on futures contracts	\$13,745,864	\$ -	\$ -	\$13,745,864
Unrealized loss on forward currency contracts	-	-	448,464	448,464
	<u>\$13,745,864</u>	<u>\$ -</u>	<u>\$ 448,464</u>	<u>\$14,194,328</u>

Effect of Derivative Instruments on the Statements of Changes in Net Assets

	Net Appreciation/ (Depreciation)	Average Number of Contracts*
Derivatives not accounted for as hedging instruments		
Options	\$ (3,963,333)	725
Futures contracts	(103,967,039)	14,000
Forward currency contracts	<u>(1,689,058)</u>	<u>100</u>
	<u>\$ (109,619,430)</u>	<u>14,825</u>

* Number of contracts represents volume of derivative activity and is based on a quarterly average.

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The following tables present the values of derivatives carried on the Statement of Net Assets and the Statement of Changes in Net Assets of the Master Trust as of and for the year ended December 31, 2013:

Derivatives not accounted for as hedging instruments

Assets	Credit	Equity	Foreign Exchange	Interest Rate	Total
Unrealized gain on options	\$ -	\$ 375,959	\$ -	\$ -	\$ 375,959
Unrealized gain on futures contracts	20,401,172	-	-	-	20,401,172
Unrealized gain on forward currency contracts	-	-	1,464,964	-	1,464,964
	<u>\$20,401,172</u>	<u>\$ 375,959</u>	<u>\$ 1,464,964</u>	<u>\$ -</u>	<u>\$ 22,242,095</u>
Liabilities					
Unrealized loss on futures contracts	\$ 1,579,212	\$ -	\$ -	\$ -	\$ 1,579,212
Unrealized loss on forward currency contracts	-	-	822,196	-	822,196
	<u>\$ 1,579,212</u>	<u>\$ -</u>	<u>\$ 822,196</u>	<u>\$ -</u>	<u>\$ 2,401,408</u>

Effect of Derivative Instruments on the Statements of Changes in Net Assets

Derivatives not accounted for as hedging instruments	Net Appreciation/ (Depreciation)	Average Number of Contracts*
Options	\$ (2,362,847)	650
Futures contracts	81,383,534	9,350
Forward currency contracts	<u>3,667,970</u>	<u>100</u>
	<u>\$ 82,688,657</u>	<u>10,100</u>

* Number of contracts represents volume of derivative activity and is based on a quarterly average.

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The following is a summary of the significant accounting policies associated with the Master Trust's use of derivatives:

Forward Foreign Currency Exchange Contracts

A forward foreign currency exchange contract ("forward currency contract") is a commitment to purchase or sell a foreign currency at a future settlement date and at a negotiated rate.

Forward currency contracts are utilized to hedge a portion of the currency exposure that results from the Master Trust's holdings of equity and fixed income securities denominated in foreign currencies.

Forward currency contracts are marked-to-market at the prevailing forward exchange rate of the underlying currencies and the difference between contract value and market value is recorded as unrealized appreciation (depreciation) in Master Trust net assets. When the forward exchange contract is closed, the Master Trust transfers the unrealized appreciation (depreciation) to a realized gain (loss) equal to the change in the value of the forward exchange contract when it was opened and the value at the time it was closed or offset. Sales and purchases of forward currency contracts having the same settlement date and broker are offset and any gain (loss) is realized on the date of offset.

Certain risks may arise upon entering into a forward currency contract from the potential inability of counterparties to meet the terms of their contracts. Additionally, when utilizing forward currency contracts to hedge, the Master Trust gives up the opportunity to profit from favorable exchange rate movements during the term of the contract.

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A summary of open forward currency contracts at December 31, 2014 is presented below:

2014				
	Settlement Date	Aggregate Face Value	Market Value	Unrealized Appreciation (Depreciation)
Currency Purchased				
Australian Dollar	1/2/2015 - 1/5/2015	\$297,355	\$297,508	\$153
Canadian Dollar	1/2/2015 - 1/5/2015	210,457	210,478	21
Danish Krone	1/2/2015 - 1/6/2015	152,910	152,000	(910)
Euro Currency Unit	1/2/2015 - 1/15/2015	4,480,636	4,347,436	(133,200)
Hong Kong Dollar	1/2/2015 - 1/5/2015	73,258	73,264	6
Indonesian Rupiah	1/5/2015	297,138	297,293	155
Israeli Shekel	1/2/2015	1,313	1,315	2
Japanese Yen	1/6/2015 - 2/13/2015	4,285,600	3,976,070	(309,530)
Mexican New Peso	1/2/2015 - 1/6/2015	60,365	60,438	73
New Turkish Lira	1/2/2015	42,167	41,933	(234)
Norwegian Krone	1/2/2015 - 1/5/2015	91,973	91,963	(10)
Polish Zloty	1/2/2015	20,756	20,592	(164)
Pound Sterling	1/14/2015	44,737	42,097	(2,640)
South Korean Won	1/2/2015 - 1/5/2015	503,752	503,399	(353)
Swedish Krona	1/2/2015	18,374	18,156	(218)
Swiss Franc	1/5/2015	188,335	187,442	(893)
		<u>\$10,769,126</u>	<u>\$10,321,384</u>	<u>(\$447,742)</u>

2014				
	Settlement Date	Aggregate Face Value	Market Value	Unrealized Appreciation (Depreciation)
Currency Sold				
Euro Currency Unit	1/5/2015 - 1/15/2015	\$4,407,811	\$4,165,203	\$242,608
Hong Kong Dollar	1/2/15	782,351	782,663	(312)
Japanese Yen	1/5/2015 - 2/13/2015	7,245,943	6,223,309	1,022,634
Pound Sterling	1/14/2015	46,135	42,097	4,038
Singapore Dollar	1/5/15	64,848	64,707	141
Swiss Franc	1/6/2015	797	797	-
		<u>\$12,547,885</u>	<u>\$11,278,776</u>	<u>\$1,269,109</u>

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A summary of open forward currency contracts at December 31, 2013 is presented below:

	2013			
	Settlement Date	Aggregate Face Value	Market Value	Unrealized Appreciation (Depreciation)
Currency Purchased				
Australian Dollar	1/2/2014-1/6/2014	\$133,577	\$134,394	\$817
Canadian Dollar	1/3/2014-1/6/2014	301,055	302,096	1,041
Danish Krone	1/2/2014	50,392	50,639	247
Euro Currency Unit	1/2/2014-5/13/2014	5,118,888	5,186,689	67,801
Hong Kong Dollar	1/3/2014	26,034	26,033	(1)
Indonesian Rupiah	1/3/2014	1,568	1,581	13
Japanese Yen	1/7/2014-5/13/2014	7,402,642	7,030,206	(372,436)
Pound Sterling	1/3/2014-1/6/2014	36,837	36,893	56
S. African Comm Rand	1/7/2014	2,204	2,194	(10)
South Korean Won	1/2/2014	9,896	9,883	(13)
Swedish Krona	1/2/2014-1/7/2014	197,062	199,228	2,166
Swiss Franc	1/3/2014	844,447	845,824	1,377
		\$14,124,602	\$13,825,660	(\$298,942)

	2013			
	Settlement Date	Aggregate Face Value	Market Value	Unrealized Appreciation (Depreciation)
Currency Sold				
Euro Currency Unit	1/2/2014-6/18/2014	\$17,771,064	\$18,211,643	(\$440,579)
Japanese Yen	1/6/2014-6/18/2014	24,603,373	23,211,927	1,391,446
Malaysian Ringgit	1/2/2014	11,287	11,325	(38)
New Taiwan Dollar	1/2/2014	97,715	98,326	(611)
Pound Sterling	1/2/2014-6/18/2014	824,434	832,942	(8,508)
Thailand Baht	1/3/2014	1,028	1,028	-
		\$43,308,901	\$42,367,191	\$941,710

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Futures Contracts

A futures contract is a contractual agreement to make or take delivery of a standardized quantity of a specified grade or type of commodity or financial instrument at a specified future date in accordance with terms specified by a regulated futures exchange.

The Master Trust may use equity index, fixed income, cash and cash equivalents and commodities futures contracts to manage exposure to the market. Buying futures tends to increase the Master Trust's exposure to the underlying instrument. Selling futures tends to decrease the Master Trust's exposure to the underlying instrument held, or hedge the fair value of other fund investments.

Futures contracts are valued at the last settlement price at the end of each day on the exchange upon which they are traded. Upon entering into a futures contract, the Master Trust is required to deposit either in cash or securities an amount equal to a certain percentage of the nominal value of the contract ("initial margin"). Pursuant to the futures contract, the Master Trust agrees to receive from, or pay to, the broker an amount of cash equal to the daily fluctuation in the value of the futures contract. Such receipts or payments are recorded as "margin flows," and the accumulated balances resulting from those flows are represented on the balance sheet as "cash held at broker" and "cash due to broker." The Master Trust will also record an unrealized gain or loss on futures, which is calculated as the difference between the notional cost and the notional market value of open futures contracts.

Futures contracts involve, to varying degrees, credit and market risks. The Master Trust enters into futures contracts on exchanges where the exchange acts as the counterparty to the transaction. Thus, credit risk on such transactions is limited to the failure of the exchange. The daily settlement on the futures contracts serves to greatly reduce credit risk. Losses in value may arise from changes in the value of the underlying instrument or if there is an illiquid secondary market for the contracts. In addition, there is the risk that there may not be an exact correlation between a futures contract and the underlying index or security.

At December 31, 2014, U.S. Government Bonds with a par value of \$20,209,000 (\$20,316,268 fair value) were pledged as collateral for open equity, fixed income and cash and cash equivalents futures positions. These bonds are restricted from trading until the futures positions for which they are pledged as collateral are settled. A cash balance of \$31,406,093 was pledged to cover margin requirements for open futures contracts.

At December 31, 2013, U.S. Government Bonds with a par value of \$21,140,000 (\$20,754,673 fair value) were pledged as collateral for open equity and fixed income futures positions. These bonds are restricted from trading until the futures positions for which they are pledged as collateral are settled. A cash balance of \$3,342,273 was posted to cover margin requirements for open futures contracts.

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A summary of the open fixed income futures as of December 31, 2014 and 2013 are presented below:

	Long Contracts		Short Contracts	
	2014		2014	
	Number of Contracts	Aggregate Face Value	Number of Contracts	Aggregate Face Value
U.S. Treasury Bond Futures (CBT)	-	\$ -	696	\$ 100,615,500
U.S. 10-year Treasury Notes Futures (CBT)	401	50,845,547	2,156	273,374,063
U.S. 5-year Treasury Notes Futures (CBT)	452	53,756,219	412	48,999,031
U.S. 2- Year Treasury Notes Futures (CBT)	109	23,826,719	-	-
U.S. Ultra Bond (CBT)	-	-	1,667	275,367,563
Grand Total	<u>962</u>	<u>\$ 128,428,485</u>	<u>4,931</u>	<u>\$ 698,356,157</u>

	Long Contracts		Short Contracts	
	2013		2013	
	Number of Contracts	Aggregate Face Value	Number of Contracts	Aggregate Face Value
U.S. Treasury Bond Futures (CBT)	66	\$ 8,468,625	297	\$ 38,108,812
U.S. 10-year Treasury Notes Futures (CBT)	-	-	3,670	451,582,031
U.S. 5-year Treasury Notes Futures (CBT)	660	78,746,250	635	75,763,438
U.S. 2- Year Treasury Notes Futures (CBT)	184	40,445,500	-	-
U.S. Ultra Bond (CBT)	157	21,391,250	1,078	146,877,500
Grand Total	<u>1,067</u>	<u>\$ 149,051,625</u>	<u>5,680</u>	<u>\$ 712,331,781</u>

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A summary of the open equity index futures as of December 31, 2014 and 2013 are presented below:

	Long Contracts	
	2014	
	Number of Contracts	Aggregate Face Value
S&P 500 Emini Index Futures (CME)	3,022	\$ 310,117,640
Grand Total	3,022	\$ 310,117,640

	Long Contracts	
	2013	
	Number of Contracts	Aggregate Face Value
S&P Mid 400 Emini Futures (CME)	22	\$ 2,946,680
S&P 500 Emini Index Futures (CME)	2,609	240,171,495
Russell 2000 Mini Ind Futures (NYF)	37	4,297,180
Grand Total	2,668	\$ 247,415,355

A summary of the open cash & cash equivalents futures as of December 31, 2014 is presented below:

	Short Contracts	
	2014	
	Number of Contracts	Aggregate Face Value
90 Day Euro Dollar Future (CME)	1,210	\$ 298,043,850
Grand Total	1,210	\$ 298,043,850

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Options

As of December 31, 2014, the Master Trust was not invested in any options.

The Master Trust may invest in option contracts. An option contract is a contract in which the writer of the option grants the buyer of the option the right to purchase from ("call option"), or sell to ("put option"), the writer a designated instrument at a specified price within a specified period of time. Certain options, including options on indices, will require cash settlement by the Master Trust if the option is exercised. The Master Trust may enter into put or call option contracts in order to: hedge against potential adverse price movements in the value of the portfolio assets, as a temporary substitute for selling selected investments; to lock in the purchase price of a security or currency that it expects to purchase in the near future, as a temporary substitute for the purchase of selected investments; and to enhance potential gain.

When the Master Trust purchases or writes an option, an amount equal to the premium paid or received by the Master Trust is recorded as an asset or liability and is subsequently adjusted to the current market value of the option purchased or written. Options purchased or written are valued at the last sale price or, in the absence of a sale, the mean between the closing bid and asked prices or at the most recent asked price (bid for purchased options) if no bid and asked price are available. Over-the-counter purchased or written options are valued using dealer supplied quotations. Gain and loss is recognized when the option contract expires or is closed.

If the Master Trust writes a covered call option, the Master Trust foregoes, in exchange for the premium, the opportunity to profit during the option period from an increase in the value of the underlying security above the exercise price. If the Master Trust writes a put option, it accepts the risk of a decline in the value of the underlying security below the exercise price. Over-the-counter options have a risk of the potential inability of counterparties to meet the terms of their contracts. The Master Trust's maximum exposure to purchased options is limited to the premium initially paid. In addition, certain risks may arise upon entering into option contracts prior to the expiration date and that a change in value of the option contract may not correlate exactly with changes in the value of the securities or currencies hedged.

A summary of open purchased equity options as of December 31, 2013 is presented below:

Put Options		
2013		
	Number of Contracts	Market Value
Total purchased equity options	<u>1,067</u>	<u>\$ 375,959</u>
Premiums paid in aggregate as of December 31, 2013		<u>\$ 1,029,518</u>

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Swaps

As of December 31, 2014 and 2013, the Master Trust was not invested in any swaps.

The Master Trust may invest in interest rate swap contracts. The Master Trust uses interest rate swap contracts to manage its exposure to interest rates. Interest rate swap contracts entered into by the Master Trust typically represent the exchange by the Master Trust with a counterparty of a commitment to make variable rate and fixed rate payments with respect to a notional amount of principal. Such contracts may have a term of one to ten years, but typically require periodic interim settlement in cash, at which time both the value of the index or security and the specified variable interest rate are reset for the next settlement period. During the period that the swap contract is open, the contract is marked-to-market as the net amount due to or from the Plan in accordance with the terms of the contract based on the closing level of the relevant index or security and interest accrual through the valuation date. Changes in the value of the swap contract are recorded as unrealized gains or losses, while periodic cash settlements are recorded as realized gains or losses.

The Master Trust may invest in credit default swaps. Credit default swap contracts entered into by the Master Trust typically represent the exchange by the Master Trust with a counterparty of a commitment to provide a level of credit protection for a commitment to receive interest at a fixed rate based on the potential risk of default of the relevant underlying issuer. Providing credit protection to a counterparty tends to increase a Master Trust's exposure to the underlying instrument. Receiving credit protection from a counterparty tends to decrease a Master Trust's exposure to the underlying instrument held by a Master Trust, or hedge the fair value of other Master Trust investments. Such contracts may have a term of one to ten years, but typically require periodic interim settlement in cash. During the period that the credit default swap contract is open, the contract is marked-to-market in accordance with the terms of the contract based on the current interest rate spreads and credit risk of the referenced obligation of the underlying issuer and interest accrual through valuation date. Changes in the value of the credit default swap are recorded as unrealized gains or losses, while periodic cash settlements are recorded as realized gains or losses.

Entering into a swap contract involves, to varying degrees, elements of credit, market and interest rate risk in excess of the amounts reported in the statement of net assets available for benefits. Notional principal amounts are used to express the extent of involvement in the transactions, but are not delivered under the contract. Accordingly, credit risk is limited to any amounts receivable from the counterparty. To reduce credit risk from potential counterparty default, the Master Trust enters into swap contracts with counterparties whose creditworthiness has been approved by the Trustee of the Trust. The Master Trust bears the market risk arising from any change in index or security values or interest rates.

8. Termination Policies

The Company has not expressed any intent to terminate the Plan or discontinue its contributions. However, in the event the Plan is discontinued:

- (a) The assets comprising the Plan, including the net income/ (loss) of the Plan shall be revalued at market by the Trustee.
- (b) The Plan provides that the net assets of the Plan shall be allocated among the participants and beneficiaries of the Plan in the order provided by ERISA.
- (c) To the extent unfunded vested benefits exist, ERISA provides that such benefits are payable by the Pension Benefit Guaranty Corporation (the "PBGC") to participants, up to specified limitations, as described in ERISA.

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Whether all participants receive their full or partial benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations, and may also depend on the financial condition of the plan sponsor and the level of benefits guaranteed by the PBGC.

The Company may terminate the Plan in whole or in part at any time. This summary of termination priorities is provided for general information purposes only. Participants should refer to the Plan document for more information.

9. Party-in-Interest Transactions

The Bank of New York Mellon ("BNY Mellon") is the Trustee and Custodian of the Plan, and is therefore a party-in-interest with respect to the Plan. Certain investments within the Master Trust were advised by or affiliated with BNY Mellon. For the years ended December 31, 2014 and 2013, expenses specifically related to the Plan of \$655,597 and \$861,369, respectively, were paid to BNY Mellon and were incurred and included in "Administrative expenses." Additionally, the Plan was allocated approximately \$2,883,189 and \$2,369,331 of expenses paid directly by the Master Trust to BNY Mellon for the years ended December 31, 2014 and 2013, respectively, and those amounts are included in "Raytheon Master Pension Trust investment income."

As of December 31, 2014 and 2013, expenses to be paid to BNY Mellon of \$724,009 and \$691,234, respectively, were accrued. Accrued expenses to be paid to BNY Mellon specifically related to the Plan are included in "Accrued administrative expenses" and the Plan's allocation of Master Trust accrued expenses to be paid to BNY Mellon are included in "Other Liabilities."

All of these transactions either fall outside the scope of, or are exempt from, ERISA's prohibited transaction rules.

10. Tax Status

The Internal Revenue Service (the "IRS") has determined and informed the Company by letter dated September 23, 2013, that the design of the Plan meets the requirements for qualification under Code section 401(a), on which the tax exemption of the Trust under Code section 501(a) is based. The Plan has been amended since receiving the determination letter. The Plan Administrator and the Company's benefits counsel believe that the current design and operation of the Plan are consistent with continued qualification of the Plan and exemption of the Trust in the context of applicable IRS procedures.

The Plan adopted the provisions of uncertain tax positions that provide criteria for the recognition, measurement, presentations and disclosure of uncertain tax positions beginning January 1, 2009. The Plan may from time to time hold investments that give rise to certain tax liabilities. Based upon management's assessment, the Plan has not recognized any tax liabilities at December 31, 2014 and 2013, respectively. The Plan is subject to examinations by taxing jurisdictions; however, there are currently no audits for any tax period in progress. The Plan Administrator believes the Plan is no longer subject to federal tax examination for years prior to 2012.

11. Risks and Uncertainties

The Plan financial statements are based on the application of U.S. GAAP, which require the Plan to make estimates and assumptions about future events that affect the amounts reported in financial statements and the accompanying notes.

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Contributions to the Plan are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee compensation and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions will occur in the near term and, due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements. The investments of the Plan, which are held in the Master Trust, are exposed to various risks, such as interest rate, market and credit risks. See Note 7 for additional information with respect to investment risk.

12. Subsequent Events

The Plan has evaluated subsequent events and transactions subsequent to December 31, 2014 through the date the Plan's financial statements were available to be issued, September 25, 2015.