

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 24pt; 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 <u>DRS TECHNOLOGIES, INC. PENSION VALUE PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>002</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>10/01/2001</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>002</u>	1c Effective date of plan <u>10/01/2001</u>	
1b Three-digit plan number (PN) ▶	<u>002</u>				
1c Effective date of plan <u>10/01/2001</u>					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>DRS TECHNOLOGIES, INC.</u> <u>2345 CRYSTAL DRIVE</u> <u>SUITE 1000</u> <u>ARLINGTON, VA 22202</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>13-2632319</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>301-944-8659</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>334500</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>13-2632319</u>	2c Plan Sponsor's telephone number <u>301-944-8659</u>	2d Business code (see instructions) <u>334500</u>	
2b Employer Identification Number (EIN) <u>13-2632319</u>					
2c Plan Sponsor's telephone number <u>301-944-8659</u>					
2d Business code (see instructions) <u>334500</u>					

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/05/2015	KELLY BAER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number) (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☐ Same as Plan Sponsor DRS TECHNOLOGIES, INC. CORPORATE BENEFITS 1 MILESTONE CENTER CT. GERMANTOWN, MD 20876	3b Administrator's EIN 13-2632319 3c Administrator's telephone number 301-944-8659 <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
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	5 228
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) 73
a(2) Total number of active participants at the end of the plan year	6a(2) 66
b Retired or separated participants receiving benefits	6b 88
c Other retired or separated participants entitled to future benefits.....	6c 74
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 228
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 0
f Total. Add lines 6d and 6e	6f 228
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 1C 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 DRS TECHNOLOGIES, INC. PENSION VALUE PLAN	B Three-digit plan number (PN) 002
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF DRS TECHNOLOGIES, INC.	D Employer Identification Number (EIN) 13-2632319

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	41746464	
b Actuarial value	2b	38595680	
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	76	13607830	13607830
b For terminated vested participants	79	9819674	9819674
c For active participants	73	13521432	14139156
d Total	228	36948936	37566660
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	6.52%	
6 Target normal cost	6	557374	

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.

<div>SIGN HERE</div>	<div>08/07/2015</div> <div>Signature of actuary</div> <div>PAUL F. POLCHERT</div> <div>Type or print name of actuary</div> <div>AON CONSULTING, INC.</div> <div>Firm name</div> <div>199 WATER STREET NEW YORK, NY 10038</div> <div>Address of the firm</div>	<div>Date</div> <div>14-02704</div> <div>Most recent enrollment number</div> <div>212-479-4651</div> <div>Telephone number (including area code)</div>
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If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions

Part II Beginning of Year Carryover and Prefunding Balances		
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	0	0
10 Interest on line 9 using prior year's actual return of <u>17.34</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)		1115003
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>6.72</u> %		74928
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		1189931
d Portion of (c) to be added to prefunding balance		1189931
12 Other reductions in balances due to elections or deemed elections		
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	1189931

Part III Funding Percentages		
14 Funding target attainment percentage	14	99.57 %
15 Adjusted funding target attainment percentage	15	102.73 %
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	102.04 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/15/2014	279479				
07/15/2014	279479				
10/15/2014	279479				
			Totals ►	18(b)	838437
				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	810637
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

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 4
22 Weighted average retirement age				22 64
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	557374	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
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	557374	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35).....	36	557374	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	810637	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	253263	
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>DRS TECHNOLOGIES, INC. PENSION VALUE PLAN</u>	B Three-digit plan number (PN) <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>DRS TECHNOLOGIES, INC.</u>	D Employer Identification Number (EIN) <u>13-2632319</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
PALISADE CAPITAL MANAGEMENT, L.L.C.

22-3330049

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

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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)

AON CONSULTING

23-2293237

(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 50	NONE	163895	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 50 51 62	NONE	28247	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

DEGANN CONSULTING, LLC

57 EAST 74TH ST
NEW YORK, NY 10021

(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?
16 50	NONE	25888	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)

HEWITT ENNISKNUPP

27-2436452

(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?
18 21 28 50 51 52	NONE	17401	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

RUBIN BROWN LLP

43-0765316

(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 50	NONE	13400	Yes ☒ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

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

JACKSON LEWIS PC

2800 QUARRY LAKE DRIVE
SUITE 200
BALTIMORE, MD 21209

(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?
29 50	NONE	7047	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 DRS TECHNOLOGIES, INC. PENSION VALUE PLAN	B Three-digit plan number (PN) ▶	002
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 DRS TECHNOLOGIES, INC.	D Employer Identification Number (EIN) 13-2632319	

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

a Name of MTIA, CCT, PSA, or 103-12 IE: DRS TECHNOLOGIES MASTER TRUST

b Name of sponsor of entity listed in (a): DRS TECHNOLOGIES, INC.

c EIN-PN 46-6867042-201	d Entity code M	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 44535071
--	--	--

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)
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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>DRS TECHNOLOGIES, INC. PENSION VALUE PLAN</u>		B Three-digit plan number (PN) ► <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>DRS TECHNOLOGIES, INC.</u>		D Employer Identification Number (EIN) <u>13-2632319</u>

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	416685	0
(2) Participant contributions.....	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)	1586142	0
(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)	39758374	44535071
(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	41761201	44535071

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	44177	135812
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	44177	135812

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	41717024	44399259
---	-----------	----------	----------

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)	838437	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		838437
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)	-20279	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		-20279

		(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)		3526728
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		4344886

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	1345621	
(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)		1345621
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)	238477	
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)	17401	
(4) Other.....	2i(4)	61152	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		317030
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		1662651

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		2682235
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

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

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

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

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

☒ Yes ☐ No

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

(1) Name: RUBIN BROWN LLP

(2) EIN: 43-0765316

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		500000
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>DRS TECHNOLOGIES, INC. PENSION VALUE PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>DRS TECHNOLOGIES, INC.</u>	D Employer Identification Number (EIN) <u>13-2632319</u>

Part I	Distributions
---------------	----------------------

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>13-3689044</u> <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>0</u>

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

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

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
--	-----------------------------------	-----------------------------------	-------------------------------	--

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- a** Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%
- b** Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more
- c** What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

DRS TECHNOLOGIES, INC.
PENSION VALUE PLAN
FINANCIAL STATEMENTS
DECEMBER 31, 2014

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Independent Auditors' Report

DRS Retirement Benefit Plans Committee
DRS Technologies, Inc. Pension Value Plan
Parsippany, New Jersey

Report On The Financial Statements

We were engaged to audit the accompanying financial statements of DRS Technologies, Inc. Pension Value Plan, which comprise the statement of net assets available for benefits as of December 31, 2014 and 2013, and the related statement 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

Basis For Disclaimer Of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Notes 3 and 5, which was certified by State Street Bank and Trust Company (State Street) and The Bank of New York Mellon (Bank of New York), except for comparing such information with the related information included in the financial statements. We have been informed by the Plan Administrator that State Street held the Plan's investment assets and executed investment transactions from January 1, 2013 to September 30, 2013, and that Bank of New York held the Plan's investment assets and executed investment transactions from October 1, 2013 to December 31, 2014. The Plan Administrator has obtained certifications from State Street and Bank of New York as of December 31, 2014 and 2013, and for the years then ended, that the information provided to the Plan Administrator by State Street and Bank of New York is complete and accurate.

Disclaimer Of Opinion

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

Report On Form And Content In Compliance With DOL Rules And Regulations

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

RubinBrown LLP

September 25, 2015

DRS TECHNOLOGIES, INC. PENSION VALUE PLAN

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31,	
	2014	2013
Assets		
Investments - At Fair Value		
Plan interest in DRS Technologies, Inc. Retirement		
Plans Master Trust	\$ 44,535,071	\$ 39,758,374
Partnership/joint ventures	—	1,586,142
Total Investments - At Fair Value	44,535,071	41,344,516
 Receivables		
Employer contributions receivable	—	416,685
 Total Assets	44,535,071	41,761,201
 Liabilities		
Accrued expenses	135,812	44,177
 Net Assets Available For Benefits	\$ 44,399,259	\$ 41,717,024

DRS TECHNOLOGIES, INC. PENSION VALUE PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	For The Years Ended December 31,	
	2014	2013
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Additions To Net Assets Attributed To		
Employer contributions	\$ 838,437	\$ 1,171,278
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Deductions From Net Assets Attributed To		
Benefits paid to participants	1,345,621	993,804
Administrative expenses	317,030	169,456
Total Deductions	1,662,651	1,163,260
<hr/>		
Investment Income		
Plan interest in DRS Technologies, Inc. Retirement		
Plans Master Trust investment income	3,526,728	1,344,306
Net appreciation (depreciation) in fair value of investments	(20,279)	4,674,956
Interest and dividend income	—	86,959
Net Investment Income	3,506,449	6,106,221
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Net Increase	2,682,235	6,114,239
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Net Assets Available For Benefits - Beginning Of Year	41,717,024	35,602,785
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Net Assets Available For Benefits - End Of Year	\$ 44,399,259	\$ 41,717,024
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DRS TECHNOLOGIES, INC. PENSION VALUE PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2014 And 2013

1. Description Of Plan

The following description of the DRS Technologies, Inc. Pension Value Plan (the Plan) provides only general information. Participants should refer to the Plan Document for a more complete description of the Plan's provisions.

General

The Plan was established by DRS Technologies, Inc. (DRS or the Company) on October 1, 2001 as a noncontributory defined benefit plan. The Plan was established in connection with DRS' purchase of certain assets and liabilities of the Sensors and Electronics Systems business of The Boeing Company (SES). After October 1, 2001, no new participants were eligible to participate in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Effective December 31, 2007, the Plan was amended to freeze the benefits of highly compensated employees, as defined by the Plan Document.

Effective December 31, 2014, the Plan was amended to freeze the benefits of all remaining employees.

Participation

Nonunion transferred DRS employees who were on the active payroll of SES on September 28, 2001 and participated in the Boeing Company Pension Value Plan and/or the Boeing Company Pension Value Plan for Heritage MDC Employees generally are eligible to participate in the Plan. Individuals are also generally eligible if they were a nonunion employee in either of the aforementioned Boeing plans.

Retirement Date

A participant's normal retirement date is the first of the month on or after his or her 65th birthday. A Plan participant may retire before age 65 with reduced benefits, if he or she is age 55 or older with at least 10 years of vesting service; or age 62 or older.

DRS TECHNOLOGIES, INC. PENSION VALUE PLAN

Notes To Financial Statements *(Continued)*

Normal Retirement Benefit

Plan pension benefits are determined based on two benefit formulas, as defined in the Plan Document. The participant receives the benefits under the formula that produces the larger monthly benefit.

Other Benefits

In addition to retirement benefits, the Plan provides disability and postretirement spousal death benefits.

Vesting

The Plan provides for 100% vesting upon the earliest of:

- Completing three years of service, as defined;
- Attaining age 62 prior to termination of employment;
- Electing an early retirement date due to being laid off after attaining age 55, as defined; or
- Solely with respect to a participant with a Protected BNA Benefit, as defined, attaining age 55 prior to termination of employment.

Funding Policy

The Company funds the entire cost of the Plan by contributing actuarially determined amounts to a trust fund, from which benefits are paid. No employee contributions are required or permitted. The Plan was in compliance with applicable ERISA minimum funding requirements for the Plan years ended December 31, 2014 and 2013.

DRS TECHNOLOGIES, INC. PENSION VALUE PLAN

Notes To Financial Statements *(Continued)*

2. Summary Of Significant Accounting Policies

Basis Of Presentation

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

Use Of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities and the actuarial present value of accumulated plan benefits at the date of the financial statements and changes therein for the reported period. Actual results could differ from those estimates.

Valuation Of Investments And Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 6 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment Of Benefits

Benefits are recorded when paid.

Administrative Expenses

The Plan's expenses are paid either by the Plan or the Company, as provided by the Plan Document. Expenses that are paid directly by the Company are excluded from these financial statements. Certain expenses incurred in connection with the general administration of the Plan that are paid by the Plan are recorded as deductions in the accompanying statement of changes in net assets available for benefits. In addition, certain investment related expenses are included in net appreciation of fair value of investments presented in the accompanying statement of changes in net assets available for benefits.

DRS TECHNOLOGIES, INC. PENSION VALUE PLAN

Notes To Financial Statements *(Continued)*

Actuarial Present Value Of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, which 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 participants with vested rights or their beneficiaries, (b) beneficiaries of vested participants who have died and (c) present employees or their beneficiaries based on service rendered to the valuation date.

The actuarial present value of accumulated plan benefits was certified by the Plan's consulting actuaries. The amount is the result of 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 decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuation as of January 1, 2014 are as follows:

Interest Rate	7%
Mortality	2014 static mortality table for annuitants and non-annuitants
Retirement	For active employees, retirement is assumed at varying rates between ages 55 and 70 Weighted average retirement age for vested terminated participants is 61

Changes in significant assumptions from the January 1, 2013 valuation include an update of the mortality table from the 2013 statistic mortality table to the 2014 statistic mortality table and a change in the interest rate from 6.7% to 7%.

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

DRS TECHNOLOGIES, INC. PENSION VALUE PLAN

Notes To Financial Statements *(Continued)*

A summary of the actuarial present value of accumulated plan benefits as of January 1, 2014 is as follows:

Actuarial Present Value Of Accumulated Plan Benefits	
Vested Benefits	
Participants currently receiving payments	\$ 12,894,606
Other participants	<u>22,065,433</u>
	34,960,039
Nonvested benefits	<u>579,841</u>
Total Actuarial Present Value Of Accumulated Plan Benefits	<u><u>\$ 35,539,880</u></u>

The change in the actuarial present value of accumulated plan benefits for the year ended January 1, 2014 is as follows:

Actuarial Present Value Of Accumulated Plan Benefits - Beginning Of Year	\$ 34,295,464
Increases (Decreases) During The Year:	
Actuarial experience	1,156,826
Change in actuarial assumptions	(1,183,674)
Benefit payments	(993,804)
Increase for interest due to decrease in the discount period	<u>2,265,068</u>
Net increase	<u>1,244,416</u>
Actuarial Present Value Of Accumulated Plan Benefits - End Of Year	<u><u>\$ 35,539,880</u></u>

Subsequent to the valuation date, the Plan adopted new mortality table assumptions that were considered to be representative of the Plan population as of December 31, 2013. If these assumptions were used in the January 1, 2014 valuation, the actuarial present value of accumulated plan benefits would have increased approximately \$2,747,000.

DRS TECHNOLOGIES, INC. PENSION VALUE PLAN

Notes To Financial Statements *(Continued)*

3. Investments (Certified)

Financial information relating to certain Plan investments and earnings thereon is included in the financial statements and is based on information supplied by State Street Bank and Trust Company (State Street). This information, which has not been audited by the Plan's independent auditors, has been certified by State Street as complete and accurate. During the year ended December 31, 2013, all Plan investments held at State Street were transferred to the DRS Technologies, Inc. Retirement Plans Master Trust (the Master Trust).

During the year ended December 31, 2013, the Plan's investments held by State Street, including gains or losses on investments bought and sold during the year, appreciated in value as follows:

Mutual funds	\$ 3,017,818
Collective trust funds	<u>1,591,603</u>
Net Appreciation In Fair Value Of Investments	<u>\$ 4,609,421</u>

4. Investments (Audited)

The Plan's investments in Palisade Capital Management LLC partnership/joint venture interests have been audited by the Plan's independent auditors and are summarized below:

	December 31,	
	2014	2013
Partnership/joint ventures	\$ —	\$ 1,586,142

The Plan's investments in these partnership/joint venture interests appreciated (depreciated) in value for the Plan years ended December 31 as follows:

	2014	2013
Partnership/joint ventures	\$ (20,279)	\$ 65,535

DRS TECHNOLOGIES, INC. PENSION VALUE PLAN

Notes To Financial Statements *(Continued)*

5. Investment In Master Trust (Certified)

As of October 1, 2013, certain Plan investments are held in the Master Trust that was established for the investment of assets of the Plan and other Company-sponsored retirement plans. Each plan has a sub-account under the Master Trust. The Plan may invest in any or all of the investments in the Master Trust. Financial information relating to the investments in the Master Trust is included in the financial statements and is based on the information certified by the trustee, Bank of New York Mellon (Bank of New York).

At December 31, 2014 and 2013, the Plan's interests in the net assets of the Master Trust were approximately 17%. Investment income and administrative expenses relating to the Master Trust are allocated to the individual plans based upon the amount of time the Plan's assets were invested in the Master Trust.

Financial information relating to the Master Trust's investments and earnings is included in the financial statements and is based on information supplied by Bank of New York. This information, which has not been audited by the Plan's independent auditors, has been certified by Bank of New York as complete and accurate.

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

	2014	2013
Investments		
Collective trust funds	\$ 234,803,731	\$ 217,300,040
Hedge funds	23,323,711	13,177,216
Total Investments	258,127,442	230,477,256
Cash Equivalents	2,089,833	2,145,922
Interest Receivable	50	14
Net Assets Available For Benefits	\$ 260,217,325	\$ 232,623,192

DRS TECHNOLOGIES, INC. PENSION VALUE PLAN

Notes To Financial Statements (Continued)

Investments at fair value that represent 5% or more of the Master Trust's net assets available for benefit as of December 31, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
AGT ACWI-EX U.S. Passive Equity Fund	\$ 22,089,686	\$ 22,737,256
AGT Non-U.S. Active Equity Fund	15,604,552	15,846,329
AGT High Yield Bond Fund	14,389,431	14,734,166
AGT Global Real Estate Fund	15,242,635	14,269,534
AGT U.S. Large Cap Passive Equity Fund	24,835,637	22,312,894
AGT U.S. Long Fixed Active Fund	66,337,403	88,038,061
AON Global Equity Fund	21,445,534	20,154,295
AON Mid Duration Long Credit Bond Fund	35,229,248	— *
AHEK Hedge Fund	23,323,711	13,177,216

* Investment does not represent 5% or more of the Plan's net assets available for benefits

The changes in net assets for the Master Trust for the years ended December 31, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Investment Income		
Net appreciation in fair value of investments	\$ 20,650,485	\$ 7,677,376
Transfers		
Transfers To Master Trust	18,273,865	227,427,446
Transfers From Master Trust	(11,330,217)	(2,481,630)
Net Transfers	6,943,648	224,945,816
Net Increase	27,594,133	232,623,192
Net Assets Available For Benefits - Beginning Of Year	232,623,192	—
Net Assets Available For Benefits - End Of Year	\$ 260,217,325	\$ 232,623,192

DRS TECHNOLOGIES, INC. PENSION VALUE PLAN

Notes To Financial Statements *(Continued)*

Net appreciation in the fair value of the investments held in the Master Trust, including investments bought and sold, as well as held, during the year, for the years ended December 31, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Collective trust funds	\$ 19,603,990	\$ 7,500,160
Hedge funds	1,046,495	177,216
Net Appreciation In Fair Value Of Investments	\$ 20,650,485	\$ 7,677,376

6. Financial Instruments Measured At Fair Value

The Master Trust and the Plan utilizes an accounting standard for certain financial assets and liabilities. This standard defines fair value, establishes a framework for measuring fair value in accordance with U.S. generally accepted accounting principles and expands disclosures about fair value measurements. The standard also establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The standard requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

- | | |
|---------|---|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Master Trust and the Plan have the ability to access. |
| Level 2 | Inputs to the valuation methodology include: <ul style="list-style-type: none">• Quoted prices for similar assets or liabilities in active markets;• Quoted prices for identical or similar assets or liabilities in inactive markets;• Inputs other than quoted prices that are observable for the asset or liability;• Inputs that are derived principally from or corroborated by observable market data by correlation or other means. |

DRS TECHNOLOGIES, INC. PENSION VALUE PLAN

Notes To Financial Statements *(Continued)*

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Following is a description of the valuation methodology used for assets measured at fair value:

Collective Trust Funds, Partnership/Joint Ventures And Hedge Funds

Valued at the NAV, as provided by the trustee. NAV is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.

The method described above may produce fair value calculations that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan and the Master Trust believe the valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

There have been no changes in methodologies used at December 31, 2014 or 2013.

DRS TECHNOLOGIES, INC. PENSION VALUE PLAN

Notes To Financial Statements (Continued)

The following tables set forth by level, within the fair value hierarchy, the Master Trust's assets at fair value as of December 31, 2014 and 2013:

	December 31, 2014			
	Level 1	Level 2	Level 3	Total
Collective trust funds				
Bond funds (c)	\$ —	\$ 115,956,082	\$ —	\$ 115,956,082
Equity funds (d)	—	103,605,014	—	103,605,014
Real estate fund (e)	—	15,242,635	—	15,242,635
Hedge fund (b)	—	—	23,323,711	23,323,711
Total assets at fair value	\$ —	\$ 234,803,731	\$ 23,323,711	\$ 258,127,442

	December 31, 2013			
	Level 1	Level 2	Level 3	Total
Collective trust funds				
Bond funds (c)	\$ —	\$ 102,772,226	\$ —	\$ 102,772,226
Equity funds (d)	—	100,258,280	—	100,258,280
Real estate fund (e)	—	14,269,534	—	14,269,534
Hedge fund (b)	—	—	13,177,216	13,177,216
Total assets at fair value	\$ —	\$ 217,300,040	\$ 13,177,216	\$ 230,477,256
Partnership Joint Venture* (a)	\$ —	\$ 1,586,142	\$ —	\$ 1,586,142

* Investment is maintained outside of the Master Trust

- (a) This category includes investments in a convertible arbitrage fund with the objective to profit by extracting inefficiencies in the valuation of a convertible security. Convertible arbitrage entails purchasing convertible bonds, preferred or warrants that are deemed to be undervalued in conjunction with the simultaneous short sale of the common stock into which they are convertible. Purchases and sales may occur daily at the reported NAV, with no restrictions.
- (b) This category includes investments in international funds. The investment objective is to generate consistent long-term capital appreciation with diversification of risk through the use of a "multi-manager, multi-strategy" global investment approach. There is an initial lock-up period, after which, redemption is allowable on a quarterly basis, subject to a 20% fund level gate and a 65-day advance notice. Through December 31, 2014, there are 4 months remaining in the lock-up period with no outstanding capital commitments.
- (c) This category includes investments in diversified fixed income securities with the primary objective to achieve a total return from current income and capital appreciation. Purchases and sales may occur daily at the reported NAV, with no restrictions.

DRS TECHNOLOGIES, INC. PENSION VALUE PLAN

Notes To Financial Statements *(Continued)*

- (d) This category includes investments in equity securities of U.S. and foreign companies with the primary objective of achieving long-term growth and replicating the return of major indices. Purchases and sales may occur daily at the reported NAV, with no restrictions.
- (e) This category includes investments that are reinvested primarily in securities of U.S. and foreign real estate companies. The investment objective is to achieve high total return, consisting of capital appreciation and current income. Purchases and sales may occur daily at the reported NAV, with no restrictions.

The table below sets forth a summary of changes in fair value of the Master Trust's Level 3 assets for the years ended December 31, 2014 and 2013:

	2014	2013
Balance, beginning of year	\$ 13,177,216	\$ —
Purchases	9,100,000	13,000,000
Unrealized gains	1,046,495	177,216
Balance, end of year	\$ 23,323,711	\$ 13,177,216

7. Plan Termination

In the event the Plan terminates, the net assets of the Plan will be allocated as prescribed by ERISA and its related regulations, generally to provide the following benefits, if applicable, in the order indicated:

- (a) The minimum benefits payable under the Plan to participants who began receiving benefits at least three years before the Plan termination, based on Plan provisions in effect at any time during the five years prior to termination.
- (b) The minimum benefits payable under the Plan which would have been received by participants or their beneficiaries at least three years before the Plan termination if the participant had retired more than three years before the Plan termination and if benefits had commenced (normal retirement benefits under the Plan) at that time, based on Plan provisions in effect at any time during the five years prior to termination.
- (c) Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC), a U.S. government agency, up to the applicable limitations (discussed below).
- (d) All other nonforfeitable benefits.
- (e) All other benefits.

DRS TECHNOLOGIES, INC. PENSION VALUE PLAN

Notes To Financial Statements *(Continued)*

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination.

Whether all participants receive their 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 Company and the level of benefits guaranteed by the PBGC.

While the Company has not expressed any interest to terminate the Plan or to discontinue operations, it is free to do so at any time, subject to the terms of the collective bargaining agreements and provisions set forth in ERISA.

8. Risks And Uncertainties

The Plan and Master Trust invest in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and such changes could materially affect the amounts reported in the statement of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefit obligations are reported based on certain assumptions pertaining to interest rates and rates of return on Plan assets, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term could be material to the financial statements.

9. Transactions With Parties-In-Interest

As of December 31, 2014 and 2013, the Master Trust invests in collective trust funds and a hedge fund managed by Aon Hewitt, the Plan's recordkeeper effective August 1, 2013. Plan investments during the year ended December 31, 2013 included collective trust funds managed by Diversified Retirement Corporation, the Plan's recordkeeper through July 31, 2013.

As described in Note 2, the Plan paid certain expenses related to Plan operations and investment activity to various service providers. These transactions are permissible party-in-interest transactions under ERISA. The Plan also reimbursed the Company, pursuant to a mutual understanding and agreement, for direct expenses associated with the payment of PBGC insurance premiums for the Plan.

10. Tax Status

The Plan obtained its latest determination letter on July 1, 2011, in which the Internal Revenue Service states that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code (the IRC). The Plan has been amended since receiving the determination letter. However, the Plan Administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan's federal tax returns for tax years 2011 and later remain subject to examination by taxing authorities.

11. Subsequent Events

Effective January 1, 2015, the Plan was amended to allow for a lump-sum distribution window. Total distributions paid under this provision amounted to approximately \$5,200,000.

Management has evaluated subsequent events through September 25, 2015, the date which the financial statements were available for issue.

Schedule SB, line 22 - Description of Weighted Average Retirement Age
DRS TECHNOLOGIES, INC. PENSION VALUE PLAN
EIN: 13-2632319/ PN: 002

Retirement Age	Retirement Rate	Absolute Rate	Expected Retirement Age
55	5.0%	5.0000%	2.7500
56	5.0%	4.7500%	2.6600
57	5.0%	4.5100%	2.5707
58	5.0%	4.2900%	2.4882
59	5.0%	4.0700%	2.4013
60	5.0%	3.8700%	2.3220
61	5.0%	3.6800%	2.2448
62	10.0%	6.9800%	4.3276
63	10.0%	6.2900%	3.9627
64	10.0%	5.6600%	3.6224
65	20.0%	10.1800%	6.6170
66	20.0%	8.1400%	5.3724
67	20.0%	6.5200%	4.3684
68	20.0%	5.2100%	3.5428
69	20.0%	4.1700%	2.8773
70	100.0%	16.6800%	11.6760
Weighted Average Retirement Age:			63.804
Rounded for Schedule SB line 22:			64

Schedule SB, line 24 – Change in Actuarial Assumptions

DRS TECHNOLOGIES, INC. PENSION VALUE PLAN

EIN: 13-2632319/ PN: 002

The funding valuation reflects the following assumption changes:

- A change in the interest rate assumption from segment rates as of September 2012 to segment rates as of September 2013, each adjusted as applicable to fall within the 25-year average interest rate corridor under HATFA.
- A change in the assumed expenses payable from the trust from \$190,000 to \$150,000.
- A change in the mortality assumption from the 2013 static mortality table for annuitants and non-annuitants per §1.430(h)(3)-1(e) to the 2014 static mortality table for annuitants and non-annuitants per §1.430(h)(3)-1(e).

**Schedule SB, Line 26—Schedule of Active Participant Data
As of January 1, 2014**

DRS Technologies, Inc.
DRS Technologies, Inc. Pension Value Plan
Active Employees

EIN: 13-2632319 PN: 002

Number of Participants

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

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Schedule SB, Part V - Statement of Actuarial Assumptions/ Methods
DRS Technologies, Inc. Pension Value Plan
EIN/PN: 13-2632319 / 002

For ERISA Requirements

Interest Rates for Minimum Funding Purposes

Based on segment rates, with a four month look back (as of September 2013), each adjusted as needed to fall within the 25-year average interest rate corridor under HATFA

1st Segment Rate	4.99%
2nd Segment Rate	6.32%
3rd Segment Rate	6.99%

Interest Rates for Maximum Tax Purposes

Based on segment rates, with a four month look back (as of September 2013), without regard to interest rate stabilization

1st Segment Rate	1.37%
2nd Segment Rate	4.05%
3rd Segment Rate	5.06%

Salary Increases

Minimum Funding Target Normal Cost
Maximum Tax Expected Benefit Increase

Salary Increase	
Age	
21-30	6.10%
31-40	5.40%
41-45	4.80%
46-50	4.50%
51-55	4.10%
56-60	3.70%
61-70	3.40%

Retirement Age

Active Participants
Terminated Vested Participants

See Table 1
Terminated Vested Participants are assumed to commence benefits at age 61.

Mortality Rates

Healthy and Disabled

2014 static mortality table for annuitants and non-annuitants per §1.430(h)(3)-1(e)

For ERISA Requirements

Withdrawal Rates	See Table 2
Disability Rates	None
Decrement Timing	Beginning of year decrements
Surviving Spouse Benefit	It is assumed that 80% of males and 80% of females have an eligible spouse, and that males are three years older than their spouses.
Valuation Compensation	2013 pensionable earnings rolled forward one year with the salary increase assumption
Benefit and Compensation Limits	Projected benefits and compensation are limited by the current IRC section 415 maximum benefit of \$210,000 and the IRC section 401(a)(17) compensation limit of \$260,000.
Valuation of Plan Assets	Smoothed fair market value of assets over the current and prior two years, adjusted for contributions, benefit payments, administrative expenses, and expected earnings. The average value of assets calculated in this manner is further limited to not less than 90% nor more than 110% of fair market value.
Expected Return on Assets	
2012 Plan Year	7.00%
2013 Plan Year	7.00%

For ERISA Requirements

Trust Expenses Included in Target Normal Cost

The expenses included in the target normal cost are \$150,000 for 2014.

Form of Benefit Payment

80% of the participants are assumed to elect a 50% Joint & Survivor annuity and the remaining 20% are assumed to elect a life annuity.

Actuarial Method

Standard unit credit cost method

Valuation Date

January 1, 2014

Changes in ERISA Methods/Assumptions Since the Prior Year

Method Changes

There have been no method changes in the funding valuation since the prior year.

Assumption Changes

The funding valuation reflects the following assumption changes:

- A change in the interest rate assumption from segment rates as of September 2012 to segment rates as of September 2013, each adjusted as applicable to fall within the 25-year average interest rate corridor under HATFA.
- A change in the assumed expenses payable from the trust from \$190,000 to \$ 150,000.
- A change in the mortality assumption from the 2013 static mortality table for annuitants and non-annuitants per §1.430(h)(3)-1(e) to the 2014 static mortality table for annuitants and non-annuitants per §1.430(h)(3)-1(e).

Actuarial Assumptions and Methods

For ASC 960 Requirements

Interest Rate	7.00%
Value of Accrued Benefits for Plan Reporting Purposes	Beginning-of-year values are determined in accordance with the recommended procedures of the American Academy of Actuaries as described in Illustrations 1 and 2 of the October 1993 edition of ASOP No. 4, using the standard unit credit cost method.
All Other Assumptions	Same as funding assumptions

Changes in Plan Reporting Methods/Assumptions Since the Prior Year

Method Changes

There have been no method changes in the plan reporting valuation since the prior year.

Assumption Changes

The plan reporting valuation reflects the following assumption change:

- A change in the interest rate from 6.70% to 7.00%.
- A change in the mortality assumption from the 2013 static mortality table for annuitants and non-annuitants per §1.430(h)(3)-1(e) to the 2014 static mortality table for annuitants and non-annuitants per §1.430(h)(3)-1(e).

Actuarial Assumptions and Methods

Table 1

Retirement Rates—Table 1

Age	Rate
55-61	0.05
62-64	0.10
65-69	0.20
70	1.00

Table 2

Withdrawal Rates—Table 2

Age	Rate	Age	Rate
15	0.0000	40	7.36%
16	0.0000	41	7.02%
17	0.0000	42	6.75%
18	0.0000	43	6.54%
19	29.43%	44	6.40%
20	27.73%	45	6.32%
21	26.10%	46	6.31%
22	24.53%	47	6.36%
23	23.02%	48	6.48%
24	21.58%	48	6.66%
25	20.21%	50	6.90%
26	18.90%	51	7.22%
27	17.65%	52	7.59%
28	16.47%	53	8.03%
29	15.35%	54	8.54%
30	14.30%	55	9.11%
31	13.32%	56	9.74%
32	12.39%	57	10.44%
33	11.54%	58	11.21%
34	10.75%	59	12.04%
35	10.02%	60	12.94%
36	9.36%	61	13.90%
37	8.76%	62	14.92%
38	8.23%	63	16.01%
39	7.76%	64	17.16%
		65+	0.00%

Actuarial Assumptions and Methods

Discussion of Actuarial Assumptions and Methods

For the funding valuation, the allowable interest rates and mortality tables available to measure plan liabilities are prescribed by IRC section 412. Aon Hewitt provided guidance with respect to the alternative interest rate and mortality table options, and it is our belief that the options prescribed by DRS Technologies, Inc. are appropriate for funding purposes. It is our belief that all other actuarial assumptions used for the funding valuation represent reasonable expectations of anticipated plan experience. The actuarial cost and amortization methods used are prescribed by IRC section 412. While the method used to value assets is prescribed by DRS Technologies, Inc., Aon Hewitt provided guidance with respect to the use of this method, and it is our belief that the method is appropriate for funding purposes.

For the plan accounting valuation, DRS Technologies, Inc. selected the economic and demographic assumptions and prescribed them for use for purposes of compliance with ASC 960. Aon Hewitt provided guidance with respect to these assumptions, and it is our belief that the assumptions represent reasonable expectations of anticipated plan experience. The asset and actuarial cost methods used are prescribed by ASC 960.

Calculation of Normal Costs and Liabilities

The method used to calculate the ERISA target normal cost and funding target, and ASC 960 liabilities, is the unit credit cost method. The funding target under IRC section 430 is calculated as the present value of all benefits that have been accrued or earned under the plan as of the first day of the plan year, based on current service and current pay. The target normal cost is the present value of all benefits expected to accrue or be earned under the plan during the plan year, including any increase in benefits earned in prior plan years attributable to compensation increases in the current plan year, plus certain trust expenses.

Under this method, benefits are estimated at each decrement age using service and earnings as of the valuation date. The present value of these estimated benefits using the applicable ERISA or ASC 960 assumptions is the ERISA funding target or ASC 960 actuarial present value of accumulated plan benefits. The target normal cost is the present value of the benefits earned during the year.

For calculating the actuarial present value of vested benefits, benefits at each decrement age are determined in the same manner, but are then multiplied by each participant's vesting percentage as of the valuation date. The present value of these estimated vested benefits is determined without recognition of any benefit for which a participant will become entitled only through the advancement in service or age while actively employed. In addition, certain ancillary benefits have been treated as vested consistent with PBGC premium regulations.

The ERISA funding target for lump sum benefits is determined by valuing the annuity that corresponds to the distribution using special actuarial assumptions, as described under Treasury regulations section 1.430(d). Under these special assumptions, for the period beginning with the annuity starting date, the current IRC section 417(e) applicable mortality table is substituted for the mortality table otherwise used.

Schedule SB, Part V – Summary of Plan Provisions
DRS Technologies, Inc. Pension Value Plan
EIN/PN: 13-2632319 / 002

Effective Date	October 1, 2001. Most recently amended January 1, 2010.
Eligibility	Former participants of the Boeing Pension Value Plan are eligible to participate as of the Effective Date. No new entrants are allowed into plan after October 1, 2001.
Normal Retirement Eligibility	Age 65
Benefit	<p>A monthly amount equal to (1) plus (2) below but not less than (3) and (4).</p> <p>(1) Credit Based Benefit</p> <p>Participant's Credit Based Account balance divided by the Credit Based Annuity Factor and then divided by 12 to determine the monthly benefit.</p> <p>(2) Heritage Benefits</p> <p>Participant's MDC or BNA protected benefits, whichever is applicable, multiplied by the ratio of the indexing pay to the base pay as of the benefit transfer date.</p> <p>(3) Minimum Benefit</p> <p>\$50.00 (\$46.00 for a participant with a protected MDC benefit) per month multiplied by the Participant's Benefit Service.</p> <p>(4) Protected Benefit</p> <p>Participant's MDC or BNA protected benefits, whichever is applicable, as of the benefit transfer date.</p> <p>Effective December 31, 2007, the benefit accruals for all Highly Compensated Employees (HCEs) were frozen.</p>

Early Retirement

Eligibility

The attainment of age 55 and completion of 10 years of Vesting Service or attainment of age 62.

Benefit

An amount equal to (1) plus (2) below but not less than (3) and (4).

(1) Credit Based Benefit

Participant's Credit Based Account balance divided by Credit Based Annuity Factor and then divided by 12 to determine the monthly benefit.

(2) Heritage Benefits

Participant's MDC or BNA protected benefits, whichever is applicable, multiplied by the ratio of the indexing pay to the base pay as of the benefit transfer date.

Protected BNA benefit is unreduced for participants whose age plus 85-Point Service equals or exceeds 85 on date of benefit commencement; otherwise, reduced by 0.6% for each month by which benefit commencement precedes age 60.

Protected MDC benefit is unreduced for participants attaining age 50 with at least 30 years of MDC 85 Point Service or whose age plus MDC 85 Point Service equals or exceeds 85 at benefit commencement; otherwise, reduced by the lesser of 2.5% for each year by which benefit commencement precedes age 62, or 2.5% for each point (age plus service) less than 85.

(3) Minimum Benefit

\$50.00 (\$46.00 for a participant with a protected MDC benefit) per month multiplied by the participant's benefit service, reduced by 4% for each year the Early Retirement date precedes the Normal Retirement Date.

(4) Protected Benefit

Participant's MDC or BNA protected benefits, whichever is applicable, as of the benefit transfer date.

Protected BNA benefit is unreduced for participants whose age plus 85-Point Service equals or exceeds 85 on date of benefit commencement; otherwise, reduced by 0.6% for each month by which benefit commencement precedes age 60.

Protected MDC benefit is unreduced for participants attaining age 50 with at least 30 years of MDC 85 Point Service or whose age plus MDC 85 Point Service equals or exceeds 85 at benefit commencement; otherwise, reduced by the lesser of 2.5% for each year by which benefit commencement precedes age 62, or 2.5% for each point (age plus service) less than 85.

Protected MDC Benefit based on the MDHC salaried benefit and MDHC hourly benefit, as described in the MDC Plan, shall be reduced by 5% for each year (and a proportional reduction for partial years)

Vested Retirement
Eligibility

Completion of 3 Years of Vesting Service.

Benefit

The deferred vested pension shall begin on the Participant's Normal Retirement Date and is equal to his accrued benefit at his termination date.

Preretirement Spouse's Benefit
Eligibility

Spouses or designated beneficiaries of active participants who die after becoming vested and spouses or designated beneficiaries of vested terminated participants who die before benefits commence. Qualified election of nonspouse beneficiary is required if participant is married.

Benefit

(1) Death On or After Earliest Commencement Date

The amount of monthly benefit is equal to the amount the spouse would have been entitled to under the 100% Surviving Spouse Option. The benefit is determined as if the participant had retired on the first day of the month following the date of death.

(2) Death Before Earliest Commencement Date

The amount of benefit under the 50% Surviving Spouse Option determined as follows:

- (a) Participant terminated employment on the Date of Death,
- (b) Survived to the earliest commencement date,
- (c) Commenced receiving benefit payments with the 50% Surviving Spouse Option, and
- (d) Died immediately after commencement.

Temporary Supplement Benefit

(1) 60/15 Supplement

Participants with protected BNA benefits who retire after age 60 with 15 years of 85 Point Service on or before December 1, 2008 are eligible for a supplemental benefit equal to the larger of (a) or (b) plus (c) reduced by (d):

- (a) \$375 per month,
- (b) the Social Security Earnings Limit Offset plus
- (c) the protected BNA benefit as of the transfer date,
- (d) the participant's Early Retirement Benefit as defined above.

(2) 85-Point Service Supplement

Participants with protected BNA benefits who retire after age 55 and whose age plus 85 Point Service equals at least 85 on early retirement date and retire on or before December 1, 2008 are eligible for a supplemental benefit as defined in (i) above but not less than \$1,600.

(3) Minimum Early Retirement Benefit (MERB)

Participants with protected MDC benefits who retire after age 50 with 30 years of service on or before December 1, 2008 are eligible for a supplemental benefit of \$375 per month plus the protected MDC benefit as of the transfer date minus the participant's current Early Retirement Benefit as defined above.

(4) Supplemental Minimum Early Retirement Benefit (SMERB)

Participants with protected MDC benefits who retire after age 60 with at least 20 years of service but less than 30 years of services and retire on or before December 1, 2008 are eligible for a supplemental benefit of \$375 per month plus the protected MDC benefit as of the transfer date minus the participant's current Early Retirement Benefits defined above plus benefits under the Employee Retirement Income Plan of McDonnell Douglas Corporation Hourly East Plan and the Employee Retirement Income Plan of McDonnell Douglas Corporation-Hourly West Plan, reduced for early retirement pursuant to terms as defined in the prior plans.

All of the above benefits are payable through age 62 and 1 month.

Vesting Service

- (1) Service earned under the Prior Plan immediately prior to the Effective Date, plus

- (2) The number of years and fractions of a year for service beginning after the Effective Date and ends on termination of employment.

Credited Service

The period of Credited Service is determined as (1) plus (2) below:

- (1) Credited Service earned under the Prior Plan immediately prior to the effective date
- (2) A year of service is credited for each year of service beginning after the effective date.

Normal Form of Benefit

Life annuity, if single; 50% joint and survivor annuity, if married

Optional Forms of Benefits Payments

50%, 75% or 100% Joint and Survivor Annuity or any years Certain and Continuous Annuity or Life Annuity or Accelerated Income Option.

Small Pensions

Benefits with an actuarial present value of less than \$1,000 are paid by the Plan committee in the form of a lump sum without the participant's consent.

Credit Based Annuity Factor

The Credit Based Annuity Factor is “11” except as follows:

For a Vested Terminated Participant who terminated employment on or before age 55, the Factor is “15”.

For a Vested Terminated Participant who terminated employment after 55 but before 65, the Factor is “11”, plus 1/30 times the number of months that termination occurred before age 65.

Credit Based Account

The Credit Based Account is the cumulative account balance of Benefit Credits and Interest Credits.

Benefit Credits

Applicable percentage defined below times Pensionable Pay:

Age at end of Plan Year	Percentage
Less than 30	3%
30 - 34	4%
35 - 39	5%
40 - 44	7%
45 - 49	9%
50 and over	11%

Interest Credits

The Credit Based Account as of the beginning of the Plan Year times the annual rate of interest on 30-year Treasury securities for the month of November preceding the first day of the Plan Year in accordance with Code Section 417(e), provided that the interest rate shall not be less than 5.25% and shall not be more than 10%.

Plan Changes Since the Prior Year

The funding and plan reporting valuations do not reflect any plan changes.

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <hr/> <small>Department of Labor Employee Benefits Security Administration</small> <hr/> <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 <hr/> 2014 <hr/> 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>Pension Value Plan</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">B Three-digit plan number (PN) ►</td> <td style="width: 40%; text-align: center;">002</td> </tr> <tr> <td colspan="2" style="height: 20px;"></td> </tr> <tr> <td colspan="2">D Employer Identification Number (EIN) 13-2632319</td> </tr> </table>	B Three-digit plan number (PN) ►	002			D Employer Identification Number (EIN) 13-2632319	
B Three-digit plan number (PN) ►	002						
D Employer Identification Number (EIN) 13-2632319							
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>DRS Technologies, Inc.</u>							
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B F Prior year plan size: ☐ 100 or fewer ☒ 101-500 ☐ More than 500							

Part I Basic Information			
1	Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2014</u>		
2	Assets:		
	a Market value	2a	41,746,464
	b Actuarial value	2b	38,595,680
3	Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target
	a For retired participants and beneficiaries receiving payment.....	76	13,607,830
	b For terminated vested participants.....	79	9,819,674
	c For active participants.....	73	13,521,432
	d Total.....	228	36,948,936
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	6.52 %
6	Target normal cost	6	557,374

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>08/07/2015</u> Date
<u>PAUL F. POLCHERT</u> Type or print name of actuary		<u>14-02704</u> Most recent enrollment number
<u>AON CONSULTING, INC.</u> Firm name		<u>(212) 479-4651</u> Telephone number (including area code)
<u>199 WATER STREET</u> <u>NEW YORK</u> <u>NY 10038</u> Address of the firm		

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

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

Schedule SB (Form 5500) 2014
v. 140124

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	0	0
10 Interest on line 9 using prior year's actual return of <u>17.34%</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)		1115003
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>6.72%</u>		74928
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		1189931
d Portion of (c) to be added to prefunding balance		1189931
12 Other reductions in balances due to elections or deemed elections		
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	1189931

Part III Funding Percentages

14 Funding target attainment percentage	14	99.57 %
15 Adjusted funding target attainment percentage	15	102.73 %
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	102.04 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

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

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/15/2014	279,479				
07/15/2014	279,479				
10/15/2014	279,479				
Totals ▶			18(b)	838,437	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	810,637

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

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		4
22 Weighted average retirement age	22		64
23 Mortality table(s) (see instructions)	☐ Prescribed - combined	☒ Prescribed - separate	☐ Substitute

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	557,374	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
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	557,374	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35)	36	557,374	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	810,637	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	253,263	
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 SB, line 22 - Description of Weighted Average Retirement Age
DRS TECHNOLOGIES, INC. PENSION VALUE PLAN
EIN: 13-2632319/ PN: 002

Retirement Age	Retirement Rate	Absolute Rate	Expected Retirement Age
55	5.0%	5.0000%	2.7500
56	5.0%	4.7500%	2.6600
57	5.0%	4.5100%	2.5707
58	5.0%	4.2900%	2.4882
59	5.0%	4.0700%	2.4013
60	5.0%	3.8700%	2.3220
61	5.0%	3.6800%	2.2448
62	10.0%	6.9800%	4.3276
63	10.0%	6.2900%	3.9627
64	10.0%	5.6600%	3.6224
65	20.0%	10.1800%	6.6170
66	20.0%	8.1400%	5.3724
67	20.0%	6.5200%	4.3684
68	20.0%	5.2100%	3.5428
69	20.0%	4.1700%	2.8773
70	100.0%	16.6800%	11.6760
Weighted Average Retirement Age:			63.804
Rounded for Schedule SB line 22:			64

Schedule SB, line 24 – Change in Actuarial Assumptions

DRS TECHNOLOGIES, INC. PENSION VALUE PLAN

EIN: 13-2632319/ PN: 002

The funding valuation reflects the following assumption changes:

- A change in the interest rate assumption from segment rates as of September 2012 to segment rates as of September 2013, each adjusted as applicable to fall within the 25-year average interest rate corridor under HATFA.
- A change in the assumed expenses payable from the trust from \$190,000 to \$150,000.
- A change in the mortality assumption from the 2013 static mortality table for annuitants and non-annuitants per §1.430(h)(3)-1(e) to the 2014 static mortality table for annuitants and non-annuitants per §1.430(h)(3)-1(e).

**Schedule SB, Line 26—Schedule of Active Participant Data
As of January 1, 2014**

DRS Technologies, Inc.
DRS Technologies, Inc. Pension Value Plan
Active Employees

EIN: 13-2632319 PN: 002

Number of Participants

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

N-73

Schedule SB, Part V - Statement of Actuarial Assumptions/ Methods
DRS Technologies, Inc. Pension Value Plan
EIN/PN: 13-2632319 / 002

For ERISA Requirements

Interest Rates for Minimum Funding Purposes

Based on segment rates, with a four month look back (as of September 2013), each adjusted as needed to fall within the 25-year average interest rate corridor under HATFA

1st Segment Rate	4.99%
2nd Segment Rate	6.32%
3rd Segment Rate	6.99%

Interest Rates for Maximum Tax Purposes

Based on segment rates, with a four month look back (as of September 2013), without regard to interest rate stabilization

1st Segment Rate	1.37%
2nd Segment Rate	4.05%
3rd Segment Rate	5.06%

Salary Increases

Minimum Funding Target Normal Cost
Maximum Tax Expected Benefit Increase

Age	Salary Increase
21-30	6.10%
31-40	5.40%
41-45	4.80%
46-50	4.50%
51-55	4.10%
56-60	3.70%
61-70	3.40%

Retirement Age

Active Participants
Terminated Vested Participants

See Table 1
Terminated Vested Participants are assumed to commence benefits at age 61.

Mortality Rates

Healthy and Disabled

2014 static mortality table for annuitants and non-annuitants per §1.430(h)(3)-1(e)

For ERISA Requirements

Withdrawal Rates	See Table 2
Disability Rates	None
Decrement Timing	Beginning of year decrements
Surviving Spouse Benefit	It is assumed that 80% of males and 80% of females have an eligible spouse, and that males are three years older than their spouses.
Valuation Compensation	2013 pensionable earnings rolled forward one year with the salary increase assumption
Benefit and Compensation Limits	Projected benefits and compensation are limited by the current IRC section 415 maximum benefit of \$210,000 and the IRC section 401(a)(17) compensation limit of \$260,000.
Valuation of Plan Assets	Smoothed fair market value of assets over the current and prior two years, adjusted for contributions, benefit payments, administrative expenses, and expected earnings. The average value of assets calculated in this manner is further limited to not less than 90% nor more than 110% of fair market value.
Expected Return on Assets	
2012 Plan Year	7.00%
2013 Plan Year	7.00%

For ERISA Requirements

Trust Expenses Included in Target Normal Cost

The expenses included in the target normal cost are \$150,000 for 2014.

Form of Benefit Payment

80% of the participants are assumed to elect a 50% Joint & Survivor annuity and the remaining 20% are assumed to elect a life annuity.

Actuarial Method

Standard unit credit cost method

Valuation Date

January 1, 2014

Changes in ERISA Methods/Assumptions Since the Prior Year

Method Changes

There have been no method changes in the funding valuation since the prior year.

Assumption Changes

The funding valuation reflects the following assumption changes:

- A change in the interest rate assumption from segment rates as of September 2012 to segment rates as of September 2013, each adjusted as applicable to fall within the 25-year average interest rate corridor under HATFA.
- A change in the assumed expenses payable from the trust from \$190,000 to \$ 150,000.
- A change in the mortality assumption from the 2013 static mortality table for annuitants and non-annuitants per §1.430(h)(3)-1(e) to the 2014 static mortality table for annuitants and non-annuitants per §1.430(h)(3)-1(e).

Actuarial Assumptions and Methods

For ASC 960 Requirements

Interest Rate	7.00%
Value of Accrued Benefits for Plan Reporting Purposes	Beginning-of-year values are determined in accordance with the recommended procedures of the American Academy of Actuaries as described in Illustrations 1 and 2 of the October 1993 edition of ASOP No. 4, using the standard unit credit cost method.
All Other Assumptions	Same as funding assumptions

Changes in Plan Reporting Methods/Assumptions Since the Prior Year

Method Changes

There have been no method changes in the plan reporting valuation since the prior year.

Assumption Changes

The plan reporting valuation reflects the following assumption change:

- A change in the interest rate from 6.70% to 7.00%.
- A change in the mortality assumption from the 2013 static mortality table for annuitants and non-annuitants per §1.430(h)(3)-1(e) to the 2014 static mortality table for annuitants and non-annuitants per §1.430(h)(3)-1(e).

Actuarial Assumptions and Methods

Table 1

Retirement Rates—Table 1

Age	Rate
55-61	0.05
62-64	0.10
65-69	0.20
70	1.00

Table 2

Withdrawal Rates—Table 2

Age	Rate	Age	Rate
15	0.0000	40	7.36%
16	0.0000	41	7.02%
17	0.0000	42	6.75%
18	0.0000	43	6.54%
19	29.43%	44	6.40%
20	27.73%	45	6.32%
21	26.10%	46	6.31%
22	24.53%	47	6.36%
23	23.02%	48	6.48%
24	21.58%	48	6.66%
25	20.21%	50	6.90%
26	18.90%	51	7.22%
27	17.65%	52	7.59%
28	16.47%	53	8.03%
29	15.35%	54	8.54%
30	14.30%	55	9.11%
31	13.32%	56	9.74%
32	12.39%	57	10.44%
33	11.54%	58	11.21%
34	10.75%	59	12.04%
35	10.02%	60	12.94%
36	9.36%	61	13.90%
37	8.76%	62	14.92%
38	8.23%	63	16.01%
39	7.76%	64	17.16%
		65+	0.00%

Actuarial Assumptions and Methods

Discussion of Actuarial Assumptions and Methods

For the funding valuation, the allowable interest rates and mortality tables available to measure plan liabilities are prescribed by IRC section 412. Aon Hewitt provided guidance with respect to the alternative interest rate and mortality table options, and it is our belief that the options prescribed by DRS Technologies, Inc. are appropriate for funding purposes. It is our belief that all other actuarial assumptions used for the funding valuation represent reasonable expectations of anticipated plan experience. The actuarial cost and amortization methods used are prescribed by IRC section 412. While the method used to value assets is prescribed by DRS Technologies, Inc., Aon Hewitt provided guidance with respect to the use of this method, and it is our belief that the method is appropriate for funding purposes.

For the plan accounting valuation, DRS Technologies, Inc. selected the economic and demographic assumptions and prescribed them for use for purposes of compliance with ASC 960. Aon Hewitt provided guidance with respect to these assumptions, and it is our belief that the assumptions represent reasonable expectations of anticipated plan experience. The asset and actuarial cost methods used are prescribed by ASC 960.

Calculation of Normal Costs and Liabilities

The method used to calculate the ERISA target normal cost and funding target, and ASC 960 liabilities, is the unit credit cost method. The funding target under IRC section 430 is calculated as the present value of all benefits that have been accrued or earned under the plan as of the first day of the plan year, based on current service and current pay. The target normal cost is the present value of all benefits expected to accrue or be earned under the plan during the plan year, including any increase in benefits earned in prior plan years attributable to compensation increases in the current plan year, plus certain trust expenses.

Under this method, benefits are estimated at each decrement age using service and earnings as of the valuation date. The present value of these estimated benefits using the applicable ERISA or ASC 960 assumptions is the ERISA funding target or ASC 960 actuarial present value of accumulated plan benefits. The target normal cost is the present value of the benefits earned during the year.

For calculating the actuarial present value of vested benefits, benefits at each decrement age are determined in the same manner, but are then multiplied by each participant's vesting percentage as of the valuation date. The present value of these estimated vested benefits is determined without recognition of any benefit for which a participant will become entitled only through the advancement in service or age while actively employed. In addition, certain ancillary benefits have been treated as vested consistent with PBGC premium regulations.

The ERISA funding target for lump sum benefits is determined by valuing the annuity that corresponds to the distribution using special actuarial assumptions, as described under Treasury regulations section 1.430(d). Under these special assumptions, for the period beginning with the annuity starting date, the current IRC section 417(e) applicable mortality table is substituted for the mortality table otherwise used.

Schedule SB, Part V – Summary of Plan Provisions
DRS Technologies, Inc. Pension Value Plan
EIN/PN: 13-2632319 / 002

Effective Date	October 1, 2001. Most recently amended January 1, 2010.
Eligibility	Former participants of the Boeing Pension Value Plan are eligible to participate as of the Effective Date. No new entrants are allowed into plan after October 1, 2001.
Normal Retirement Eligibility	Age 65
Benefit	<p>A monthly amount equal to (1) plus (2) below but not less than (3) and (4).</p> <p>(1) Credit Based Benefit</p> <p>Participant's Credit Based Account balance divided by the Credit Based Annuity Factor and then divided by 12 to determine the monthly benefit.</p> <p>(2) Heritage Benefits</p> <p>Participant's MDC or BNA protected benefits, whichever is applicable, multiplied by the ratio of the indexing pay to the base pay as of the benefit transfer date.</p> <p>(3) Minimum Benefit</p> <p>\$50.00 (\$46.00 for a participant with a protected MDC benefit) per month multiplied by the Participant's Benefit Service.</p> <p>(4) Protected Benefit</p> <p>Participant's MDC or BNA protected benefits, whichever is applicable, as of the benefit transfer date.</p> <p>Effective December 31, 2007, the benefit accruals for all Highly Compensated Employees (HCEs) were frozen.</p>

Early Retirement

Eligibility

The attainment of age 55 and completion of 10 years of Vesting Service or attainment of age 62.

Benefit

An amount equal to (1) plus (2) below but not less than (3) and (4).

(1) Credit Based Benefit

Participant's Credit Based Account balance divided by Credit Based Annuity Factor and then divided by 12 to determine the monthly benefit.

(2) Heritage Benefits

Participant's MDC or BNA protected benefits, whichever is applicable, multiplied by the ratio of the indexing pay to the base pay as of the benefit transfer date.

Protected BNA benefit is unreduced for participants whose age plus 85-Point Service equals or exceeds 85 on date of benefit commencement; otherwise, reduced by 0.6% for each month by which benefit commencement precedes age 60.

Protected MDC benefit is unreduced for participants attaining age 50 with at least 30 years of MDC 85 Point Service or whose age plus MDC 85 Point Service equals or exceeds 85 at benefit commencement; otherwise, reduced by the lesser of 2.5% for each year by which benefit commencement precedes age 62, or 2.5% for each point (age plus service) less than 85.

(3) Minimum Benefit

\$50.00 (\$46.00 for a participant with a protected MDC benefit) per month multiplied by the participant's benefit service, reduced by 4% for each year the Early Retirement date precedes the Normal Retirement Date.

(4) Protected Benefit

Participant's MDC or BNA protected benefits, whichever is applicable, as of the benefit transfer date.

Protected BNA benefit is unreduced for participants whose age plus 85-Point Service equals or exceeds 85 on date of benefit commencement; otherwise, reduced by 0.6% for each month by which benefit commencement precedes age 60.

Protected MDC benefit is unreduced for participants attaining age 50 with at least 30 years of MDC 85 Point Service or whose age plus MDC 85 Point Service equals or exceeds 85 at benefit commencement; otherwise, reduced by the lesser of 2.5% for each year by which benefit commencement precedes age 62, or 2.5% for each point (age plus service) less than 85.

Protected MDC Benefit based on the MDHC salaried benefit and MDHC hourly benefit, as described in the MDC Plan, shall be reduced by 5% for each year (and a proportional reduction for partial years)

Vested Retirement
Eligibility

Completion of 3 Years of Vesting Service.

Benefit

The deferred vested pension shall begin on the Participant's Normal Retirement Date and is equal to his accrued benefit at his termination date.

Preretirement Spouse's Benefit
Eligibility

Spouses or designated beneficiaries of active participants who die after becoming vested and spouses or designated beneficiaries of vested terminated participants who die before benefits commence. Qualified election of nonspouse beneficiary is required if participant is married.

Benefit

(1) Death On or After Earliest Commencement Date

The amount of monthly benefit is equal to the amount the spouse would have been entitled to under the 100% Surviving Spouse Option. The benefit is determined as if the participant had retired on the first day of the month following the date of death.

(2) Death Before Earliest Commencement Date

The amount of benefit under the 50% Surviving Spouse Option determined as follows:

- (a) Participant terminated employment on the Date of Death,
- (b) Survived to the earliest commencement date,
- (c) Commenced receiving benefit payments with the 50% Surviving Spouse Option, and
- (d) Died immediately after commencement.

Temporary Supplement Benefit

(1) 60/15 Supplement

Participants with protected BNA benefits who retire after age 60 with 15 years of 85 Point Service on or before December 1, 2008 are eligible for a supplemental benefit equal to the larger of (a) or (b) plus (c) reduced by (d):

- (a) \$375 per month,
- (b) the Social Security Earnings Limit Offset plus
- (c) the protected BNA benefit as of the transfer date,
- (d) the participant's Early Retirement Benefit as defined above.

(2) 85-Point Service Supplement

Participants with protected BNA benefits who retire after age 55 and whose age plus 85 Point Service equals at least 85 on early retirement date and retire on or before December 1, 2008 are eligible for a supplemental benefit as defined in (i) above but not less than \$1,600.

(3) Minimum Early Retirement Benefit (MERB)

Participants with protected MDC benefits who retire after age 50 with 30 years of service on or before December 1, 2008 are eligible for a supplemental benefit of \$375 per month plus the protected MDC benefit as of the transfer date minus the participant's current Early Retirement Benefit as defined above.

(4) Supplemental Minimum Early Retirement Benefit (SMERB)

Participants with protected MDC benefits who retire after age 60 with at least 20 years of service but less than 30 years of services and retire on or before December 1, 2008 are eligible for a supplemental benefit of \$375 per month plus the protected MDC benefit as of the transfer date minus the participant's current Early Retirement Benefits defined above plus benefits under the Employee Retirement Income Plan of McDonnell Douglas Corporation Hourly East Plan and the Employee Retirement Income Plan of McDonnell Douglas Corporation-Hourly West Plan, reduced for early retirement pursuant to terms as defined in the prior plans.

All of the above benefits are payable through age 62 and 1 month.

Vesting Service

(1) Service earned under the Prior Plan immediately prior to the Effective Date, plus

- (2) The number of years and fractions of a year for service beginning after the Effective Date and ends on termination of employment.

Credited Service

The period of Credited Service is determined as (1) plus (2) below:

- (1) Credited Service earned under the Prior Plan immediately prior to the effective date
- (2) A year of service is credited for each year of service beginning after the effective date.

Normal Form of Benefit

Life annuity, if single; 50% joint and survivor annuity, if married

Optional Forms of Benefits Payments

50%, 75% or 100% Joint and Survivor Annuity or any years Certain and Continuous Annuity or Life Annuity or Accelerated Income Option.

Small Pensions

Benefits with an actuarial present value of less than \$1,000 are paid by the Plan committee in the form of a lump sum without the participant's consent.

Credit Based Annuity Factor

The Credit Based Annuity Factor is “11” except as follows:

For a Vested Terminated Participant who terminated employment on or before age 55, the Factor is “15”.

For a Vested Terminated Participant who terminated employment after 55 but before 65, the Factor is “11”, plus $\frac{1}{30}$ times the number of months that termination occurred before age 65.

Credit Based Account

The Credit Based Account is the cumulative account balance of Benefit Credits and Interest Credits.

Benefit Credits

Applicable percentage defined below times Pensionable Pay:

Age at end of Plan Year	Percentage
Less than 30	3%
30 - 34	4%
35 - 39	5%
40 - 44	7%
45 - 49	9%
50 and over	11%

Interest Credits

The Credit Based Account as of the beginning of the Plan Year times the annual rate of interest on 30-year Treasury securities for the month of November preceding the first day of the Plan Year in accordance with Code Section 417(e), provided that the interest rate shall not be less than 5.25% and shall not be more than 10%.

Plan Changes Since the Prior Year

The funding and plan reporting valuations do not reflect any plan changes.