

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2014 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>EXELIS SALARIED INVESTMENT AND SAVINGS PLAN</u>	1b Three-digit plan number (PN) ▶ <u>100</u> 1c Effective date of plan <u>04/01/1974</u>
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>EXELIS INC.</u> <u>1025 W NASA BLVD</u> <u>MELBOURNE, FL 32919</u>	2b Employer Identification Number (EIN) <u>45-2083813</u> 2c Plan Sponsor's telephone number <u>321-724-3682</u> 2d Business code (see instructions) <u>333200</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	<u>Filed with authorized/valid electronic signature.</u>	<u>10/14/2015</u>	<u>DAVID WATROUS</u>
	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) <u>DELOITTE TAX LLP</u> <u>1633 BROADWAY</u> <u>NEW YORK, NY 10019</u>			Preparer's telephone number (optional) <u>212-492-3600</u>

3a Plan administrator's name and address ☐ Same as Plan Sponsor BENEFITS ADMINISTRATION COMMITTEE EXELIS INC. 1025 W NASA BLVD MELBOURNE, FL 32919		3b Administrator's EIN 30-0802305	
		3c Administrator's telephone number 321-724-3682	
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	14921
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)	7831
a(2) Total number of active participants at the end of the plan year		6a(2)	7560
b Retired or separated participants receiving benefits		6b	6849
c Other retired or separated participants entitled to future benefits.....		6c	286
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	14695
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	5
f Total. Add lines 6d and 6e		6f	14700
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	1496
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: 2E 2H 2J 2K 2O 2R 3H			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☒ <u>3</u> 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 _____

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service <hr/> Department of Labor Employee Benefits Security Administration <hr/> Pension Benefit Guaranty Corporation	Insurance 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. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	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 EXELIS SALARIED INVESTMENT AND SAVINGS PLAN	B Three-digit plan number (PN) ▶	100
C Plan sponsor's name as shown on line 2a of Form 5500 EXELIS INC.	D Employer Identification Number (EIN) 45-2083813	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier

MONUMENTAL LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
52-0419790	66281	MDA01162TR		01/01/2014	12/31/2014

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

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

Schedule A (Form 5500) 2014
v. 140124

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	
5 Current value of plan's interest under this contract in separate accounts at year end	5	

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

b Premiums paid to carrier	6b	
c Premiums due but unpaid at the end of the year	6c	
d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ☐**7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☒ guaranteed investment (4) ☐ other ▶

b Balance at the end of the previous year	7b	117495
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c Additions: (1) Contributions deposited during the year	7c(1)		
(2) Dividends and credits	7c(2)		
(3) Interest credited during the year	7c(3)		
(4) Transferred from separate account	7c(4)		
(5) Other (specify below)	7c(5)		
▶			

(6) Total additions	7c(6)	0
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d Total of balance and additions (add lines 7b and 7c(6))	7d	117495
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e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)		
(2) Administration charge made by carrier	7e(2)		
(3) Transferred to separate account	7e(3)		
(4) Other (specify below)	7e(4)	117495	

▶ RETURN TO CONTRACT HOLDER

(5) Total deductions	7e(5)	117495
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f Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	0
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Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2))		9b(3)	
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).)		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount.....	10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service <hr/> Department of Labor Employee Benefits Security Administration <hr/> Pension Benefit Guaranty Corporation	Insurance 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. ► Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	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 EXELIS SALARIED INVESTMENT AND SAVINGS PLAN	B Three-digit plan number (PN) ►	100
C Plan sponsor's name as shown on line 2a of Form 5500 EXELIS INC.	D Employer Identification Number (EIN) 45-2083813	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier

MONUMENTAL LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
52-0419790	66281	MDA01234TR		01/01/2014	12/31/2014

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

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

Schedule A (Form 5500) 2014
v. 140124

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	
5 Current value of plan's interest under this contract in separate accounts at year end	5	

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

b Premiums paid to carrier	6b	
c Premiums due but unpaid at the end of the year	6c	
d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐**7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☒ guaranteed investment (4) ☐ other ▶

b Balance at the end of the previous year **7b** 49293

c Additions: (1) Contributions deposited during the year	7c(1)		
(2) Dividends and credits	7c(2)		
(3) Interest credited during the year	7c(3)		
(4) Transferred from separate account	7c(4)		
(5) Other (specify below)	7c(5)		
▶			

(6) Total additions **7c(6)** 0**d** Total of balance and additions (add lines **7b** and **7c(6)**) **7d** 49293**e Deductions:**

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)		
(2) Administration charge made by carrier	7e(2)		
(3) Transferred to separate account	7e(3)		
(4) Other (specify below)	7e(4)	49293	
▶ RETURN TO CONTRACT HOLDER			

(5) Total deductions **7e(5)** 49293**f** Balance at the end of the current year (subtract line **7e(5)** from line **7d**) **7f** 0

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2))		9b(3)	
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).)		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount.....	10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service <hr/> Department of Labor Employee Benefits Security Administration <hr/> Pension Benefit Guaranty Corporation	Insurance 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. ► Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110
		2014
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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 EXELIS SALARIED INVESTMENT AND SAVINGS PLAN	B Three-digit plan number (PN) ►	100
C Plan sponsor's name as shown on line 2a of Form 5500 EXELIS INC.	D Employer Identification Number (EIN) 45-2083813	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
---------------	---

1 Coverage Information:

(a) Name of insurance carrier

TRANSAMERICA PREMIER LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
52-0419790	66281	MDA01258TR		01/01/2014	12/31/2014

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

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

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

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(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

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	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	
5 Current value of plan's interest under this contract in separate accounts at year end	5	

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

b Premiums paid to carrier	6b	
c Premiums due but unpaid at the end of the year	6c	
d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ☐**7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☒ guaranteed investment (4) ☐ other ▶

b Balance at the end of the previous year	7b	0
c Additions: (1) Contributions deposited during the year	7c(1)	100000
(2) Dividends and credits	7c(2)	
(3) Interest credited during the year	7c(3)	3113
(4) Transferred from separate account	7c(4)	
(5) Other (specify below)	7c(5)	
▶		
(6) Total additions	7c(6)	103113
d Total of balance and additions (add lines 7b and 7c(6))	7d	103113
e Deductions:		
(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	
(2) Administration charge made by carrier	7e(2)	
(3) Transferred to separate account	7e(3)	
(4) Other (specify below)	7e(4)	
▶		
(5) Total deductions	7e(5)	0
f Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	103113

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2))		9b(3)	
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).)		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount.....	10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

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>EXELIS SALARIED INVESTMENT AND SAVINGS PLAN</u>	B Three-digit plan number (PN) ▶ <u>100</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>EXELIS INC.</u>	D Employer Identification Number (EIN) <u>45-2083813</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
EATON VANCE MANAGEMENT TWO INTERNATIONAL PLACE
BOSTON, MA 02110

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
CAPITAL RESEARCH AND MANAGEMENT CO.

95-1411037

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

94-1441976

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

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

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

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

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

J.P. MORGAN INVESTMENT MGMT., INC.

13-3200244

(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?
27 28 52 68	NONE	729822	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

J.P. MORGAN CHANSE BANK, N.A.

13-4994650

(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?
24 27 28 50 51 52 68	NONE	207454	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

T. ROWE PRICE ASSOCIATES, INC.

52-0556948

(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?
28 50 51 68	NONE	451773	Yes ☒ No ☐	Yes ☒ No ☐	0	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)

COLUMBUS CIRCLE INVESTORS

06-1404803

(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?
28 51 68	NONE	395016	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

MESIROW FINANCIAL INVESTMENT MGMT.

36-3429599

(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?
28 51 68	NONE	318494	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

XEROX HR SOLUTIONS LLC

C/O MELLON FINANCIAL GROUP
PO BOX 371143
PITTSBURGH, PA 15251

(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?
15 50	NONE	217100	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)

DELOITTE & TOUCHE LLP

13-3891517

(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	65000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

BUCK CONSULTANTS

13-3954297

(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	87479	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

FINANCIAL ENGINES, INC.

94-3250323

(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?
27 50	NONE	1384911	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)

SUMMIT STRATEGIES

43-1708520

(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?
17 27 70	NONE	75000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

JENNISON ASSOCIATES LLC

22-2540245

(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?
27	NONE	75000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

SEI TRUST COMPANY

06-1271230

(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?
28 50 51	NONE	232729	Yes ☒ No ☐	Yes ☒ No ☐	0	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)

BLACKROCK INSTITUTIONAL TRUST CO.

94-3112180

(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 24 28 50 51	NONE	43540	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

KORNITZER CAPITAL MANAGEMENT, INC.

48-1069845

(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?
28 51 52	NONE	557598	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

WELLS FARGO INST. RET. AND TRUST

608 2ND AVENUE SOUTH
MINNEAPOLIS, MN 55479

(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?
14 15 16 21 27 28 37 50 51 52	NONE	420306	Yes ☒ No ☐	Yes ☒ No ☐	0	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)

MONUMENTAL LIFE INSURANCE CO.

52-0419790

(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?
23 53	NONE	306416	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

INVESCO ADVISORS

61-1246990

(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?
27 28 51 52	NONE	361753	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

DEUTSCHE BANK TRUST CO. AMERICAS

13-4941247

(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?
27 28 51 52	NONE	89167	Yes ☒ No ☐	Yes ☒ No ☐	0	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: DELOITTE & TOUCHE LLP	b EIN: 13-3891517
c Position: AUDITOR	
d Address: 30 ROCKEFELLER PLAZA NEW YORK, NY 10112	e Telephone: 212-492-4000
Explanation: CHANGE IN SERVICE PROVIDER	

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

<p>A Name of plan <u>EXELIS SALARIED INVESTMENT AND SAVINGS PLAN</u></p>	<p>B Three-digit plan number (PN) ▶ <u>100</u></p>	
<p>C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>EXELIS INC.</u></p>	<p>D Employer Identification Number (EIN) <u>45-2083813</u></p>	

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: <u>INTECH INSTITUTIONAL LARGE CAP</u>		
b Name of sponsor of entity listed in (a): <u>SEI TRUST COMPANY</u>		
c EIN-PN <u>56-6593356-013</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>JPMORGAN CHASE BANK US SMRT INDX FD</u>		
b Name of sponsor of entity listed in (a): <u>JPMORGAN CHASE BANK</u>		
c EIN-PN <u>13-3637896-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>128843193</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>BLACKROCK EQUITY INDEX NL FUND F</u>		
b Name of sponsor of entity listed in (a): <u>BLACKROCK INSTITUTIONAL TRUST COMPANY NA</u>		
c EIN-PN <u>26-4273359-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>84269756</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>JPMORGAN CHASE BK SMART RET 2015</u>		
b Name of sponsor of entity listed in (a): <u>JPMORGAN CHASE BANK</u>		
c EIN-PN <u>20-3063321-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>91749639</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>JPMORGAN CHASE BK SMART RET 2020</u>		
b Name of sponsor of entity listed in (a): <u>JPMORGAN CHASE BANK</u>		
c EIN-PN <u>20-3063359-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>168987781</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>JPMORGAN CHASE BK SMART RET 2025</u>		
b Name of sponsor of entity listed in (a): <u>JPMORGAN CHASE BANK</u>		
c EIN-PN <u>20-5819098-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>112682157</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>JPMORGAN CHASE BK SMART RET 2030</u>		
b Name of sponsor of entity listed in (a): <u>JPMORGAN CHASE BANK</u>		
c EIN-PN <u>20-3063387-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>89891215</u>

a Name of MTIA, CCT, PSA, or 103-12 IE: JPMORGAN CHASE BK SMART RET 2035		
b Name of sponsor of entity listed in (a): JPMORGAN CHASE BANK		
c EIN-PN 20-5819181-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 41472001
a Name of MTIA, CCT, PSA, or 103-12 IE: JPMORGAN CHASE BK SMART RET 2040		
b Name of sponsor of entity listed in (a): JPMORGAN CHASE BANK		
c EIN-PN 20-3063440-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 31641818
a Name of MTIA, CCT, PSA, or 103-12 IE: JPMORGAN CHASE BK SMART RET 2045		
b Name of sponsor of entity listed in (a): JPMORGAN CHASE BANK		
c EIN-PN 20-5819388-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 20381519
a Name of MTIA, CCT, PSA, or 103-12 IE: JPMORGAN CHASE BK SMART RET 2050		
b Name of sponsor of entity listed in (a): JPMORGAN CHASE BANK		
c EIN-PN 20-5819476-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 14816361
a Name of MTIA, CCT, PSA, or 103-12 IE: JPMORGAN CHASE BK SMART RET INCOME		
b Name of sponsor of entity listed in (a): JPMORGAN CHASE BANK		
c EIN-PN 20-3063490-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 87888776
a Name of MTIA, CCT, PSA, or 103-12 IE: BLACKROCK US TIPS NL FUND F		
b Name of sponsor of entity listed in (a): BLACKROCK INSTITUTIONAL TRUST COMPANY NA		
c EIN-PN 27-0535692-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 10338049
a Name of MTIA, CCT, PSA, or 103-12 IE: PYRAMID SHORT MANAGED MATURING FUND		
b Name of sponsor of entity listed in (a): DEUTSCHE BANK TRUST COMPANY AMERICAS		
c EIN-PN 13-6043638-078	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
a Name of MTIA, CCT, PSA, or 103-12 IE: PYRAMID INTER. MANAGED MATURING FD.		
b Name of sponsor of entity listed in (a): DEUTSCHE BANK TRUST COMPANY AMERICAS		
c EIN-PN 13-6043638-080	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
a Name of MTIA, CCT, PSA, or 103-12 IE: PYRAMID ENHANCED INTER. FIXED INC.		
b Name of sponsor of entity listed in (a): DEUTSCHE BANK TRUST COMPANY AMERICAS		
c EIN-PN 13-6043638-094	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
a Name of MTIA, CCT, PSA, or 103-12 IE: JPMCB INTERNATIONAL BOND FUND		
b Name of sponsor of entity listed in (a): JPMORGAN CHASE BANK		
c EIN-PN 13-3808611-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 790158

a Name of MTIA, CCT, PSA, or 103-12 IE: JPMCB MORTGAGE PRIVATE PLACEMENT FD		
b Name of sponsor of entity listed in (a): JPMORGAN CHASE BANK		
c EIN-PN 13-6038769-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 4086782
a Name of MTIA, CCT, PSA, or 103-12 IE: JPMCB PUBLIC BONDS FUND		
b Name of sponsor of entity listed in (a): JPMORGAN CHASE BANK		
c EIN-PN 13-6038767-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 46411164
a Name of MTIA, CCT, PSA, or 103-12 IE: BLACKROCK US DEBT INDEX NL FUND F		
b Name of sponsor of entity listed in (a): BLACKROCK INSTITUTIONAL TRUST COMPANY NA		
c EIN-PN 26-4086131-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 80899284
a Name of MTIA, CCT, PSA, or 103-12 IE: BLACKROCK ACWI EX-US INDEX NL FUND		
b Name of sponsor of entity listed in (a): BLACKROCK INSTITUTIONAL TRUST COMPANY NA		
c EIN-PN 26-4299445-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 84586259
a Name of MTIA, CCT, PSA, or 103-12 IE: BLACKROCK RUSSELL 2000 INDEX NL FD.		
b Name of sponsor of entity listed in (a): BLACKROCK INSTITUTIONAL TRUST COMPANY NA		
c EIN-PN 26-4299570-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 32906160
a Name of MTIA, CCT, PSA, or 103-12 IE: BLACKROCK CORE FIXED INCOME FUND		
b Name of sponsor of entity listed in (a): INVESCO NATIONAL TRUST COMPANY		
c EIN-PN 61-1246990-229	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 24451864
a Name of MTIA, CCT, PSA, or 103-12 IE: BLACKROCK INT. GOV'T CREDIT FUND		
b Name of sponsor of entity listed in (a): INVESCO NATIONAL TRUST COMPANY		
c EIN-PN 61-1246990-221	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 55892043
a Name of MTIA, CCT, PSA, or 103-12 IE: ING SHORT DURATION BOND FUND		
b Name of sponsor of entity listed in (a): INVESCO NATIONAL TRUST COMPANY		
c EIN-PN 61-1246990-242	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 31488444
a Name of MTIA, CCT, PSA, or 103-12 IE: INVESCO CORE FIXED INCOME FUND		
b Name of sponsor of entity listed in (a): INVESCO NATIONAL TRUST COMPANY		
c EIN-PN 61-1246990-227	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 47591816
a Name of MTIA, CCT, PSA, or 103-12 IE: INVESCO INT. GOV'T CREDIT FUND		
b Name of sponsor of entity listed in (a): INVESCO NATIONAL TRUST COMPANY		
c EIN-PN 61-1246990-212	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 55921834

a Name of MTIA, CCT, PSA, or 103-12 IE: INVESCO SHORT-TERM BOND FUND**b** Name of sponsor of entity listed in (a): INVESCO NATIONAL TRUST COMPANY

c EIN-PN 61-1246990-215	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 264237184
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a Name of MTIA, CCT, PSA, or 103-12 IE: JENNISON INT. GOV'T CREDIT FUND**b** Name of sponsor of entity listed in (a): INVESCO NATIONAL TRUST COMPANY

c EIN-PN 61-1246990-218	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 56183529
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a Name of MTIA, CCT, PSA, or 103-12 IE: PIMCO CORE FIXED INCOME FUND**b** Name of sponsor of entity listed in (a): INVESCO NATIONAL TRUST COMPANY

c EIN-PN 61-1246990-219	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 24312504
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a Name of MTIA, CCT, PSA, or 103-12 IE: PIMCO INT. GOV'T CREDIT FUND**b** Name of sponsor of entity listed in (a): INVESCO NATIONAL TRUST COMPANY

c EIN-PN 61-1246990-207	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 55292809
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

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

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

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

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

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

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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Part II Information on Participating Plans (to be completed by DFEs)

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

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

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 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>EXELIS SALARIED INVESTMENT AND SAVINGS PLAN</u>		B Three-digit plan number (PN) ► <u>100</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>EXELIS INC.</u>		D Employer Identification Number (EIN) <u>45-2083813</u>

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.				
	Assets			
a	Total noninterest-bearing cash	1a	0	50030058
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions.....	1b(1)	870488	1297979
	(2) Participant contributions.....	1b(2)	2336931	3156780
	(3) Other.....	1b(3)	1554881	234985907
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	17824048	17688720
	(2) U.S. Government securities	1c(2)	115570283	48322688
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other	1c(3)(B)	96652750	9067150
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)	568411	532467
	(B) Common.....	1c(4)(B)	363777787	106584158
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property).....	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans.....	1c(8)	19953813	20658491
	(9) Value of interest in common/collective trusts	1c(9)	1326098956	2028989044
	(10) Value of interest in pooled separate accounts	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)		
	(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)	219342444	224460796
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	166788	103113
	(15) Other.....	1c(15)	11973738	12735632

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	116369115	96581412
(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	2293060433	2855194395

Liabilities

g Benefit claims payable	1g	232242	0
h Operating payables	1h	0	
i Acquisition indebtedness	1i		
j Other liabilities	1j	1223573	34981203
k Total liabilities (add all amounts in lines 1g through 1j)	1k	1455815	34981203

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	2291604618	2820213192
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	27629682	
(B) Participants	2a(1)(B)	69841642	
(C) Others (including rollovers)	2a(1)(C)	3755955	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		101227279
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)	786449	
(F) Other	2b(1)(F)	15048364	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		15834813
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	7464653	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	2715842	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		10180495
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	11754413	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	4328468	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		7425945
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	-7772034	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		-7772034

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		100903991
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(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)		11793052
c Other income.....	2c		961981
d Total income. Add all income amounts in column (b) and enter total.....	2d		240555522

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	219672730	
(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)		219672730
f Corrective distributions (see instructions).....	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		1697540
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)	572785	
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)	3471623	
(4) Other.....	2i(4)	1017566	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		5061974
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		226432244

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		14123278
l Transfers of assets:			
(1) To this plan.....	2l(1)		549206864
(2) From this plan.....	2l(2)		34721568

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: BUCHBINDER TUNICK & COMPANY LLP

(2) EIN: 13-1578842

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		15000000
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.)		X	
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)
VECTRUS RETIREMENT SAVINGS PLAN	38-3924636	001

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>EXELIS SALARIED INVESTMENT AND SAVINGS PLAN</u>	B Three-digit plan number (PN) ▶ <u>100</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>EXELIS INC.</u>	D Employer Identification Number (EIN) <u>45-2083813</u>

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>41-6257133</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	

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

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): _____

Exelis Salaried Investment and Savings Plan

Sponsor EIN 45-2083813
Plan No. 100

Financial Statements as of December 31, 2014 and 2013,
and for the Years Ended December 31, 2014,
Supplemental Schedule as of December 31, 2014, and
Independent Auditors' Report

EXELIS SALARIED INVESTMENT AND SAVINGS PLAN

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All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosures under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.



INDEPENDENT AUDITOR'S REPORT

To the Trustees and Members of the
Exelis Salaried Investment and Savings Plan

We have audited the accompanying financial statements of Exelis Salaried Investment and Savings Plan (the "Plan"), which comprise the statement of net assets available for benefits as of December 31, 2014, the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Exelis Salaried Investment and Savings Plan as of December 31, 2014, and the changes in net assets available for benefits for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The statement of net assets available for benefits of Exelis Salaried Retirement Plan as of December 31, 2013, and the related statement of changes in net assets available for benefits for the year then ended were audited by other auditors whose report dated June 25, 2014 expressed an unmodified opinion on those statements.

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of Assets (held at end of year), referred to as "supplemental information," is presented for the purpose of additional analysis and are not a required part of the financial statements but is supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



BUCHBINDER TUNICK & COMPANY LLP

Bethesda, MD

October 12, 2015

EXELIS SALARIED INVESTMENTS AND SAVINGS PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
(\$ IN THOUSANDS)

	December 31,	
	2014	2013
Assets:		
Investments at fair value:		
Cash and cash equivalents	\$ 332,080	\$ 33,290
Equities	203,698	480,715
Mutual funds	224,461	219,342
U.S. government securities	48,323	26,385
Corporate bonds	9,067	9,217
Guaranteed investment contracts	632,089	632,897
Common collective trusts	1,132,642	854,524
Brokerage account	12,735	11,974
Total investments	2,595,095	2,268,344
Receivables:		
Dividends	648	912
Interest	379	229
Unsettled security sales	—	414
Notes receivable from members	20,659	19,954
Company contributions	1,298	870
Member contributions	3,157	2,337
Receivable from Other Exelis Savings Plans	233,959	—
Total receivables	260,100	24,716
Total assets	2,855,195	2,293,060
Liabilities:		
Accrued investment management expense	260	987
Accrued administrative expense	—	150
Unsettled security purchases	—	86
Payable to Vectrus Retirement Savings Plan	34,722	—
Total liabilities	34,982	1,223
NET ASSETS AVAILABLE FOR BENEFITS, AT FAIR VALUE	2,820,213	2,291,837
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(22,952)	(20,656)
NET ASSETS AVAILABLE FOR BENEFITS	\$ 2,797,261	\$ 2,271,181

See Notes to Financial Statements

EXELIS SALARIED INVESTMENTS AND SAVINGS PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
(\$ IN THOUSANDS)

	Year ended December 31, 2014
Investment activity:	
Net appreciation in fair value of investments	\$111,017
Dividends	10,181
Interest	15,048
	<hr/>
Total investment activities	136,246
Interest earned on member loans	786
Contributions:	
Members	69,842
Company match	12,511
Company base	15,119
	<hr/>
Total contributions	97,472
Rollovers:	
Asset rollovers	3,756
DEDUCTIONS:	
Withdrawals and distributions	(221,603)
Investment management and administrative expenses	(5,062)
	<hr/>
Total deductions	(226,665)
INCREASE IN NET ASSETS BEFORE PLAN TRANSFERS	<hr/> 11,595
Transfer from EDO Corporation Employee Investment Plan	315,248
Transfer from Other Exelis Savings Plan	233,959
Transfer to Vectrus Retirement Savings Plan	(34,722)
	<hr/>
Total transfers, net	514,485
INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	<hr/> 526,080
NET ASSETS AVAILABLE FOR BENEFITS:	
Beginning of year	2,271,181
	<hr/>
End of year	\$2,797,261
	<hr/>

See Notes to Financial Statements

EXELIS SALARIED INVESTMENT AND SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS AS OF DECEMBER 31, 2014 AND 2013, AND
FOR THE YEAR ENDED DECEMBER 31, 2014
(\$ IN THOUSANDS)

1. DESCRIPTION OF THE PLAN

The following description of the Exelis Salaried Investment and Savings Plan (the "Plan") is provided for general information purposes only. Eligible employees, referred to herein as Members ("Members"), should refer to the Plan document for more complete information about the Plan.

During 2014, assets from EDO Corporation Employee Investment Plan were transferred into the Plan (See Note 10). The Plan was amended on December 30, 2014 to merge various Exelis Inc. (the "Company") Defined Contribution plans into the Plan (also see Notes 10 and 11) and changed the name of the Plan to Exelis Retirement Savings Plan effective January 1, 2015. These plan amounts are reflected as a receivable in the 2014 financial statements.

On September 27, 2014, the Company completed the previously announced spin-off (the "spin-off") of Vectrus Inc. ("Vectrus"), formerly the Company's military and government services business ("Mission Systems"). All assets related to Vectrus active employees in the Plan were transferred out of the Plan to the Vectrus plan on January 1, 2015. The amount transferred is reflected as a payable on the financial statements of the Plan.

General—The Plan is a defined contribution plan generally covering all regular salaried U.S. employees of the Company. Employees are eligible to join the Plan on the first day of employment, subject to administrative processes. An employee whose employment with the Company is on a temporary or less than full-time basis and who is not a Non-U.S. Citizen Employee shall be eligible to become a Member on the day following the date he or she completes 1,000 hours worked in a twelve-consecutive-month period of employment. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Employee contributions—A Member may generally elect to contribute 1% to 70% of eligible pay. A Member may designate their contributions as either Before-Tax Contributions, After-Tax Contributions, or any combination of the two. A Member who is considered a Highly Compensated Employee ("HCE") under the Plan may elect Plan contributions up to a maximum of 70% of eligible pay on Before-Tax Contributions, 12% of eligible pay on After-Tax Contributions, or any combination of the two. Members who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Members may also contribute amounts representing distributions from other qualified eligible retirement plans (rollovers). Member contributions are subject to the dollar limitation contained in Section 402(g) of the Internal Revenue Code ("IRC"). All salaried employees who first satisfy the eligibility requirements for participation in the Plan on or after January 1, 2012 and who have not elected a contribution rate, shall be deemed to have elected a 6% before-tax employee contribution rate, provided however, that at any time, such employee may elect to contribute at a different rate, including 0%, in accordance with the terms of the Plan.

Company contributions—Effective January 1, 2012, modifications to the Plan ("Enhanced ISP") and the Exelis Salaried Retirement Plan ("SRP") were adopted. All eligible U.S. employees as of September 30, 2011 had a one-time opportunity to choose participation in the Enhanced ISP or the SRP. Under Exelis' Enhanced ISP, the company floor contribution was replaced by a new age-based base contribution, which is as follows:

- 2% of eligible pay if an employee is less than 35 years of age;
- 3% of eligible pay if an employee is at least 35 years of age but less than 45 years of age; and
- 4% of eligible pay if an employee is 45 years of age or older.

For those employees who elected the enhanced ISP alternative, Exelis continues to credit the employee's ISP account each pay period throughout the year with the base contribution regardless of whether an employee contributes to the Enhanced ISP. In addition, an employee receives a dollar-for-dollar match (100%) of the first 1% of eligible pay contributed and 50% match on the next 5% of eligible pay contributed. An employee is vested immediately in all contributions under the Enhanced ISP. As of the effective date, contributions to the ISP increased automatically to 6% of eligible pay if an employee was contributing less than 6% as of the effective date or not contributing at all. Employees who chose the SRP do not receive any employer matching or base contributions, but may continue to contribute their own money in the Enhanced ISP. The definition of eligible pay for the Enhanced ISP has been expanded to include bonus and other pay.

All Salaried U.S. employees hired after October 1, 2011 are automatically enrolled in the ISP as soon as administratively possible at an auto enrollment rate of 6% on a before tax basis.

Any contributions (employee and/or Company) directed by Members into the Exelis Stock Fund, including future contributions to the Plan, are deposited into the Employee Stock Ownership account ("ESOP"). All dividends associated with the contributions held in the ESOP are immediately 100% vested. In addition, Members can make an election regarding the payment of their ESOP dividends. Members can elect to have their ESOP dividends either reinvested in the Exelis Stock Fund or paid to them in cash on a quarterly basis.

Investment Direction— Members may direct employee contributions and Company contributions, in any whole percentage, among any of the Plan's investment options. In addition, Members can change their future contributions and reallocate accumulated investments in 1% increments on a daily basis, limited however to a maximum of four fund reallocations or transfers in any calendar month. A reallocation or a transfer shall be defined as a single reallocation or a single transfer, or as a series of reallocations and/or transfers taking place on a single business day.

The Plan limits the amount that may be held in the Exelis Stock Fund to 20% of a Member's total account balance. Members who hold 20% or more of their total account balance in the Exelis Stock Fund at the end of any calendar quarter will not be permitted to designate any future contributions (employee and Company) to the Exelis Stock Fund or transfer balances into that Fund, for the following calendar quarter. Members who hold less than 20% of their total account balance in the Exelis Stock Fund may designate up to 20% of their future contributions (employee and Company) to the Exelis Stock Fund, and may transfer balances into that Fund, provided that the balance in the Exelis Stock Fund does not exceed 20% of the Member's total account balance after the transfer.

The Plan also limits the amount that may be held in the Schwab Personal Choice Retirement Account ("PCRA"), brokerage account. The Member is limited to transfer up to 20% of their total account balance.

Member Accounts—Each Member's account is credited with the Member's contributions, Company contributions, plan earnings or losses, and withdrawals, net of administrative expenses and investment management fees. Allocations of these fees and expenses are based on Member account balances, as defined in the Plan document. The benefit to which a Member is entitled is the benefit that can be provided from the Member's vested account.

Plan accounts are valued and reconciled between the trustee and recordkeeper daily. Members can initiate transactions by using the Plan's website or by speaking to a Plan representative at the Exelis Benefits Center ("Benefits Center"). A deferred Member is a Member who has terminated employment with the Company and has (i) elected to defer their account in the Plan, or (ii) not made any election prior to termination and, therefore, their account was automatically deferred in the Plan. A deferred Member is also the beneficiary of a deceased Member or deferred Member, or an alternate payee designated as such pursuant to a domestic relations order as qualified by the Plan.

Vesting—Members are immediately vested in their contributions as well as the Company match and base contributions plus actual earnings thereon. Deferred Members who were terminated prior to December 31, 2011 continued to be subject to the 5 year vesting rule in effect prior to January 1, 2012 in their interest in the matching Company contributions.

Forfeited Accounts—At December 31, 2014 and 2013, forfeited non-vested accounts totaled \$207 and \$202, respectively. During the year ended December 31, 2014, forfeitures of \$1,803 were used to reduce Company contributions to the Plan.

Notes Receivable from Members—A Member may request a loan in any specified whole dollar amount which must be at least one thousand dollars but which may not exceed the lesser of 50% of the vested account balance or fifty thousand dollars, reduced by the Member's highest outstanding loan balance under all plans of the Company, if any, during the prior one-year period. The interest rate charged by the Plan is based on the prime rate plus 1%, as published in the Wall Street Journal on the first business day of the month in which the loan is originated, and remains the same throughout the term of the loan. General purpose loan payment terms range from one to sixty months. If the loan is used in the purchase of a primary residence, the loan payment term can be for a period of up to one hundred-eighty months. Members may have up to two loans outstanding at the same time. Member loans at December 31, 2014 and 2013 were \$20,659 and \$19,954, respectively. The loans are secured by the balance in the Member's account. The loan amount is reduced by fifty dollars to cover the Plan's loan origination fee. As of December 31, 2014, notes receivable from members have maturities through 2030 at interest rates ranging from 4.25% to 10.50%.

A terminated Member may continue to make periodic repayment on their loans after separation by contacting the Benefits Center. However, no new loans can be requested after termination of employment.

Payment of Benefits—On termination of employment (including death, disability, or retirement), a Member or their surviving spouse beneficiary may elect to receive a lump-sum amount equal to the value of the Member's vested interest in their account paid in cash or as a rollover to another qualified plan or an Individual Retirement Account ("IRA"), or periodic payments under one of two alternative installment options, as defined in the Plan document. In any case, a Member or their surviving spouse beneficiary whose vested account balance is more than five thousand dollars may elect to keep their account balance in the Plan until the year in which the Member reaches or would have reached age 70½. During the calendar year in which the Member attains age 70½, distribution from the Plan will commence in accordance with Section 401(a)(9) of the IRC. Upon the death of a Member, with a non-spouse beneficiary, the distribution must be made within five years from the Member's date of death in the form of a lump sum payment or annual fixed period installments, provided that the number of installments does not extend beyond five years from the date of the Member's death. A non-spouse beneficiary who elects payment in the form of a lump sum, may elect that the payment be made as a rollover to a "special" IRA in accordance with the provisions of Section 402(c)(11) of the IRC.

Direct Rollover of Certain Distributions – If a Member leaves the Company for any reason, the Member is entitled to receive a distribution of the total vested value of their account. The distribution can be in the form of a rollover as follows:

- (1) Elective Rollover – A Member may elect a rollover distribution paid directly to not more than two eligible retirement plans as specified by the Member.
- (2) Mandatory Rollover –
 - (A) If a Member's account balance is greater than one thousand dollars but less than five thousand and one dollars and the Member fails to make an affirmative election to either receive the lump sum payment or have it directly rolled over to another qualified plan or an IRA within the election period, the account balance will be automatically rolled over to an IRA established in the Member's name.

- (B) If a Member's account balance is one thousand dollars or less and the Member fails to make an affirmative election to either receive the lump sum payment or have it directly rolled over to another qualified plan or an IRA within the election period, the account balance will be automatically paid out to the Member.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting—The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive benefit investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The Statement of Net Assets Available for Benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared using the contract value basis for fully benefit-responsive investment contracts.

Use of Estimates — The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Risks and Uncertainties — The Plan utilizes various investment instruments, including common stock, mutual funds, common collective trusts, corporate bonds and guaranteed investment contracts. Investment securities, in general, are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the financial statements.

Investment Valuation and Income Recognition — The Plan's investments are measured at fair value except for its benefit-responsive investment contracts which are stated at fair value and then adjusted to contract value (Note 7). Fair value is defined as 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 (i.e. an exit price). A more detailed description of the individual types of investments can be found in Note 3.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Management fees and operating expenses charged to the Plan for investments in the registered investment companies are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments.

Expenses—The Plan pays for the administrative expenses of the Plan up to 0.25% of the market value of trust assets. In 2014, the Plan accrued .08% of trust assets until June 30, 2014. These expenses are limited to services provided by third party vendors. The Company pays Plan administrative expenses which are not paid by the Plan. In addition to the administrative expense charge, an investment management fee is charged to each investment fund except for the Exelis Stock Fund and the Schwab Personal Choice Retirement Account. In 2014 these investment management fees totaled \$4,199 and are reflected as a component of Investment Management and Administrative expense on the Statement of Changes in Net Assets Available for Benefits.

Payment of Benefits—Benefit payments to Members are recorded upon distribution. Account balance for Members who have submitted requests to withdraw from the Plan but have not yet been paid were \$0 and \$232 at December 31, 2014 and 2013, respectively.

Notes Receivable from Members—Notes receivable from members are recorded at their unpaid principal balance plus any accrued but unpaid interest. In the event that a Member fails to make repayment of amounts due for three consecutive months, the loan is considered to be in default. In the event default is declared, the outstanding loan balance and any accrued interest may be treated as a withdrawal prior to Termination of Employment subject to the withdrawal provisions outlined in the Plan document.

New Accounting Standards — There were no new accounting standards adopted in 2014.

3. FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurements and Disclosures*, provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, as follows: Level 1, which refers to securities valued using unadjusted quoted prices from active markets for identical assets; Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available; and Level 3, which refers to securities valued based on significant unobservable inputs. Assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Asset Valuation Techniques - Valuation technologies maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2014 and 2013.

- Cash equivalents and mutual funds –Fair value is measured at net asset value (“NAV”). Investments in cash equivalents and mutual funds are classified in Level 1 of the fair value hierarchy.
- Equities – Common and preferred stock is valued at the closing price reported on the major market on which the individual securities are traded at the measurement date. Exelis Stock Fund invests primarily in Exelis Inc. common stock, which is traded on the New York Stock Exchange (“NYSE”) under the ticker symbol (“XLS”) and is valued at its NAV. The NAV of the Exelis Stock Fund is computed based on the closing price of Exelis common stock reported by the NYSE at the measurement date, plus the NAV of the short-term money market included in the Exelis Stock Fund, divided by the number of units outstanding. The money market portion of the Exelis Stock Fund provides liquidity, which enables the Plan Members to transfer money daily among all investment choices. As all equity securities held by the Plan are publicly traded in active markets, the securities are classified within Level 1 of the fair value hierarchy.
- U.S. government securities and corporate bonds - U.S. government securities are generally valued using matrix pricing or fair value is estimated using quoted prices of securities with similar characteristics. Corporate bonds are generally valued by using pricing models (e.g., discounted cash flows), quoted prices of securities with similar characteristics or broker quotes. Investments in fixed income securities are classified in Level 2 of the fair value hierarchy.

- **Guaranteed investment contracts** - The Stable Value Fund includes traditional and synthetic guaranteed investment contracts (“GICs”). For a traditional GIC, the issuer of the GIC takes a deposit from the Plan and purchases investments that are held in the issuer’s general accounts. In return, the issuer of the GIC agrees to repay the principal plus a specified interest amount, provided the terms and conditions of the GIC have been satisfied. The fair value of a traditional GIC is generally estimated by discounting the related cash flows based on current market yields of similar instruments with comparable durations. In a synthetic GIC structure, there are two components, an underlying portfolio of investments and a wrapper contract. The underlying investments remain owned by the Plan and are measured at fair value based on the nature of the individual security. The fair value of a wrapper contract is estimated using a discounted replacement cost approach which incorporates the difference between current market fee for a similar wrapper contract (See Note 7) and the wrap fee currently charged. Traditional GICs are classified in Level 2 of the fair value hierarchy. Investments held underlying a synthetic GIC are classified in the fair value hierarchy based on the nature of the underlying security, which is Level 2, and the wrapper contracts are classified in Level 2.
- **Common collective trust (“CCTs”)** - Common Collective Trusts are arrangements in which the funds of individual trusts are pooled to avail themselves of professional investment management and achieve greater diversification of investment, stability of income or other investment objectives. CCTs invest in debt and equity securities, the mix of which varies by fund, and report NAV as of the measurement date. Fair value is estimated based on the NAV practical expedient described below. CCTs are classified in Level 2 of the fair value hierarchy.
- **Brokerage Account - Investments** (i.e. equities and mutual funds, including money market mutual funds) held in the PCRA Brokerage account are valued at the closing price reported on the major market on which the individual securities are traded at the measurement date. These securities are classified in Level 1 of the fair value hierarchy.

In certain instances, fair value is estimated using quoted market prices obtained from an external pricing service. In obtaining such data from the pricing service, the Plan has evaluated the methodologies used to develop the estimate of fair value in order to assess whether such valuations are representative of fair value, including NAV. Additionally, in certain circumstances, the Plan may adjust NAV reported by an asset manager when sufficient evidence indicates NAV is not representative of fair value.

The following tables set forth by level within the fair value hierarchy a summary of the Plan's investments measured at fair value on a recurring basis at December 31, 2014 and 2013.

Fair Value Measurement at December 31, 2014

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash and cash equivalents	\$ 332,080			\$ 332,080
Equities:				
Exelis Inc. stock	96,581			96,581
Domestic equities	94,551			94,551
International equities	12,566			12,566
Total equities	203,698			203,698
Mutual funds:				
American New Perspective Fund	91,777			91,777
Dodge and Cox International	23,680			23,680
Eaton Vance Large-Cap Value Fund	77,276			77,276
JP Morgan US Large Cap Core Plus	31,728			31,728
Total mutual funds	224,461			224,461
U.S. government securities		\$ 48,323		48,323
Corporate bonds		9,067		9,067
Guaranteed investment contracts	16,614	615,475		632,089
Common collective trusts ⁽¹⁾		1,132,642		1,132,642
Brokerage ⁽²⁾	12,735			12,735
Participant directed investments	\$ 789,588	\$ 1,805,507	\$ —	\$ 2,595,095

⁽¹⁾ See Page 13 for break out of Common Collective Trusts

⁽²⁾ Includes \$2,163 cash and cash equivalents; \$2,640 mutual funds \$7,843 in equities and \$90 in other investments.

Fair Value Measurement at December 31, 2013

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash and cash equivalents	\$ 33,290			\$ 33,290
Equities:				
Exelis Inc. stock	116,369			116,369
Domestic equities	335,421			335,421
International equities	28,925			28,925
Total equities	480,715			480,715
Mutual funds:				
American New Perspective Fund	102,470			102,470
Dodge and Cox International	22,404			22,404
Eaton Vance Large-Cap Value Fund	69,453			69,453
JP Morgan US Large Cap Core Plus	23,105			23,105
iShares Russell 2000 Value Index	1,910			1,910
Total mutual funds	219,342			219,342
U.S. government securities		\$ 26,385		26,385
Corporate bonds		9,217		9,217
Guaranteed investment contracts	16,781	616,116		632,897
Common collective trusts ⁽¹⁾		854,524		854,524
Brokerage ⁽²⁾	11,974			11,974
Participant directed investments	\$ 762,102	\$ 1,506,242	\$ —	\$ 2,268,344

⁽¹⁾ See Page 13 for break out of Common Collective Trusts

⁽²⁾ Includes \$1,980 cash and cash equivalents; \$2,552 mutual funds and \$7,442 in equities.

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

We evaluate the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits.

There are no unfunded commitments related to the CCTs and investments in CCTs can be redeemed on a daily basis. The following table sets forth a summary of the Plan's investments in CCTs reported at fair value using net asset value per share at December 31, 2014 and 2013:

	2014	2013
(a) JPMCB Smartretirement Income Fund	\$ 87,889	\$ 57,663
(b) JPMCB Target Retirement Date Funds	571,623	352,469
(c) JPMCB Smartindex Fund	128,843	126,950
(d) INTECH Institutional Large Cap Growth Fund	—	43,342
(e) JPMCB Core Bond Fund	51,288	47,826
(f) BlackRock Equity Index NL Fund F	84,270	52,894
(g) BlackRock US TIPS NL Fund F	10,338	8,082
(h) BlackRock US Debt Index NL Fund F	80,899	57,228
(i) BlackRock ACWI EX-US NL Fund F	84,586	77,785
(j) BlackRock Russell 2000 Index NL Fund F	32,906	30,285
Total Common Collective Trusts	<u>\$ 1,132,642</u>	<u>\$ 854,524</u>
(k) Pyramid Short Managed Maturing Fund	\$ —	\$ 138,240
(k) Pyramid Intermediate Managed Maturing Fund	—	99,496
(k) Pyramid Intermediate Fixed Income Fund	—	233,840
(k) IGT BlackRock Core Fixed	24,452	—
(k) IGT BlackRock Int G/C	55,892	—
(k) IGT Invesco Core	47,592	—
(k) IGT Invesco Int G/C	55,922	—
(k) IGT Invesco Short Term Bond	264,237	—
(k) IGT Jennison Int G/C	56,184	—
(k) IGT PIMCO Core	24,312	—
(k) IGT PIMCO Int G/C	55,293	—
(k) IGT VOYA Short Duration	31,488	—

- (a) The fund is designed to provide exposure to a variety of asset classes through investments in underlying funds with an emphasis on fixed income funds over equity funds and other funds. The fund seeks current income and some capital appreciation. The Company must provide 60 days advance notice to terminate the fund.
- (b) Target retirement date funds seek total return with a shift to investments focused on generating current income from assets targeting capital appreciation over time as the fund approaches and passes the target retirement date. These funds generally reach their most conservative target allocations close to the target retirement date. The Company must provide 60 days advance notice to terminate the fund.
- (c) Seeks to provide a modestly better than index-like return with low tracking error from a widely diversified portfolio of selected stocks issued primarily by large and medium-sized U.S. companies. The Company must provide 60 days advance notice to terminate the fund.
- (d) The fund employs mathematical and statistical techniques to develop portfolios, which, over time, have the potential to outperform their benchmarks, with low volatility. Subject to SEI Trust Company's discretion, the Company is required to submit written notification of a sponsor-directed full or partial redemption 30 days in advance of the desired withdrawal date.
- (e) The fund seeks to provide consistent excess returns over broad market indices with risk similar to its benchmark, Barclays Capital U.S. Aggregate Index, over a three-to-five year horizon. The Company must provide 60 days advance notice to terminate the fund.

- (f) The fund seeks to match the performance of the S&P 500® Index by investing in stocks that make up the index. The S&P 500® Index, considered a large-capitalization benchmark, is comprised of a sample of leading US companies in leading industries, and accounts for more than 75% of the market value of all publicly traded stocks in the US. The Company must provide 30 days advance notice to terminate the fund.
- (g) The fund seeks to match the performance of the Barclays US TIPS Index by investing in some or all of the bonds that make up the index. Unlike conventional bonds the principal and interest payments from TIPS are regularly adjusted to reflect changes in inflation, as measured by the Consumer Price Index for Urban Consumers. The Company must provide 30 days advance notice to terminate the fund.
- (h) The fund seeks to match the performance of the Barclays Aggregate Bond Index by investing in a diversified sample of the bonds that make up the index. The index is the broadest measure of the US investment-grade bond market and is comprised of US Treasury and federal agency bonds, corporate bonds, residential commercial mortgage-backed securities asset-backed securities. The Company must provide 30 days advance notice to terminate the fund.
- (i) The fund seeks to match the performance of the MSCI ACWI ex-US Index by investing in stocks that make up the index. The Morgan Stanley Capital International (MSCI) ACWI ex-US Index is comprised of foreign stocks representing in 22 developed markets and 22 emerging markets. The Index represents approximately 60% of the world's total market capitalization. The Company must provide 30 days advance notice to terminate the fund.
- (j) The fund seeks to match the performance of the Russell 2000® Index by investing in a diversified sample of the stocks that make up the index. The Index is comprised of the 2,000 smallest companies in the Russell 3000® Index and represents approximately 8% of the total market capitalization of the Russell 3000® Index. The Company must provide 30 days advance notice to terminate the fund.
- (k) These funds are part of the Stable Value Fund. The Stable Value Fund seeks to preserve principal value and provide a relatively stable rate of return comparable to intermediate fixed-income yields over two to five years. Participating trusts can redeem daily upon written notice to the Trustee of the funds. However, the Trustee, in its absolute discretion, may delay payment in a manner to avoid an adverse impact on the Fund. The Company must provide 30 days advance notice to terminate the Fund.

4. INVESTMENTS

The following presents investments that represent 5 percent or more of the Plan's net assets available for benefits:

	December 31,	
	2014	2013
Pyramid Intermediate Fixed Income Fund*	**	\$ 233,840
Exelis Stock Fund 6,105,410 shares at fair value	**	116,369
JPMCB Smart Index Fund, 2,826,769 shares at fair value	**	126,950
Pyramid Short Managed Maturing Fund*	**	138,240
Wells Fargo Short Term Investment Fund	\$ 280,975	**
JPMCB Smartretirement 2020 Fund, 8,974,391 shares	168,988	**
IGT Invesco Short Term Bond *	264,267	**

* These investment contracts are part of the Stable Value fund investment option

** These investments did not represent 5% or more of the Plan net assets available for benefits in the respective years.

During the year ended December 31, 2014, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) increased in value by \$111,017, as follows:

Equities:	
Exelis Inc. stock	\$ (6,708)
Domestic equities	29,505
International equities	<u>2,169</u>
Total equities	<u>24,966</u>
Mutual funds:	
American New Perspective Fund	2,527
Eaton Vance Large-Cap Value Fund	6,651
JP Morgan US Large Cap Core Plus	3,440
iShares Russell 2000 Value Index	(36)
Dodge & Cox International Fund	<u>(826)</u>
Total mutual funds	<u>11,756</u>
U.S. government securities	937
Corporate bonds	(149)
Common collective trusts	72,581
Brokerage	962
Other	<u>(36)</u>
Net increase in fair value of investments	<u>\$ 111,017</u>

5. PLAN TRUSTEE

Fees paid by the Plan for trustee services provided by Wells Fargo Bank, NA amounted to \$420 for the year ended December 31, 2014.

6. FEDERAL INCOME TAX STATUS

The IRS determined and informed Exelis Inc. by letter dated April 27, 2015 that the Plan and related trust are designed in accordance with applicable sections of the IRC as of January 1, 2010. Subsequent amendments were made and the Plan was restated as of January 1, 2014. The Plan administrator believes such changes will not affect the qualification of the Plan under the IRC and it requested a determination letter for the Plan on January 31, 2014 during the Company's current IRS filing cycle C. The Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and the Plan and the related trust continue to be tax-exempt. Accordingly, no provision for income taxes has been included in the Plan's financial statements.

GAAP requires 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 IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

7. INVESTMENT CONTRACTS WITH INSURANCE AND OTHER FINANCIAL INSTITUTIONS

The Plan provides a separately managed stable value investment option to Members that includes synthetic GICs that simulate the performance of a GIC through an issuer's guarantee of a specific interest rate (the wrapper contract) and units of Collective Trusts which hold portfolios of financial instruments. The synthetic GIC includes underlying assets which are held by the trust and owned by the Plan and utilizes benefit-responsive wrapper contracts issued by Reinsurance Group of America, Transamerica, Prudential Insurance Company of America, Bank of Tokyo-Mitsubishi and Voya Retirement & Annuity. The contracts provide that the Members typically execute plan transactions at contract value, although some exceptions apply. Contract value represents contributions made to the fund, plus earnings, less Member withdrawals. The wrapper contract provides that realized and unrealized gains and losses on the underlying fixed income portfolio are not normally reflected immediately in the net assets of the fund, but rather are amortized over the duration of the underlying assets through adjustments to the future interest crediting rate. Primary variables impacting future crediting rates of the Fund include the current yield, duration, and existing difference between contract value of the wrapper and the market value of the assets associated with the wrap contract.

Certain events outside the normal operation of the Plan may limit the ability of the Member or Plan to transact at contract value or may allow for the termination of the wrapper contract at less than contract value, which may result in a loss to Members invested in the Fund. These events include, but are not limited to: (i) changes or amendments to the Plan's operation or administration, investment options or strategy, investment managers, or rules governing the plan's contributions, transfers, or withdrawals, (ii) changes in the tax code or law or regulations, (iii) an employer's bankruptcy, layoffs, plant closings, corporate spin-offs, mergers, divestitures or other workforce restructurings, (iv) certain communications from the plan sponsor, (v) the addition of an advice provider, automatic rebalancing program, or managed account program. Plan management believes that the occurrence of events that may limit the ability of the Members or Plan to transact at less than contract value is not probable.

The following investments are the underlying categories in the guaranteed investment contracts as of December 31, 2014 and 2013:

	2014	2013
Cash and cash equivalents	\$ 16,614	\$ 16,781
U.S. government securities	—	83,852
Corporate bonds	—	37,832
Investment contracts	103	167
Common collective trusts	615,372	471,575
Other	—	22,690
Total	<u>\$ 632,089</u>	<u>\$ 632,897</u>

The interest rates are reset quarterly based on current yield and duration of the associated fixed income investments and the difference between the contract value of the wrapper and the market value of assets associated with the wrap contract. The benefit-responsive contracts contain a provision that prevents the credited rate from resetting below zero.

Average yields:	<u>2014</u>	<u>2013</u>
Based on year-end average yield of investment ⁽¹⁾	1.55%	1.79%
Based on average yield credited to Members ⁽²⁾	2.32%	2.39%

- (1) Computed by the market value of the fund's holdings times their respective yields, divided by the sum of the holdings as of the stated reporting date.
- (2) Computed by the sum of the book value holdings times the crediting rate for the fund divided by the market value of the fund.

The Statements of Net Assets Available for Benefits present investment contracts at fair value, as well as providing an additional line item showing an adjustment from fair value to contract value for fully benefit-responsive investment contracts. The Statement of Changes in Net Assets Available for Benefits is presented on a contract value basis.

8. EXEMPT PARTY-IN-INTEREST TRANSACTIONS

At December 31, 2014 and 2013, the Plan held 5,509,493 and 6,105,410 shares outstanding of the Company with a cost basis of \$31,266 and \$37,133, respectively. During the year ended December 31, 2014, the Plan recorded related dividend income of \$2,435 and net depreciation of \$(2,074) related to these investments.

Certain administrative functions are performed by the officers and employees of the Company (who may also be Members in the Plan) at no cost to the Plan.

At December 31, 2014 and 2013, the Plan maintained Wells Fargo Bank, NA short-term investments of \$297,589 and \$39,060, respectively. In addition, at December 31, 2014 and 2013, the Plan held 44,281 and 77,243 shares outstanding of Wells Fargo common stock, with cost basis of \$1,354 and \$2,242, respectively. During the year ended December 31, 2014, the Plan recorded related dividend income of \$101 and net appreciation of \$1,073.

These transactions are not deemed prohibited party-in-interest transactions, because they are covered by statutory or administrative exemptions from the IRC and ERISA's rules on prohibited transactions.

9. PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, Members will become 100% vested in their accounts.

10. ASSET TRANSFERS/ROLLOVERS

Assets of \$315,248 from EDO Corporation Employee Investment Plan were transferred into the Plan on July 31, 2014. Assets of \$34,722 was transferred out to Vectrus on January 1, 2015 and additional assets of \$233,959 were transferred in as of January 1, 2015 as a result of plan mergers from:

Plans	Assets
Exelis Information Systems Professional Benefits Employees' Savings Plan	\$ 41,752
Exelis Avionics Division and Exelis Communications Bargaining Unit Savings Plan	30,561
Exelis Night Vision Savings Plan for Hourly Employees	21,227
Exelis Communications Solutions Savings Plan for Hourly Employees	11,740
Exelis Information Systems Pacific Missile Range Facility Savings Plan for Hourly Employees	37,793
Exelis IS Retirement Savings Plan	89,072
Celestech, Inc. 401(k) Plan	1,814
Total	<u>\$ 233,959</u>

Assets of \$3,756 were rolled over into the Plan from various Members.

11. SUBSEQUENT EVENTS

For the year ended December 31, 2014, subsequent events were evaluated through October 12, 2015, the date the financial statements were available to be issued.

The following changes were made effective January 1, 2015:

- Exelis Salaried Investment and Savings Plan was renamed to Exelis Retirement Savings Plan.
- The Exelis Information Systems Professional Benefits Employees' Savings Plan, the Exelis Avionics Division and Exelis Communications Bargaining Unit Savings Plan, the Exelis Night Vision Savings Plan for Hourly Employees, the Exelis Communications Solutions Savings Plan for Hourly Employees, the Exelis Information Systems Pacific Missile Range Facility Savings Plan for Hourly Employees, the Exelis IS Retirement Savings Plan, and the Celestech, Inc. 401(k) Plan were merged into the Exelis Retirement Savings Plan.
- Voya Institutional Plan Services became the new record keeper for the Exelis Retirement Savings Plan.

On May 29, 2015, the Harris Corporation completed the acquisition of the Company. Each outstanding share of Exelis common stock converted into the right to receive \$16.625 in cash and 0.1025 of a share of Harris Corporation common stock. The Company continues to be the Plan Sponsor of the Plan.

12. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

A reconciliation of net assets available for benefits per the financial statements to the total net assets per the Form 5500 as of December 31, 2014 and 2013, and the increase (decrease) in net assets per the financial statements to the net income per the Form 5500 for the year ended December 31, 2014, is as follows:

	As of December 31,	
	2014	2013
Net assets available for benefits per the financial statements	\$ 2,797,261	\$ 2,271,181
Amounts allocated to withdrawing Members	—	(232)
Adjustment from fair value to contract value for fully benefit responsive investment contracts	22,952	20,656
Net assets available for benefits per the Form 5500	<u>\$ 2,820,213</u>	<u>\$ 2,291,605</u>

	Year Ended December 31, 2014
Increase in net assets per financial statements	\$ 526,080
Adjustment from fair value to contract value for fully benefit responsive investment contracts	2,296
Add: Amounts allocated to withdrawing Members at December 31, 2013	232
Net gain per Form 5500	<u>\$ 528,608</u>

The following is a reconciliation of withdrawals and distributions to Members according to the financial statements to the Form 5500:

	Year Ended December 31, 2014
Withdrawals and distributions per the financial statements	\$ 221,603
Less: Amounts allocated to withdrawing Members at December 31, 2013	(232)
Less: Amounts deemed distributed for tax purposes in 2014	(1,698)
Withdrawals and distributions per the Form 5500	<u>\$ 219,673</u>

The following is a reconciliation of net appreciation in fair value of investments according to the financial statements to the Form 5500:

	Year Ended December 31, 2014
Net gain (loss) on sale of assets per Sch H, Part II, Line 2b(4)(C)	\$ 7,426
Unrealized appreciation (depreciation) of assets per Sch H, Part II, Line 2b(5)(C)	(7,772)
Net investment gain (loss) from common/collective trusts per Sch H, Part II, Line 2b(6)	100,904
Net investment gain (loss) from registered investment companies per Sch H, Part II, Line 2b(10)	11,793
Other income per Sch H, Part II, Line 2c	962
Fair Value to Contract Value Adjustment for fully benefit responsive contracts	(2,296)
Net appreciation in fair value of investments per financial statements	<u>\$ 111,017</u>

EXELIS SALARIED INVESTMENT AND SAVINGS PLAN EIN: 45-2083813
SCHEDULE H, PART IV, LEVEL 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR) PN: 100
AS OF DECEMBER 31, 2014

(a)	(b) Identity of Issuer, Borrower, Lesser or Similar Party	(c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value	(d) Cost	(e) Current Value
	CASH	NonInterest Bearing Cash	**	50,030,058
	JP MORGAN LIQUIDITY FUND	Money Market	**	1,074,761
*	WELLS FARGO ADVANTAGE GOVERNMENT MONEY MARKET FUND	Money Market	**	16,613,959
*	WELLS FARGO SHORT-TERM INVESTMENT FUND N	Investment Fund	**	280,974,945
	U S TREASURY BONDS DTD 02/15/89 8.8750 02/15/2019	US Government Security, Par - 2,608,000 Maturity 2/15/2019, Interest 8.875%	**	3,385,917
	US TREASURY NOTE DTD 01/17/12 0.250 01/15/2015	US Government Security, Par - 2,155,000 Maturity 1/15/2015, Interest 0.25%	**	2,155,000
	US TREASURY NOTE DTD 03/15/13 0.375 03/15/2016	US Government Security, Par - 4,490,000 Maturity 3/15/2016, Interest 0.375%	**	4,490,350
	US TREASURY NOTE DTD 02/18/14 0.625 02/15/2017	US Government Security, Par - 2,085,000 Maturity 1/15/2017, Interest 0.625%	**	2,079,950
	US TREASURY NOTE DTD 07/31/12 0.500 07/31/2017	US Government Security, Par - 5,565,000 Maturity 7/31/2017, Interest 0.50%	**	5,501,960
	US TREASURY NOTE DTD 04/01/13 0.750 03/31/2018	US Government Security, Par - 3,130,000 Maturity 8/31/2018, Interest .750%	**	3,081,826
	US TREASURY NOTE DTD 08/31/11 1.500 08/31/2018	US Government Security, Par - 658,000 Maturity 8/31/2018, Interest 1.50%	**	661,239
	US TREASURY NOTE DTD 11/15/11 2.000 11/15/2021	US Government Security, Par - 3,130,000 Maturity 11/15/2021, Interest 2.0%	**	3,141,493
	US TREASURY NOTE DTD 08/15/12 1.625 08/15/2022	US Government Security, Par - 4,500,000 Maturity 8/15/2022, Interest 1.625%	**	4,376,952
	US TREASURY NOTE DTD 02/18/14 2.750 02/15/2024	US Government Security, Par - 4,100,000 Maturity 2/15/2024, Interest 2.750%	**	4,314,610
	US TREASURY NOTE DTD 05/15/14 2.500 05/15/2024	US Government Security, Par - 5,000,000 Maturity 5/15/2024, Interest 2.500%	**	5,151,170
	US TREASURY NOTE DTD 08/15/14 2.375 08/15/2024	US Government Security, Par - 9,800,000 Maturity 8/15/2024, Interest 2.375%	**	9,982,221
	AMGEN INC DTD 11/10/11 3.875 11/15/2021	Corporate Bond, Par - 2,445,000, Maturity 11/15/2021, Interest 3.875%	**	2,583,177
	COMCAST CORP DTD 08/23/2007 6.300 11/15/2017	Corporate Bond, Par - 1,918,000, Maturity 11/15/2017, Interest 6.3%	**	2,172,242
	EOG RESOURCES INC DTD 09/10/2007 5.875 09/15/2017	Corporate Bond, Par - 1,898,000, Maturity 9/15/2017, Interest 5.875%	**	2,101,549
	TIME WARNER INC DTD 11/13/06 5.875 11/15/2016	Corporate Bond, Par - 2,039,000, Maturity 11/15/2016, Interest 5.875%	**	2,210,182
	UNITED TECH CORP 7.500% PFD CONV UNTIL 08/01/2015	Preferred Stock	**	532,467
	ACTIVISION BLIZZARD INC	Common Stock	**	861,977
	ADT CORP/THE	Common Stock	**	1,845,013
	ALIBABA GROUP HOLDING LTD	Common Stock	**	991,588
	ALTERA CORP	Common Stock	**	1,620,041
	ANADARKO PETROLEUM CORP	Common Stock	**	1,451,093
	APPLE INC	Common Stock	**	1,799,967
	BANK OF AMERICA CORP	Common Stock	**	1,827,499
	BENCHMARK ELECTRS INC COM	Common Stock	**	960,767
	BOEING CO	Common Stock	**	1,422,761
	BRINKS CO	Common Stock	**	991,022

EXELIS SALARIED INVESTMENT AND SAVINGS PLAN EIN: 45-2083813
SCHEDULE H, PART IV, LEVEL 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR) PN: 100
AS OF DECEMBER 31, 2014

(a)	(b) Identity of Issuer, Borrower, Lesser or Similar Party	(c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value	(d) Cost	(e) Current Value
	BRISTOL MYERS SQUIBB CO	Common Stock	**	2,105,010
	BROCADE COMMUNICATIONS SY	Common Stock	**	1,855,944
	CADENCE DESIGN SYSTEMS IN	Common Stock	**	1,488,386
	CALPINE CORP/NEW	Common Stock	**	1,004,082
	CARNIVAL CORP	Common Stock	**	2,227,380
	COBALT INTERNATIONAL ENER	Common Stock	**	502,036
	COMCAST CORP-SPECIAL CL A	Common Stock	**	1,768,397
	CONSTELLIUM NV-CLASS A	Common Stock	**	874,520
	CVS HEALTH CORPORATION	Common Stock	**	1,645,456
	DELTA AIR LINES INC	Common Stock	**	1,042,680
	DIAMOND FOODS INC	Common Stock	**	1,659,952
	DIEBOLD INC	Common Stock	**	1,811,430
	FEDEX CORPORATION	Common Stock	**	915,188
	FIRSTENERGY CORP COM	Common Stock	**	1,104,041
	FORTINET INC	Common Stock	**	1,784,197
	GAMESTOP CORP NEW	Common Stock	**	811,808
	GOLDMAN SACHS GROUP INC	Common Stock	**	1,858,442
	GOOGLE INC-CL C	Common Stock	**	953,310
	GUIDEWIRE SOFTWARE INC	Common Stock	**	1,419,159
	HOLOGIC INC COM	Common Stock	**	1,926,670
	HYATT HOTELS CORP	Common Stock	**	1,524,878
	IMPAX LABORATORIES INC	Common Stock	**	1,126,921
	JDS UNIPHASE CORP	Common Stock	**	1,126,975
	JPMORGAN CHASE & CO	Common Stock	**	2,111,199
	JUNIPER NETWORKS INC	Common Stock	**	869,610
	LAREDO PETROLEUM, INC.	Common Stock	**	637,860
	LEAR CORP	Common Stock	**	1,519,357
	LIVE NATION ENT INC	Common Stock	**	1,349,756
	LULULEMON ATHLETICA INC	Common Stock	**	805,719
	MANPOWERGROUP INC	Common Stock	**	1,055,135
	MARKIT LTD	Common Stock	**	807,754
	MAXIM INTEGRATED PRODS IN	Common Stock	**	1,066,275
	MERCK & CO INC NEW	Common Stock	**	1,367,503
	METLIFE INC	Common Stock	**	1,570,774
	MICROSOFT CORP	Common Stock	**	1,456,672
	MONDELEZ INTERNATIONAL IN	Common Stock	**	1,725,910
	MONSANTO CO NEW	Common Stock	**	1,487,879
	MYLAN LABS INC	Common Stock	**	1,490,648
	NOBLE ENERGY INC	Common Stock	**	1,230,287
	NRG ENERGY INC	Common Stock	**	648,552
	PFIZER INC	Common Stock	**	1,421,935
	PINNACLE ENTERTAINMENT IN	Common Stock	**	1,614,438
	PNC FINANCIAL SERVICES GR	Common Stock	**	2,004,049
	POLYCOM INC COM	Common Stock	**	1,176,080
	POTASH CORP SASK	Common Stock	**	1,419,334

EXELIS SALARIED INVESTMENT AND SAVINGS PLAN EIN: 45-2083813
SCHEDULE H, PART IV, LEVEL 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR) PN: 100
AS OF DECEMBER 31, 2014

(a)	(b) Identity of Issuer, Borrower, Lesser or Similar Party	(c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value	(d) Cost	(e) Current Value
	PPL CORPORATION	Common Stock	**	1,862,058
	RICE ENERGY INC	Common Stock	**	685,425
	ROVI CORPORATION	Common Stock	**	1,954,442
	SCHLUMBERGER LTD	Common Stock	**	814,128
	SHIRE PLC ADR	American Depository Receipt	**	1,620,830
	SIEMENS AG - SPONSORED AD	American Depository Receipt	**	1,035,104
	SYMETRA FINANCIAL CORP	Common Stock	**	813,596
	TARGET CORP	Common Stock	**	1,331,765
	TEREX CORP NEW	Common Stock	**	1,191,340
	THOMSON REUTERS PLC	Common Stock	**	987,281
	TWENTY FIRST CENTURY FOX	Common Stock	**	1,224,467
	UNITED TECHNOLOGIES CORP	Common Stock	**	1,050,985
	VECTRUS INC	Common Stock	**	7,849,525
	VIVENDI SA-UNSPON ADR	American Depository Receipt	**	1,787,859
	VOYA FINANCIAL INC	Common Stock	**	1,402,524
*	WELLS FARGO & CO	Common Stock	**	2,427,484
	WENDY'S CO/THE	Common Stock	**	1,998,420
	ZIONS BANCORP	Common Stock	**	1,401,609
*	EXELIS INC	Common Stock	**	96,581,412
	BLACKROCK EQUITY INDEX NL FUND F	Common Collective Trust	**	84,269,756
	BLACKROCK US TIPS NON LENDABLE FD F	Common Collective Trust	**	10,338,049
	BLACKROCK US DEBT INDEX NON LENDABLE FD F	Common Collective Trust	**	80,899,284
	BLACKROCK ACWI EX-US INDEX NON LENDABLE FD F	Common Collective Trust	**	84,586,259
	BLACKROCK RUSSELL 2000 INDEX NL FUND F	Common Collective Trust	**	32,906,160
	JPMCB INTERNATIONAL BOND FUND	Common Collective Trust	**	790,158
	JPMCB MORTGAGE PRIVATE PLACEMENT FUND	Common Collective Trust	**	4,086,782
	JPMCB PUBLIC BONDS FUND	Common Collective Trust	**	46,411,164
	JPMCB SMARTINDEX FUND	Common Collective Trust	**	128,843,193
	JPMCB SMARTRETIREMENT 2015 FUND C10 CLASS	Common Collective Trust	**	91,749,639
	JPMCB SMARTRETIREMENT 2020 FUND C10 CLASS	Common Collective Trust	**	168,987,781
	JPMCB SMARTRETIREMENT 2025 FUND C10 CLASS	Common Collective Trust	**	112,682,157
	JPMCB SMARTRETIREMENT 2030 FUND C10 CLASS	Common Collective Trust	**	89,891,215
	JPMCB SMARTRETIREMENT 2035 FUND C10 CLASS	Common Collective Trust	**	41,472,001
	JPMCB SMARTRETIREMENT 2040 FUND C10 CLASS	Common Collective Trust	**	31,641,818
	JPMCB SMARTRETIREMENT 2045 FUND C10 CLASS	Common Collective Trust	**	20,381,519

EXELIS SALARIED INVESTMENT AND SAVINGS PLAN EIN: 45-2083813
SCHEDULE H, PART IV, LEVEL 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR) PN: 100
AS OF DECEMBER 31, 2014

(a)	(b) Identity of Issuer, Borrower, Lesser or Similar Party	(c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value	(d) Cost	(e) Current Value
	JPMCB SMARTRETIREMENT 2050 FUND C10 CLASS	Common Collective Trust	**	14,816,361
	JPMCB SMARTRETIREMENT INCOME FUND C10 CLASS	Common Collective Trust	**	87,888,776
	IGT BlackRock Core Fixed	Common Collective Trust	**	24,451,864
	IGT BlackRock Int G/C	Common Collective Trust	**	55,892,043
	IGT Invesco Core	Common Collective Trust	**	47,591,816
	IGT Invesco Int G/C	Common Collective Trust	**	55,921,834
	IGT Invesco ShrtTrm Bond	Common Collective Trust	**	264,237,184
	IGT Jennison Int G/C	Common Collective Trust	**	56,183,529
	IGT PIMCO Core	Common Collective Trust	**	24,312,504
	IGT PIMCO Int G/C	Common Collective Trust	**	55,292,809
	IGT Voya Short Duration	Common Collective Trust	**	31,488,444
	AMERICAN NEW PERSPECTIVE FUND #7	Registered Investment Company	**	91,776,599
	DODGE & COX INTERNATIONAL STOCK FUND #1048	Registered Investment Company	**	23,680,030
	EATON VANCE LARGE-CAP VALUE FUND CLASS I #0223	Registered Investment Company	**	77,276,270
	JPMORGAN U.S.LARGE CAP CORE PLUS-S #1002	Registered Investment Company	**	31,727,897
	EXELIS BROKERAGE WINDOW	Other	**	12,735,632
	TRANSAMERICA CONTRACT #MDA-01258TR	Insurance Company General Account 2.37% Guaranteed Investment Contract	**	103,113
	TOTAL			<u>2,595,095,238</u>
	NOTES RECEIVABLE FROM MEMBERS			
		Notes receivable from members with interest rates ranging between 4.25% and 10.50%. (net of deemed distributions of \$1,697,540)		18,960,951

* Party-in-interest to the Plan

** Cost information is not required for participant directed investments and, therefore, is not included.

Plan Name	Exelis Salaried Investment and Savings Plan
Plan Sponsor EIN	45-2083813
ERISA Plan #	100
Plan Year Ending	12/31/2014

The required attachment marked with an "X" in the Attachment column is included within the Accountant's Opinion attachment to Sch. H, Part III, Line 3, which consists of the entire audit report issued by the plan's Independent Qualified Public Accountant (IQPA).

Form / Schedule	Line #	Description	Attachment
5500 Sch. H	Line 3	Financial statements used in formulating the IQPA's opinion	X
5500 Sch. H	Line 4i	Schedule of Assets (Held at End of Year)	X
5500 Sch. H	Line 4i	Schedule of Assets (Acquired and Disposed of Within Year)	
5500 Sch. H	Line 4j	Schedule of Reportable Transactions	
5500 Sch. H	Line 4a	Schedule of Delinquent Participant Contributions	

Plan Name	Exelis Salaried Investment and Savings Plan
Plan Sponsor EIN	45-2083813
ERISA Plan #	100
Plan Year Ending	12/31/2014

The required attachment marked with an "X" in the Attachment column is included within the Accountant's Opinion attachment to Sch. H, Part III, Line 3, which consists of the entire audit report issued by the plan's Independent Qualified Public Accountant (IQPA).

Form / Schedule	Line #	Description	Attachment
5500 Sch. H	Line 3	Financial statements used in formulating the IQPA's opinion	X
5500 Sch. H	Line 4i	Schedule of Assets (Held at End of Year)	X
5500 Sch. H	Line 4i	Schedule of Assets (Acquired and Disposed of Within Year)	
5500 Sch. H	Line 4j	Schedule of Reportable Transactions	
5500 Sch. H	Line 4a	Schedule of Delinquent Participant Contributions	

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="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	Exelis Salaried Investment and Savings Plan	1b Three-digit plan number (PN) ▶	100
		1c Effective date of plan	04/01/1974
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)	Exelis Inc.		
	1025 W Nasa Blvd		
	Melbourne FL 32919		
		2b Employer Identification Number (EIN)	45-2083813
		2c Plan Sponsor's telephone number	(321) 724-3682
		2d Business code (see instructions)	333200

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		10/13/15	David Watrous
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE		10/13/15	David Watrous
	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)
Deloitte Tax LLP			
1633 Broadway			(212) 492-3600
New York NY 10019			

3a Plan administrator's name and address ☐ Same as Plan Sponsor Benefits Administration Committee Exelis Inc. 1025 W Nasa Blvd Melbourne FL 32919	3b Administrator's EIN 30-0802305 <hr/> 3c Administrator's telephone number (321) 724-3682
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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
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5 Total number of participants at the beginning of the plan year	5	14,921
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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).		
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a(1) Total number of active participants at the beginning of the plan year.....	6a(1)	7,831
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a(2) Total number of active participants at the end of the plan year	6a(2)	7,560
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b Retired or separated participants receiving benefits	6b	6,849
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c Other retired or separated participants entitled to future benefits.....	6c	286
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d Subtotal. Add lines 6a(2), 6b, and 6c.	6d	14,695
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e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	5
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f Total. Add lines 6d and 6e.	6f	14,700
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g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g	1,496
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h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6h	0
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7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

2E 2H 2J 2K 2O 2R 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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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 _____