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

2015

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

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
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [X]

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
BELL HELICOPTER TEXTRON MASTER RETIREMENT PLAN

1b Three-digit plan number (PN) ▶ 006

1c Effective date of plan 12/31/1942

2a Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
TEXTRON INC.

40 WESTMINSTER STREET
PROVIDENCE, RI 02903-2525

40 WESTMINSTER STREET
PROVIDENCE, RI 02903

2b Employer Identification Number (EIN)
05-0315468

2c Plan Sponsor's telephone number
401-421-2800

2d Business code (see instructions)
339900

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	08/01/2016	JOYCE LAFOND
	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)

Preparer's telephone number

3a Plan administrator's name and address ☐ Same as Plan Sponsor

TEXTRON INC.

40 WESTMINSTER STREET
PROVIDENCE, RI 02903

3b Administrator's EIN: 05-0315468

3c Administrator's telephone number: 401-421-2800

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**	14453
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)**	4947
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	3929
b	Retired or separated participants receiving benefits	**6b**	5706
c	Other retired or separated participants entitled to future benefits	**6c**	2480
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	12115
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	1897
f	Total. Add lines **6d** and **6e**.	**6f**	14012
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	135
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

1A 1B

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

9a Plan funding arrangement (check all that apply)

(1)	☐	Insurance
(2)	☐	Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)	☐	General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)	☐	Insurance
(2)	☐	Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)	☐	General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	X	**R** (Retirement Plan Information)
(2)	☐	**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)	X	**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	X		**H** (Financial Information)
(2)	☐		**I** (Financial Information – Small Plan)
(3)	☐	0	**A** (Insurance Information)
(4)	☐		**C** (Service Provider Information)
(5)	X		**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 2015 Form M-1 annual report. If the plan was not required to file the 2015 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 SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2015

This Form is Open to Public Inspection

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

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

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

A Name of plan
BELL HELICOPTER TEXTRON MASTER RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 006

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
TEXTRON INC.

D Employer Identification Number (EIN)
05-0315468

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

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

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2015

2 Assets:

a Market value	**2a**	1724395644
b Actuarial value	**2b**	1655871977

3 Funding target/participant count breakdown

	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	8821	999503001	999503001
b For terminated vested participants	2491	125631847	125631847
c For active participants	5303	399228072	406753273
d Total	16615	1524362920	1531888121

4 If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]

a Funding target disregarding prescribed at-risk assumptions	**4a**	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	**4b**	
5 Effective interest rate	**5**	6.24%
6 Target normal cost	**6**	32249049

Statement by Enrolled Actuary

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

SIGN HERE

Signature of actuary

07/05/2016
Date

JOSEPH GRONDIN
Type or print name of actuary

14-06662
Most recent enrollment number

TOWERS WATSON DELAWARE INC.
Firm name

248-936-7700
Telephone number (including area code)

26555 EVERGREEN ROAD
SUITE 1600
SOUTHFIELD, MI 48076
Address of the firm

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

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	152628805
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	62342826
9	Amount remaining (line 7 minus line 8)	0	90285979
10	Interest on line 9 using prior year's actual return of 9.65%	0	8712597
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		0
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.45%		0
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
	c Total available at beginning of current plan year to add to prefunding balance		0
	d Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	98998576

Part III Funding Percentages

14	Funding target attainment percentage	14	101.63 %
15	Adjusted funding target attainment percentage	15	108.09 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	95.53 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ► 18(b)	0	18(c) 0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
	a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
	b Contributions made to avoid restrictions adjusted to valuation date	19b	0
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

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

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

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

Liquidity shortfall as of end of quarter of this plan year

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

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

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
4.72 %	6.11 %	6.81 %	☐ N/A, full yield curve used

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

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous Items

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

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6)	**31a**	32249049
b Excess assets, if applicable, but not greater than line 31a	**31b**	24985280

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**	0
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	7263769

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	7263769	7263769

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

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

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

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

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

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

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

42 Amount of acceleration adjustment	**42**	0
43 Excess installment acceleration amount to be carried over to future plan years	**43**	0

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

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

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

OMB No. 1210-0110

2015

This Form is Open to Public Inspection.

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan
BELL HELICOPTER TEXTRON MASTER RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 006

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
TEXTRON INC.

D Employer Identification Number (EIN)
05-0315468

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: TEXTRON INC. MASTER TRUST

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

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
13-3380685-001	M	1635618341

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

2015

This Form is Open to Public Inspection

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan
BELL HELICOPTER TEXTRON MASTER RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 006

C Plan sponsor's name as shown on line 2a of Form 5500
TEXTRON INC.

D Employer Identification Number (EIN)
05-0315468

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	8503523	9020452
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	1727518470	1635618341
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	1736021993	1644638793
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h	2026834	2152224
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through1j)	1k	2026834	2152224
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	1733995159	1642486569

Part II Income and Expense Statement

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

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

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		16540856
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		16540856
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	111373504	
(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)		111373504
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		0
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		111373504
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		-94832648
l Transfers of assets:			
(1) To this plan	2l(1)		3324058
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) [X] Unqualified **(2)** [ ] Qualified **(3)** [ ] Disclaimer **(4)** [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [ ] Yes [X] No

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

(1) Name: ERNST & YOUNG LLP **(2)** EIN: 34-6565596

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

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

Part IV Compliance Questions

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

During the plan year:

		Yes	No	N/A	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X		
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X		

			Yes	No	N/A	Amount
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X		
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X		
e	Was this plan covered by a fidelity bond?	4e	X			10000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X		
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g	X			377128243
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X		
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i		X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X		
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X		
l	Has the plan failed to provide any benefit when due under the plan?	4l		X		
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m				
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				
o	Did the plan trust incur unrelated business taxable income?	4o				
p	Were in-service distributions made during the plan year?	4p				

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

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

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

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

Part V Trust Information

6a Name of trust

6b Trust's EIN

6c Name of trustee or custodian

6d Trustee's or custodian's telephone number

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

2015

This Form is Open to Public Inspection.

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan
BELL HELICOPTER TEXTRON MASTER RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 006

C Plan sponsor's name as shown on line 2a of Form 5500
TEXTRON INC.

D Employer Identification Number (EIN)
05-0315468

Part I Distributions

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 13-5160382

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** 63

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☒ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

Part III Amendments

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

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

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

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

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

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

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

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

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

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

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

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

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

a Enter the percentage of plan assets held as:
Stock: 45.3% Investment-Grade Debt: 24.6% High-Yield Debt: 0.7% Real Estate: 11.5% Other: 17.9%

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):

Part VII IRS Compliance Questions

20a Is the plan a 401(k) plan?	☐ Yes	☐ No
20b If "Yes," how does the 401(k) plan satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under sections 401(k)(3) and 401(m)(2)?	☐ Design-based safe harbor method	☐ ADP/ACP test
20c If the ADP/ACP test is used, did the 401(k) plan perform ADP/ACP testing for the plan year using the "current year testing method" for nonhighly compensated employees (Treas. Reg sections 1.401(k)-2(a)(2)(ii) and 1.401(m)-2(a)(2)(ii))?	☐ Yes	☐ No
21a Check the box to indicate the method used by the plan to satisfy the coverage requirements under section 410(b):	☐ Ratio percentage test	☐ Average benefit test
21b Does the plan satisfy the coverage and nondiscrimination tests of sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules?	☐ Yes	☐ No
22a Has the plan been timely amended for all required tax law changes?	☐ Yes	☐ No ☐ N/A

22b Date the last plan amendment/restatement for the required tax law changes was adopted ____/____/____. Enter the applicable code _____ (See instructions for tax law changes and codes).

22c If the plan sponsor is an adopter of a pre-approved master and prototype (M&P) or volume submitter plan that is subject to a favorable IRS opinion or advisory letter, enter the date of that favorable letter _____/_____/_____ and the letter's serial number _____.

22d If the plan is an individually-designed plan and received a favorable determination letter from the IRS, enter the date of the plan's last favorable determination letter _____/_____/_____.

23 Is the Plan maintained in a U.S. territory (i.e., Puerto Rico (if no election under ERISA section 1022(i)(2) has been made), American Samoa, Guam, the Commonwealth of the Northern Mariana Islands or the U.S. Virgin Islands)?	☐ Yes	☐ No

FINANCIAL STATEMENTS

Bell Helicopter Textron Master Retirement Plan
Years Ended December 31, 2015 and 2014
With Report of Independent Auditors

Bell Helicopter Textron Master Retirement Plan

Financial Statements

Years Ended December 31, 2015 and 2014

Contents

Report of Independent Auditors.....1

Audited Financial Statements

Statements of Net Assets Available for Benefits.....2
Statements of Changes in Net Assets Available for Benefits.....3
Notes to Financial Statements.....4

A member firm of Ernst & Young Global Limited

Ernst & Young LLP
200 Clarendon Street
Boston, MA 02116

Tel: +1 617 266 2000
Fax: +1 617 266 5843
ey.com

Building a better working world

Report of Independent Auditors

Textron Inc.
Investment Committee
Bell Helicopter Textron Master Retirement Plan

We have audited the accompanying financial statements of Bell Helicopter Textron Master Retirement Plan, which comprise the statements of net assets available for benefits as of December 31, 2015 and 2014, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Bell Helicopter Textron Master Retirement Plan at December 31, 2015, and the changes in its net assets available for benefits for the year then ended, and the financial status of Bell Helicopter Textron Master Retirement Plan at December 31, 2014, and the changes in its financial status for the year then ended, in conformity with U.S. generally accepted accounting principles.

Ernst + Young LLP

August 1, 2016

Bell Helicopter Textron Master Retirement Plan

Statements of Net Assets Available for Benefits

	December 31	
	2015	**2014**
Assets		
Investment in the Textron Master Trust Fund, at fair value *(Note 5)*	**$ 1,635,618,341**	$ 1,727,518,470
Prepaid benefit payments	**9,020,452**	8,503,523
Total assets	**1,644,638,793**	1,736,021,993
Liabilities		
Accrued administrative expenses	**2,048,155**	2,026,834
Due to other plan	**104,069**	-
Total liabilities	**2,152,224**	2,026,834
Net assets available for benefits	**$ 1,642,486,569**	$ 1,733,995,159

See accompanying notes.

Bell Helicopter Textron Master Retirement Plan

Statements of Changes in Net Assets Available for Benefits

	Year Ended December 31	
	2015	**2014**
Additions		
Equity in net earnings of the Textron Master Trust Fund *(Note 5)*	**$ 16,540,856**	$ 147,547,026
Transfers from other plans	**3,324,058**	1,633,309
Total additions	**19,864,914**	149,180,335
Deductions		
Benefit payments	**111,373,504**	104,227,751
Net increase (decrease)	**(91,508,590)**	44,952,584
Net assets available for benefits at beginning of year	**1,733,995,159**	1,689,042,575
Net assets available for benefits at end of year	**$ 1,642,486,569**	$1,733,995,159

See accompanying notes.

Bell Helicopter Textron Master Retirement Plan

Notes to Financial Statements

December 31, 2015

1. Description of the Plan

The Bell Helicopter Textron Master Retirement Plan (the Plan) is a noncontributory defined benefit pension plan, except for Part II prior to June 1, 1991 (Note 3). The Plan covers all eligible salaried and union employees of Bell Helicopter Textron Inc. (Bell Helicopter), a wholly owned subsidiary of Textron Inc. (Textron) and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). For a description of the Plan, refer to the Plan document dated January 1, 2009, which is available at the personnel office of Bell Helicopter.

The Plan is a part of the Textron Retirement Program, which applies to all salaried employees and uses a structure known as a "floor-offset arrangement." A floor-offset arrangement is comprised of both a defined benefit plan and a defined contribution plan (the Retirement Account Plan). The defined benefit plan establishes a minimum benefit accrual for each participant and is determined with reference to the participant's account balance in the defined contribution plan (the offset benefit). The benefit is payable first from the participant's vested account balance in the defined contribution plan. Then, only to the extent necessary to reach the defined benefit plan's minimum benefit accrual, benefits are payable from the defined benefit plan. In 2015 and 2014, $3,324,058 and $1,633,309, respectively, were transferred into the Plan from the Retirement Account Plan.

The Plan has been closed to all new participants. This change does not impact employees or retirees currently in the Plan.

2. Significant Accounting Policies

Basis of Accounting

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

Valuation of Investments

The Plan's investments and those investments held in the Master Trust are stated at fair value. 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 (an exit price). See Note 6 for further discussion of fair value measurements.

Investments in public securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the Plan year. Public fixed income securities are also priced in this manner, assuming the bonds trade on the last business day. However, if the

2. Significant Accounting Policies (continued)

bond does not trade, the price is determined by third-party pricing services who consider such factors as reported prices and extent of trading activity in similar investments, quality ratings, maturity date, call provisions, and other factors in determining fair value.

Commingled trust funds are valued at the net asset value established by the trustee of the commingled fund, which is generally based on the fair value of the underlying assets. There are no redemption restrictions on these investments.

Private security (limited partnerships), valuations are provided on a quarterly basis by the investment managers, general partners, or external valuation services to the Trustee. These valuations take into consideration factors such as investment type, reported prices, extent of trading activity in similar investments, company fundamentals, quality ratings, maturity date, call provisions, and changes in economic conditions relating to the investment. During the period between the date of the valuation and the pricing date cash flows are reported to and updated by the Trustee.

Valuations of direct real estate investments are estimated by the Plan's external real estate manager, Core and Value Advisors LLC, on an annual basis and at least once every three years by a qualified third-party appraiser. Factors such as real estate type, market conditions, property performance, valuation of comparable properties, and consultations with external real estate advisors are considered in determining fair value.

Hedge fund investment funds invest in a portfolio of funds that are not publicly traded and are managed by various portfolio managers. They are valued on the basis of the most recent price or valuation provided by the fund manager. The hedge fund investments can be redeemed quarterly with advance notice. There were no restrictions on redeeming the investments at December 31, 2015, although the hedge fund manager could restrict redemptions in the future.

Income Recognition

Purchases and sales of securities are recorded on the trade date. Gains and losses on the sale of investments are determined based on the average cost of the investment. Dividend income is recorded on the ex-dividend date. Income from other investments is recorded as earned on an accrual basis.

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits (Note 9) are those estimated future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to services rendered by the employees to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries and (b) present employees or

2. Significant Accounting Policies (continued)

their beneficiaries. Benefits for retired or terminated employees or their beneficiaries are based on a formula, which includes compensation, as defined in the Plan documents, and years of credited service. Benefits payable under all circumstances – retirement, death, disability, and termination of employment – are included, to the extent they are deemed attributable to employee service rendered to the valuation date. The accumulated plan benefit information is presented at the beginning of each Plan year.

The interest rate used to determine accumulated plan benefits is adjusted to reflect administrative expenses paid by the Plan.

Administrative Expenses

Administrative expenses consist of investment advisor fees, actuarial fees, custodial fees, Pension Benefit Guaranty Corporation (PBGC) premiums, consulting fees, legal fees, auditing fees, and other professional services fees. During 2015 and 2014, Textron paid a portion of these fees on behalf of the Plan in accordance with the Plan document.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

New Accounting Pronouncement

In May 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2015-07, Disclosures for Investments in Certain Entities that Calculate Net Asset Value Per Share (or its Equivalent). The new standard removes the requirement to categorize within the fair value hierarchy investments for which fair values are estimated using the net asset value practical expedient provided by Accounting Standards Codification 820, Fair Value Measurement. Disclosures about investments in certain entities that calculate net asset value per share are limited under the standard to those investments for which the entity has elected to estimate the fair value using the net asset value practical expedient. The standard is effective for entities (other than public business entities) for fiscal years beginning after December 15, 2016, with retrospective application to all periods presented. Early application is permitted. Management has not elected to adopt the standard early.

2. Significant Accounting Policies (continued)

Subsequent Events

Management evaluated subsequent events for the Plan through August 1, 2016, the date the financial statements were available to be issued.

3. Funding Policy and Benefit Payments

Textron contributes amounts sufficient to meet minimum funding requirements as set forth in employee benefit and tax law plus such additional amounts, if any, as we may determine in our sole discretion to be appropriate. The Plan has met the ERISA minimum funding requirements for 2015 and 2014.

Prior to June 1, 1991, employee contributions consisted of amounts that were required from Part II employees hired prior to July 1, 1972 and who had not elected to participate in the non-contributory portion of the Plan. Employee contributions were determined by a schedule, graded by age at the time of joining the Plan. Contributions were approximately 4% of total earnings for those joining at age 50 and graded down to approximately 2% for those joining at age 35 or younger. Accumulated employee contributions of active participants, including interest at a rate of 9%, amounted to approximately $10.21 million and $10.33 million at December 31, 2015 and 2014, respectively. Since June 1, 1991, employee contributions for former Part II employees have been eliminated.

4. Plan Termination

Should the Plan terminate at some future time, its net assets may generally not be available on a pro rata basis to provide participants' benefits. Whether a particular participant's accumulated plan benefits will be paid depends on both the priority of those benefits and the level of benefits guaranteed by the PBGC at that time. Some benefits may be fully or partially provided for by the then-existing assets and the PBGC guarantee, while other benefits may not be provided for at all Information about the PBGC's benefit guarantee is available in the Summary Plan Description, which is available at the personnel office of Bell Helicopter.

5. Investment in the Textron Master Trust Fund

The investments of the Plan are held in the Textron Master Trust Fund (the Master Trust), which also holds the assets of other Textron-sponsored pension plans. The Plan is administered under the terms of a Trust Agreement, dated March 1, 2011 with BNY Mellon. Investment income and changes in unrealized gain or loss on investments of the Master Trust are allocated monthly among the participating plans in proportion to the adjusted market value of the Master Trust attributable to each plan, as determined by BNY Mellon. The adjusted market value is calculated by adding to the market value at the end of the previous period the contributions and income received for each plan during the period and subtracting benefit payments and expenses for each plan during the period. On this basis, 27.09% and 27.34% of the Master Trust's net assets were attributed to the Plan as of December 31, 2015 and 2014, respectively. Fair market value for each type of investment is determined as discussed in Note 6, Fair Value Measurements.

In July 2014, assets of the Hawker Beechcraft Corporate Retirement Income Plan for Hourly Paid Employees totaling $407 million were merged into the Master Trust.

The net assets of the Master Trust at December 31 are as follows:

	2015	2014
Investments in securities:		
Common stock	**$ 2,053,548,282**	$ 2,259,036,644
Exchange traded funds	**11,063,895**	4,113,134
Government bonds	**718,378,136**	892,517,033
Corporate bonds	**842,966,373**	921,012,783
Mutual funds	**250,801,883**	-
Short-term investment funds	**165,867,214**	181,113,295
Investments in partnerships, real estate and other:		
Commingled funds	**594,568,021**	797,671,869
Private equity partnerships	**435,696,705**	383,518,464
Real estate	**705,683,515**	686,095,393
Hedge funds	**250,750,613**	178,587,532
Other	-	4,040,853
Total investments	**6,029,324,637**	6,307,707,000
Interest and dividends receivable	**17,192,365**	19,430,269
Net payable for security purchases	**(8,069,630)**	(9,040,654)
	$ 6,038,447,372	$ 6,318,096,615

5. Investment in the Textron Master Trust Fund (continued)

During 2015 and 2014, the investments of the Master Trust (including investments bought, sold, as well as held during the year) appreciated (depreciated), as follows:

	2015	2014
Investments in securities:		
Common stock	**$ 71,536,067**	$ 106,588,964
Exchange traded funds	**(618,965)**	908,907
Government bonds	**(36,723,417)**	95,630,807
Corporate bonds	**(56,129,930)**	56,133,031
Mutual funds	**(19,074,161)**	-
Short-term investment funds	**(1,565,541)**	(11,808)
Investments in partnerships, real estate and other:		
Commingled funds	**(14,629,379)**	80,895,509
Private equity partnerships	**(7,996,162)**	16,201,108
Real estate	**51,098,477**	38,141,062
Hedge funds	**2,163,081**	3,995,387
Foreign exchange and other	**(54,356,280)**	(47,023,623)
	$ (66,296,210)	$ 351,459,344

During 2015 and 2014, interest and dividend income earned by the Master Trust was $127,101,010 and $160,014,186, respectively. Other income for 2015 and 2014 was $48,273,984 and $43,858,896, respectively.

Included in the net earnings of the Master Trust were the Plan's share of administrative expenses of $13,395,219 and $11,843,598 for 2015 and 2014, respectively.

Certain Master Trust investments require additional capital commitments. The callable commitments associated with these investments amounted to $447,583,325 at December 31, 2015.

6. Fair Value Measurements

Accounting Standards Codification (ASC) 820, Fair Value Measurement, defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. 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). ASC 820 includes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the

6. Fair Value Measurements (continued)

lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible to the reporting entity at the measurement date for identical assets and liabilities.

Level 2 – Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:

- Quoted prices for similar assets and liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in markets that are not active
- Observable inputs other than quoted prices that are used in the valuation of the asset or liabilities (i.e., interest rate and yield curve quotes at commonly quoted intervals)
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

Level 3 – Unobservable inputs for the asset or liability (i.e., supported by little or no market activity). Level 3 inputs include management's own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

The level in the fair value hierarchy within which the fair value measurement is classified is determined based upon the lowest level input that is significant to the fair value measurement in its entirety.

6. Fair Value Measurements (continued)

The following table sets forth by level, within the fair value hierarchy, the Master Trust's assets carried at fair value as of December 31, 2015:

	Level 1	Level 2	Level 3
Common stock:			
Domestic	**$1,245,949,389**	**$ –**	**$ –**
Foreign	**806,350,844**	**–**	**–**
Preferred shares	**1,248,049**	**–**	**–**
Exchange traded funds:			
Equities	**11,063,895**	**–**	**–**
Government bonds:			
Government agencies	**–**	**284,554,605**	**–**
Treasury notes/bonds	**433,823,531**	**–**	**–**
Corporate bonds:			
Asset-backed securities	**–**	**91,103,338**	**–**
Other corporate bonds	**–**	**751,863,035**	**–**
Short-term investment funds	**–**	**165,867,214**	
Commingled funds:			
Domestic	**–**	**448,604,466**	**–**
Foreign	**–**	**145,963,555**	**–**
Mutual funds	**250,801,883**	**–**	**–**
Private equity partnerships	**–**	**–**	**435,696,705**
Real estate	**–**	**–**	**705,683,515**
Hedge funds	**–**	**–**	**250,750,613**
Total assets at fair value	**$ 2,749,237,591**	**$ 1,887,956,213**	**$ 1,392,130,833**

6. Fair Value Measurements (continued)

The following table sets forth by level, within the fair value hierarchy, the Master Trust's assets carried at fair value as of December 31, 2014:

	Level 1	Level 2	Level 3
Common stock:			
Domestic	$1,372,674,259	$ –	$ –
Foreign	885,120,967	–	–
Preferred shares	1,241,418	–	–
Exchange traded funds:			
Equities	4,113,134	–	–
Government bonds:			
Government agencies	–	344,718,543	–
Treasury notes/bonds	547,798,490	–	–
Corporate bonds:			
Asset-backed securities	–	110,252,637	–
Other corporate bonds	–	810,760,146	–
Short-term investment funds	–	181,113,295	
Commingled funds:			
Domestic	–	545,155,064	–
Foreign	–	252,516,805	–
Private equity partnerships	–	–	383,518,464
Real estate	–	–	686,095,393
Hedge funds	–	–	178,587,532
Other	–	4,040,853	—
Total assets at fair value	$ 2,810,948,268	$ 2,248,557,343	$ 1,248,201,389

6. Fair Value Measurements (continued)

The table below sets forth a summary of changes in the fair value of the Master Trust's Level 3 assets for the year ended December 31, 2015:

	Real Estate	Private Equity Partnerships	Hedge Fund
Balance, beginning of year	**$ 686,095,393**	**$ 383,518,464**	**$ 178,587,532**
Unrealized gains (losses) relating to instruments still held at the reporting date	**71,869,595**	**(27,536,543)**	**2,163,081**
Realized gains (losses)	**(20,771,118)**	**19,540,381**	**–**
Purchases	**68,169,914**	**146,779,278**	**70,000,000**
Sales	**(99,680,269)**	**(86,604,875)**	**–**
Balance, end of year	**$ 705,683,515**	**$ 435,696,705**	**$ 250,750,613**

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

	Real Estate	Private Equity Partnerships	Hedge Fund
Balance, beginning of year	$ 502,359,558	$ 326,378,529	$ 174,592,145
Unrealized gains (losses) relating to instruments still held at the reporting date	10,226,677	(25,115,198)	3,995,387
Realized gains	27,914,385	41,316,306	–
Purchases	239,195,707	148,360,640	–
Sales	(93,600,934)	(107,421,813)	–
Balance, end of year	$ 686,095,393	$ 383,518,464	$ 178,587,532

Valuation Methodologies Used for Assets Measured at Fair Value

Common stock, mutual funds, and exchange traded funds are traded and quoted on an open market and are valued at their quoted market price.

Short-term investment funds consist of cash, which is swept nightly into an institutional equivalent of a money market fund, for which the cash earns interest. These investments are valued at their cost basis plus accrued interest. The accrued interest is an observable input, but is

6. Fair Value Measurements (continued)

not quoted on an active market. Therefore, we have classified these assets as Level 2 measurements.

Government bonds include bonds issued by various government entities such as FNMA, FHLMC, and the U.S. Treasury, as well as a small number of municipalities. Corporate bonds include debt issued by corporate entities. U.S. Treasury bonds are traded and quoted on an active market and are valued at their quoted market price. These investments are classified as Level 1. Government Agency bonds, Municipal bonds and Corporate bonds are traded using brokers that make the market, and price the bonds using published historical transactions for similar securities and a matrix pricing model. These inputs are observable, although the investments are not quoted on an active market. Therefore, we have classified these assets as Level 2 measurements.

Common collective trusts, which are categorized as commingled funds on the previous tables, are not quoted on an active market. The objective is to maintain a diversified portfolio of publicly traded securities which seek to achieve long term capital appreciation. The underlying investments are quoted in an active market, and thus, we consider these investments to have observable inputs for valuation (Level 2).

Partnerships and joint venture interests and real estate investments are valued by various valuation specialists using assumptions that we believe are consistent with those that would be used by a market participant in valuing the asset. The valuation specialists include MAI-certified appraisers, fund managers, and various other consultants. The fair value is based upon the Plan's proportionate interest in the underlying partnership or fund's net asset value (NAV), which is deemed to approximate fair value. The objective of these assets is to provide diversification and long-term capital appreciation. The Plan is generally unable to liquidate these investments during the term of the partnership or fund, which range from 10 to 15 years. As such, we have classified these assets as Level 3 measurements.

Hedge funds represent an investment in a diversified fund of hedge funds of which Textron is the sole investor. The fund of hedge funds seeks to achieve long term capital appreciation and low volatility through investments in a portfolio of funds that are not publicly traded and are managed by various portfolio managers. Investments in portfolio funds are typically valued on the basis of the most recent price or valuation provided by the relevant fund's administrator. The administrator for the fund of hedge funds aggregates these valuations with the other assets and liabilities to calculate the NAV of the fund of hedge funds. Because these investments are valued using various market techniques, which require assumptions to be made about the assumptions market participants would use in valuing the assets, the inputs to the fair value calculation of these assets are considered Level 3.

6. Fair Value Measurements (continued)

Derivatives in the Plan are primarily used to manage risk and gain asset class exposure while still maintaining liquidity. Derivative instruments consist of equity futures and currency forward contracts. At year end 2015, the net notional amounts of equity futures and currency forwards were approximately $330 million and $189 million, respectively. At year end 2014, the net notional amounts of equity futures and currency forwards were approximately $244 million and $0, respectively.

7. Risks and Uncertainties

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

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption processes, it is at least reasonably possible that changes in these estimates and assumptions in the near term could materially affect the amounts reported and disclosed in the financial statements.

8. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service (IRS), dated June 19, 2014, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and therefore the related trust and Master Trust are exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualified status. Subsequent to this determination by the IRS, the Plan was amended. The Plan administrator believes the Plan is being operated in compliance with the applicable requirements of the code and therefore believes that the Plan, as amended, is qualified and the related trust is tax exempt.

Accounting principles generally accepted in the United States require plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2015, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing

8. Income Tax Status (continued)

jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2012.

9. Accumulated Plan Benefits

An actuary from Towers Watson estimates the actuarial present value of accumulated plan benefits for the Plan, which is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits earned by the participants to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The accumulated plan benefit information, as of December 31, 2014, is as follows:

Actuarial present value of accumulated plan benefits:	
Vested benefits:	
Participants currently receiving payments	$ 907,556,551
Other participants	440,912,203
Total vested benefits	1,348,468,754
Nonvested benefits	6,498,124
Total actuarial present value of accumulated plan benefits	$ 1,354,966,878

Changes in the actuarial present value of accumulated plan benefits are as follows:

Actuarial present value of accumulated plan benefits at December 31, 2013	$ 1,335,629,071
Increase (decrease) during the year attributed to:	
Increase for interest due to the decrease in the discount period	101,285,208
Benefits accumulated	23,500,853
Actuarial gains	(1,000,234)
Benefits paid	(104,448,020)
Actuarial present value of accumulated plan benefits at December 31, 2014	$ 1,354,966,878

9. Accumulated Plan Benefits (continued)

Significant assumptions underlying the actuarial computations are as follows:

Assumed rate of return on investments	7.75 % for 2014 valuation.
Mortality	The mortality assumption was updated to the RP-2014 "Employees" tables for non-annuitants and the RP-2014 "Healthy Annuitants" tables for annuitants with a one-year age set-forward for all participants, projected generationally using Scale MP-2014 adjusted to a 0.75% long-term rate and a convergence period ending in 2020.
Retirement	Weighted average age of 63

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

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26
Schedule of Active Participant Data as of January 1, 2015[1]

Attained Age	Years of Credited Service																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	0		4		2		0		0		0		0		0		0		0	
25 - 29	0		23		98		2		0		0		0		0		0		0	
30 - 34	1		36		253		71		0		0		0		0		0		0	
35 - 39	0		23		245		120		23		2		0		0		0		0	
40 - 44	0		19		246		139		80		16		0		0		0		0	
45 - 49	0		28		253		139		112		65		19		0		0		0	
50 - 54	1		25		267		192		148		106		161		16		0		0	
55 - 59	1		25		247		164		130		105		174		55		13		0	
60 - 64	0		10		95		79		88		55		81		24		15		3	
65 - 69	0		0		35		26		33		29		34		7		7		12	
70 & Over	0		0		1		2		5		3		5		2		2		8	

[1] Does not include participants on leave or transferred participants as of January 1, 2015.

Plan Name: Bell Helicopter Textron Master Retirement Plan
EIN / PN: 05-0315468 / 006
Plan Sponsor: Textron Inc.
Valuation Date: January 1, 2015

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26

Schedule of Active Salaried Participant Data as of January 1, 2015[1]

Attained Age	Years of Credited Service																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	0		0		0		0		0		0		0		0		0		0	
25 – 29	0		2		59	73,951	0		0		0		0		0		0		0	
30 – 34	1		9		183	83,350	46	90,840	0		0		0		0		0		0	
35 - 39	0		10		173	87,928	95	101,494	17		0		0		0		0		0	
40 - 44	0		7		159	94,482	96	97,981	51	132,674	7		0		0		0		0	
45 - 49	0		7		146	98,872	91	103,715	59	117,334	15		9		0		0		0	
50 - 54	1		4		167	103,142	132	111,631	86	115,100	40	128,950	104	136,868	14		0		0	
55 - 59	1		0		140	100,462	107	101,731	60	111,634	36	123,461	84	131,143	44	144,676	11		0	
60 - 64	0		1		48	91,256	43	105,736	25	109,166	19		31	117,280	18		11		3	
65 - 69	0		0		16		9		8		5		14		3		4		4	
70 & Over	0		0		1		1		1		0		1		1		0		1	

[1] Does not include participants on leave or transferred participants as of January 1, 2015.

Plan Name: Bell Helicopter Textron Master Retirement Plan
EIN / PN: 05-0315468 / 006
Plan Sponsor: Textron Inc.
Valuation Date: January 1, 2015

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V – Statement of actuarial assumptions and methods

Economic Assumptions

Interest rate basis:

Applicable month	September
Interest rate basis	3-Segment Rates

Interest rates:

	Reflecting Corridors	Not Reflecting Corridors
First segment rate	4.72%	1.15%
Second segment rate	6.11%	4.06%
Third segment rate	6.81%	5.15%
Effective interest rate	6.24%	4.32%

Annual rates of increase

Compensation:	3.50%
Future Social Security wage bases	3.50%
Statutory limits on compensation	N/A

Administrative "and investment" expenses

The amount included this year for plan-related expenses is $6,600,000.

The assumed ASC 960 interest rate is the assumed net rate of return after payment of any expenses or fees charged to the plan.

SCHEDULE SB ATTACHMENTS

Demographic Assumptions

Inclusion date

The valuation date coincident with or next following the date on which the employee becomes a participant.

New or rehired employees

It was assumed there will be no new or rehired employees.

Mortality

Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, *projected to 2030 using Scale AA*) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, p*rojected to 2022 using Scale AA).*

For ASC 960 purposes, the RP-2014 "Employees" tables for non-annuitants and the RP-2014 "Healthy Annuitants" tables for annuitants with a one-year age set-forward for all participants, projected generationally using Scale MP-2014 adjusted to a 0.75% long-term rate and a convergence period ending in 2020 was used.

Termination

Salaried participants: Rates varying by age and service.

Representative Termination Rates

Vesting service	Rates (%)
0	15.00
1	11.00
2	11.00
3	7.00
4	7.00

Rates by age (vesting service 5+ years):

Age	Rate (%)
Under 30	6.00
30 – 34	6.00
35 – 39	4.00
40 – 44	4.00
45 – 50	4.00
50 – 54	4.00
55 +	0.00

Termination (continued) Union participants: Rates varying by age.

Representative Termination Rates

Age	Rate (%)
Under 30	7.00
30 – 34	7.00
35 – 39	4.00
40 – 44	4.00
45 – 50	3.00
50 – 54	3.00
55 +	0.00

Disability None assumed.

Retirement Rates varying by age, average age 63.

For purposes of determining the Funding Target and Target Normal Cost (both disregarding at-risk assumptions), the rates at which participants retire by age are shown below.

Salaried participants:

Percentage retiring during the year			
Age	Rate %	Age	Rate %
54	3.0	63	20.0
55	3.0	64	20.0
56	3.0	65	25.0
57	3.0	66	20.0
58	3.0	67	20.0
59	3.0	68	20.0
60	6.0	69	20.0
61	10.0	70	100.0
62	20.0		

SCHEDULE SB ATTACHMENTS

Retirement (continued) Union participants:

Percentage retiring during the year			
Age	**Rate %**	**Age**	**Rate %**
54	3.0	63	20.0
55	3.0	64	20.0
56	3.0	65	25.0
57	3.0	66	25.0
58	3.0	67	25.0
59	3.0	68	20.0
60	15.0	69	20.0
61	15.0	70	100.0
62	20.0		

Benefit commencement date:

- **Preretirement death benefit** The later of the death of the active participant or the date the participant would have attained age 55
- **Deferred vested benefit** The later of 1) the termination of employment, or 2) age 64 (for Salaried participants), age 62 (for Salaried participants), age 62 (for Union and Non-Union participants), or age 65 (for Amarillo participants).
- **Disability benefit** Age 65 or pension benefits commence
- **Retirement benefit** Upon termination of employment

Form of payment Participants are assumed to elect the normal form.

Percent married 90% of the hourly employees are assumed to be married. For salaried employees, 85% of the males and 50% of females are assumed to be married.

Spouse age Wife three years younger than husband

Covered pay Compensation assumed paid in the year prior to the valuation date is the current base pay and target bonus, if available. Otherwise, compensation is assumed to be the prior year annualized pensionable earnings.

Retirement account balance 2% of compensation per year after January 1, 2007, accumulated with 7% interest per year

Retirement account rollover option It was assumed that participants do not roll over their account balance into the pension plan at retirement

SCHEDULE SB ATTACHMENTS

Timing of benefit payments	Annuity payments are payable monthly at the beginning of the month and lump sum payments are payable on date of decrement.

Methods

Valuation date	First day of plan year
Funding target	Present value of accrued benefits
Target normal cost	Present value of benefits expected to accrue during plan year plus plan-related expenses expected to be paid from plan assets during plan year.
Actuarial value of assets	Average of the fair market value of assets on the valuation date and the two immediately preceding valuation dates, adjusted for contributions, benefits, administrative expenses and expected earnings (with such expected earnings limited as described in IRS Notice 2009-22). The average asset value must be within 10% of market value, including discounted contributions receivable (discounted using the effective interest rate for the 2014 plan year.) The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term under PPA's smoothing rules, the method has a significant bias to produce an actuarial value of assets that is below the market value of assets.
Benefits not valued	All benefits described in the Plan Provisions section of this report were valued based on discussions with Textron regarding the likelihood that these benefits will be paid. Willis Towers Watson has reviewed the plan provisions with Textron and, based on that review, is not aware of any significant benefits required to be valued that were not. The plan pays small benefits in a single lump sum payment. Such lump sums are not explicitly valued as such; rather, such participant's benefits are valued using the benefit choice assumptions described above.

SCHEDULE SB ATTACHMENTS

Assumptions Rationale - Significant Economic Assumptions

Discount rate	The basis chosen was selected by the plan sponsor from among choices prescribed by law, all of which are based on observed market data over certain periods of time.
Rates of increase in:	
• **Compensation**	Assumed compensation increases are based on plan sponsor expectations
• **National average wages (NAW) (e.g., Social Security wage bases)**	The assumed NAW is based on assumed CPI as shown below, plus assumed increases in real wages (the portion of GDP increases that becomes part of wages). Such assumed future increases in real wages are based on forecasts by economists.
• **Increases in statutory limits (CPI)**	The assumed CPI increases are based on forecasts prepared by economists.

Assumptions Rationale - Significant Demographic Assumptions

Healthy Mortality	Assumptions used for funding purposes are as prescribed by IRC §430(h).
Termination	Termination rates were based on an experience study conducted in 2011, with annual review for changes, if any, that could result in materially different rates in the future.
Retirement	Retirement rates were based on an experience study conducted in 2011, with annual review for changes, if any, that could result in materially different rates in the future.
Benefit commencement date for deferred benefits:	
Preretirement death benefit	Surviving spouses are assumed to begin benefits at the earliest permitted commencement date because ERISA requires benefits to start then unless the spouse elects to defer. If the spouse elects to defer, actuarial increases from the earliest commencement date must be given, so that a later commencement date is expected to be of approximately equal value, and experience indicates that most spouses do take the benefit as soon as it is available.
Deferred vested benefit	Deferred vested participants' assumed commencement age is a single age intended to capture the average age at commencement. The age selected was based on an experience study conducted in 2011.

SCHEDULE SB ATTACHMENTS

Form of payment	The percentage of retiring participants assumed to take joint and survivor annuities, and the assumed survivor percentages, are based on general population statistics regarding marital status and historical election patterns.
Percent married	The percentage of participants who are assumed to be married is based on general population statistics on the marital status of individuals of retirement age.
Spouse age	The assumed difference between spouses' ages is based on general population statistics for married individuals of retirement age.

Source of Prescribed Methods

Funding methods	The methods used for funding purposes as described in Appendix A, including the method of determining plan assets, are "prescribed methods set by law", as defined in the actuarial standards of practice (ASOPs). These methods are required by IRC §430, or were selected by the plan sponsor from a range of methods permitted by IRC §430.

Changes in Assumptions and Methods

Change in assumptions since prior valuation	The segment interest rates used to calculate the funding target and target normal cost were updated to the current valuation date as required by IRC 430. The mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvement, as required by IRC 430. The assumed plan-related expenses added to the target normal cost were changed from $4,300,000 for the prior valuation to $6,600,000 for the current valuation to account for higher expected expenses to be paid from the trust
Change in methods since prior valuation	None

SCHEDULE SB (Form 5500)	Single-Employer Defined Benefit Plan Actuarial Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	2015 This Form is Open to Public Inspection

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

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

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

A Name of plan	B Three-digit plan number (PN) ▶	
Bell Helicopter Textron Master Retirement Plan		006
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF	**D** Employer Identification Number (EIN)	
Textron Inc.	05-0315468	

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

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

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2015

2 Assets:

a Market value	**2a**	1,724,395,644
b Actuarial value	**2b**	1,655,871,977

3 Funding target/participant count breakdown

	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	8,821	999,503,001	999,503,001
b For terminated vested participants	2,491	125,631,847	125,631,847
c For active participants	5,303	399,228,072	406,753,273
d Total	16,615	1,524,362,920	1,531,888,121

4 If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]

a Funding target disregarding prescribed at-risk assumptions	**4a**	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	**4b**	
5 Effective interest rate	**5**	6.24%
6 Target normal cost	**6**	32,249,049

Statement by Enrolled Actuary

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

SIGN HERE

Signature of actuary	Date: 7/18/2016
JOSEPH GRONDIN Type or print name of actuary	1406662 Most recent enrollment number
TOWERS WATSON DELAWARE INC. Firm name	248-936-7700 Telephone number (including area code)
26555 EVERGREEN ROAD SUITE 1600 SOUTHFIELD MI 48076 Address of the firm	

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

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	152,628,805
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	62,342,826
9	Amount remaining (line 7 minus line 8)	0	90,285,979
10	Interest on line 9 using prior year's actual return of 9.65%	0	8,712,597
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		0
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.45%		0
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
	c Total available at beginning of current plan year to add to prefunding balance		0
	d Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	98,998,576

Part III Funding Percentages

14	Funding target attainment percentage	14	101.63%
15	Adjusted funding target attainment percentage	15	108.09%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	95.53%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ▶ 18(b)	0	18(c) 0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
	a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
	b Contributions made to avoid restrictions adjusted to valuation date	19b	0
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

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

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

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

Liquidity shortfall as of end of quarter of this plan year

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

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

21 Discount rate:

	1st segment:	2nd segment:	3rd segment:	
a Segment rates:	4.72%	6.11%	6.81%	☐ N/A, full yield curve used

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

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	☐ Yes	☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment	☐ Yes	☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment	☒ Yes	☐ No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6)	**31a**	32,249,049
b Excess assets, if applicable, but not greater than line 31a	**31b**	24,985,280

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**	0
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	7,263,769

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	7,263,769	7,263,769

36 Additional cash requirement (line 34 minus line 35)	**36**	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	0
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	**38a**	0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

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

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

a Schedule elected	☐ 2 plus 7 years	☐ 15 years
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010	☐ 2011

42 Amount of acceleration adjustment	**42**	0
43 Excess installment acceleration amount to be carried over to future plan years	**43**	0

SCHEDULE SB ATTACHMENTS

Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	Textron Inc.
EIN/PN	05-0315468/006
Plan Name	Bell Helicopter Textron Master Retirement Plan
Valuation Date	January 1, 2015
Enrolled Actuary	Joseph Grondin
Enrollment Number	14-06662

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22
Description of Weighted Average Retirement Age
as of January 1, 2015

See Appendix A for retirement rates. The average retirement age for Line 22 was calculated by determining the average age at retirement for those current active participants expected to reach retirement, based on all current decrements assumed.

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26
Schedule of Active Participant Data as of January 1, 2015[1]

Attained Age	Years of Credited Service																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	0		4		2		0		0		0		0		0		0		0	
25 - 29	0		23		98		2		0		0		0		0		0		0	
30 - 34	1		36		253		71		0		0		0		0		0		0	
35 - 39	0		23		245		120		23		2		0		0		0		0	
40 - 44	0		19		246		139		80		16		0		0		0		0	
45 - 49	0		28		253		139		112		65		19		0		0		0	
50 - 54	1		25		267		192		148		106		161		16		0		0	
55 - 59	1		25		247		164		130		105		174		55		13		0	
60 - 64	0		10		95		79		88		55		81		24		15		3	
65 - 69	0		0		35		26		33		29		34		7		7		12	
70 & Over	0		0		1		2		5		3		5		2		2		8	

[1] Does not include participants on leave or transferred participants as of January 1, 2015.

Plan Name: Bell Helicopter Textron Master Retirement Plan
EIN / PN: 05-0315468 / 006
Plan Sponsor: Textron Inc.
Valuation Date: January 1, 2015

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26

Schedule of Active Salaried Participant Data as of January 1, 2015[1]

Attained Age	Years of Credited Service																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	0		0		0		0		0		0		0		0		0		0	
25 – 29	0		2		59	73,951	0		0		0		0		0		0		0	
30 – 34	1		9		183	83,350	46	90,840	0		0		0		0		0		0	
35 - 39	0		10		173	87,928	95	101,494	17		0		0		0		0		0	
40 - 44	0		7		159	94,482	96	97,981	51	132,674	7		0		0		0		0	
45 - 49	0		7		146	98,872	91	103,715	59	117,334	15		9		0		0		0	
50 - 54	1		4		167	103,142	132	111,631	86	115,100	40	128,950	104	136,868	14		0		0	
55 - 59	1		0		140	100,462	107	101,731	60	111,634	36	123,461	84	131,143	44	144,676	11		0	
60 - 64	0		1		48	91,256	43	105,736	25	109,166	19		31	117,280	18		11		3	
65 - 69	0		0		16		9		8		5		14		3		4		4	
70 & Over	0		0		1		1		1		0		1		1		0		1	

[1] Does not include participants on leave or transferred participants as of January 1, 2015.

Plan Name: Bell Helicopter Textron Master Retirement Plan
EIN / PN: 05-0315468 / 006
Plan Sponsor: Textron Inc.
Valuation Date: January 1, 2015

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V – Statement of actuarial assumptions and methods

Economic Assumptions

Interest rate basis:

Applicable month	September
Interest rate basis	3-Segment Rates

Interest rates:

	Reflecting Corridors	Not Reflecting Corridors
First segment rate	4.72%	1.15%
Second segment rate	6.11%	4.06%
Third segment rate	6.81%	5.15%
Effective interest rate	6.24%	4.32%

Annual rates of increase

Compensation:	3.50%
Future Social Security wage bases	3.50%
Statutory limits on compensation	N/A

Administrative "and investment" expenses

The amount included this year for plan-related expenses is $6,600,000.

The assumed ASC 960 interest rate is the assumed net rate of return after payment of any expenses or fees charged to the plan.

SCHEDULE SB ATTACHMENTS

Demographic Assumptions

Inclusion date

The valuation date coincident with or next following the date on which the employee becomes a participant.

New or rehired employees

It was assumed there will be no new or rehired employees.

Mortality

Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, *projected to 2030 using Scale AA*) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, p*rojected to 2022 using Scale AA).*

For ASC 960 purposes, the RP-2014 "Employees" tables for non-annuitants and the RP-2014 "Healthy Annuitants" tables for annuitants with a one-year age set-forward for all participants, projected generationally using Scale MP-2014 adjusted to a 0.75% long-term rate and a convergence period ending in 2020 was used.

Termination

Salaried participants: Rates varying by age and service.

Representative Termination Rates

Vesting service	Rates (%)
0	15.00
1	11.00
2	11.00
3	7.00
4	7.00

Rates by age (vesting service 5+ years):

Age	Rate (%)
Under 30	6.00
30 – 34	6.00
35 – 39	4.00
40 – 44	4.00
45 – 50	4.00
50 – 54	4.00
55 +	0.00

Termination (continued) Union participants: Rates varying by age.

Representative Termination Rates

Age	Rate (%)
Under 30	7.00
30 – 34	7.00
35 – 39	4.00
40 – 44	4.00
45 – 50	3.00
50 – 54	3.00
55 +	0.00

Disability None assumed.

Retirement Rates varying by age, average age 63.

For purposes of determining the Funding Target and Target Normal Cost (both disregarding at-risk assumptions), the rates at which participants retire by age are shown below.

Salaried participants:

Percentage retiring during the year			
Age	Rate %	Age	Rate %
54	3.0	63	20.0
55	3.0	64	20.0
56	3.0	65	25.0
57	3.0	66	20.0
58	3.0	67	20.0
59	3.0	68	20.0
60	6.0	69	20.0
61	10.0	70	100.0
62	20.0		

SCHEDULE SB ATTACHMENTS

Retirement (continued) Union participants:

Percentage retiring during the year			
Age	**Rate %**	**Age**	**Rate %**
54	3.0	63	20.0
55	3.0	64	20.0
56	3.0	65	25.0
57	3.0	66	25.0
58	3.0	67	25.0
59	3.0	68	20.0
60	15.0	69	20.0
61	15.0	70	100.0
62	20.0		

Benefit commencement date:

- **Preretirement death benefit** The later of the death of the active participant or the date the participant would have attained age 55
- **Deferred vested benefit** The later of 1) the termination of employment, or 2) age 64 (for Salaried participants), age 62 (for Salaried participants), age 62 (for Union and Non-Union participants), or age 65 (for Amarillo participants).
- **Disability benefit** Age 65 or pension benefits commence
- **Retirement benefit** Upon termination of employment

Form of payment Participants are assumed to elect the normal form.

Percent married 90% of the hourly employees are assumed to be married. For salaried employees, 85% of the males and 50% of females are assumed to be married.

Spouse age Wife three years younger than husband

Covered pay Compensation assumed paid in the year prior to the valuation date is the current base pay and target bonus, if available. Otherwise, compensation is assumed to be the prior year annualized pensionable earnings.

Retirement account balance 2% of compensation per year after January 1, 2007, accumulated with 7% interest per year

Retirement account rollover option It was assumed that participants do not roll over their account balance into the pension plan at retirement

SCHEDULE SB ATTACHMENTS

Timing of benefit payments	Annuity payments are payable monthly at the beginning of the month and lump sum payments are payable on date of decrement.

Methods

Valuation date	First day of plan year
Funding target	Present value of accrued benefits
Target normal cost	Present value of benefits expected to accrue during plan year plus plan-related expenses expected to be paid from plan assets during plan year.
Actuarial value of assets	Average of the fair market value of assets on the valuation date and the two immediately preceding valuation dates, adjusted for contributions, benefits, administrative expenses and expected earnings (with such expected earnings limited as described in IRS Notice 2009-22). The average asset value must be within 10% of market value, including discounted contributions receivable (discounted using the effective interest rate for the 2014 plan year.) The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term under PPA's smoothing rules, the method has a significant bias to produce an actuarial value of assets that is below the market value of assets.
Benefits not valued	All benefits described in the Plan Provisions section of this report were valued based on discussions with Textron regarding the likelihood that these benefits will be paid. Willis Towers Watson has reviewed the plan provisions with Textron and, based on that review, is not aware of any significant benefits required to be valued that were not. The plan pays small benefits in a single lump sum payment. Such lump sums are not explicitly valued as such; rather, such participant's benefits are valued using the benefit choice assumptions described above.

SCHEDULE SB ATTACHMENTS

Assumptions Rationale - Significant Economic Assumptions

Discount rate	The basis chosen was selected by the plan sponsor from among choices prescribed by law, all of which are based on observed market data over certain periods of time.
Rates of increase in:	
• **Compensation**	Assumed compensation increases are based on plan sponsor expectations
• **National average wages (NAW) (e.g., Social Security wage bases)**	The assumed NAW is based on assumed CPI as shown below, plus assumed increases in real wages (the portion of GDP increases that becomes part of wages). Such assumed future increases in real wages are based on forecasts by economists.
• **Increases in statutory limits (CPI)**	The assumed CPI increases are based on forecasts prepared by economists.

Assumptions Rationale - Significant Demographic Assumptions

Healthy Mortality	Assumptions used for funding purposes are as prescribed by IRC §430(h).
Termination	Termination rates were based on an experience study conducted in 2011, with annual review for changes, if any, that could result in materially different rates in the future.
Retirement	Retirement rates were based on an experience study conducted in 2011, with annual review for changes, if any, that could result in materially different rates in the future.
Benefit commencement date for deferred benefits:	
Preretirement death benefit	Surviving spouses are assumed to begin benefits at the earliest permitted commencement date because ERISA requires benefits to start then unless the spouse elects to defer. If the spouse elects to defer, actuarial increases from the earliest commencement date must be given, so that a later commencement date is expected to be of approximately equal value, and experience indicates that most spouses do take the benefit as soon as it is available.
Deferred vested benefit	Deferred vested participants' assumed commencement age is a single age intended to capture the average age at commencement. The age selected was based on an experience study conducted in 2011.

SCHEDULE SB ATTACHMENTS

Form of payment	The percentage of retiring participants assumed to take joint and survivor annuities, and the assumed survivor percentages, are based on general population statistics regarding marital status and historical election patterns.
Percent married	The percentage of participants who are assumed to be married is based on general population statistics on the marital status of individuals of retirement age.
Spouse age	The assumed difference between spouses' ages is based on general population statistics for married individuals of retirement age.

Source of Prescribed Methods

Funding methods	The methods used for funding purposes as described in Appendix A, including the method of determining plan assets, are "prescribed methods set by law", as defined in the actuarial standards of practice (ASOPs). These methods are required by IRC §430, or were selected by the plan sponsor from a range of methods permitted by IRC §430.

Changes in Assumptions and Methods

Change in assumptions since prior valuation	The segment interest rates used to calculate the funding target and target normal cost were updated to the current valuation date as required by IRC 430. The mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvement, as required by IRC 430. The assumed plan-related expenses added to the target normal cost were changed from $4,300,000 for the prior valuation to $6,600,000 for the current valuation to account for higher expected expenses to be paid from the trust
Change in methods since prior valuation	None

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V: Summary of principal plan provisions – Salaried Employees

Plan Provisions	
Covered employees	Any salaried employee or commissioned basis employee of Bell Helicopter Textron Inc. or any affiliate authorized to participate.
Participation date	Closed to new hires effective as of January 1, 2010.
Definitions	
Vesting service	Years and completed months of employment for salaried employees, including with any predecessor Employer, plus years and completed months subsequent to termination of employment as a result of total disability and prior to the earlier of age 65, death, recovery or commencement of benefits under the plan.
Pension service	The sum of: • Pension service under the terms of Part IV of the plan as it then existed as of December 31, 1975; plus • Years and completed months of covered employment subsequent to December 31, 1975; plus • Years and completed months of employment by a predecessor company to the extent approved by the Board of Directors; plus • Years and completed months subsequent to termination of employment as a result of total disability and prior to the earlier of age 65, death, recovery or commencement of benefits under the plan; plus • Any other amounts as outlined in the plan.
Compensation	W-2 earnings plus Code Section 401(k) and Section 125 contributions, but not including reimbursements or other expense allowances, fringe benefits, moving expenses, other deferred compensation and welfare benefits credited or paid.

SCHEDULE SB ATTACHMENTS

Final average earnings	Based on highest consecutive 5 calendar years of compensation during all employment with Textron.
Covered compensation	The average of the 35 Social Security wage bases ending with the year a participant terminates or retires.
Grandfathered employee	A covered employee on January 1, 2007 who had: 1. Attained age 60 or completed 5 years of vesting service no later than January 1, 2007 and 2. Earned sufficient vesting service such that the sum of the participant's age in completed years and full years of vesting service as of January 1, 2007 equals or exceeds 55.
Retirement account	The sum of: 1 The account balance in the Textron Retirement Account Plan and 2 The Actuarial Equivalent of the single sum value of all prior distributions the participant has received from such account.
Retirement account actuarial equivalence	The 1994 Group Annuity Reserving Mortality Table (unisex) and an interest rate of 7% should be used to determine the Actuarial Equivalent of a Member's Retirement Account for any purpose, except that, for purposes of projecting the Retirement Account to any age, mortality shall be disregarded.
Retirement account rollover option	The participant can roll over his entire account balance under the Textron Retirement Account Plan upon retirement into this plan. The balance is converted into an actuarial equivalent Normal Retirement pension and is reduced for early commencement consistent with post-December 31, 2006 accruals.
Normal retirement date (NRD)	Age 65

SCHEDULE SB ATTACHMENTS

Monthly pension benefit

Monthly benefit is equal to the greatest of A, B, C, D or E.

A. One-twelfth of the sum of (i) and (ii):

   i. 1.00% of final average earnings times pension service (limited to 43.75 years) as of December 31, 2006 (Basic Pension) plus 0.50% of the difference between Final Average Earnings and 82.5% of Covered Compensation times pension service (limited to 43.75 years) as of December 31, 2006 (Additional Pension)

   ii. 1-1/3% of Final Average Earnings times pension service earned after December 31, 2006, offset by the participant's Retirement Account expressed as an actuarially equivalent single life annuity commencing at age 65 (or, if later, his actual retirement date)

B. For Grandfathered Employees only: one-twelfth of the sum of 1.00% of Final Average Earnings times pension service, limited to 43.75 years (Basic Pension); plus 0.50% of the difference between Final Average Earnings and 82.5% of Covered Compensation times pension service, limited to 43.75 years (Additional Pension), with any portion of such amount that is attributable to pension service earned after December 31, 2006 being offset by the participant's Retirement Account as described in A.ii.

C. $50 per year of pension service up to 5 years, with any portion of such amount that is attributable to pension service earned after December 31, 2006 being offset by the participant's Retirement Account as described in A.ii.

D. Minimum monthly benefit listed on Supplement XI ("Minimum Monthly Benefits for Certain Members").

E. The participant's monthly accrued benefit earned as of December 31, 2006.

Monthly pre-retirement death benefit	50% surviving spouse benefit that would have been payable to the spouse based on the accrued benefit at date of death. Benefits commence at the participant's earliest retirement date, or date of death if later. Unmarried participants eligible for Normal Retirement or Early Retirement may designate a non-spouse beneficiary to receive this 50% survivor annuity in the event of death before retirement, at a cost of 1/12% reduction per month of coverage. If a plan member dies after termination of employment and is eligible for Normal Retirement, Disabled Retirement or Early Retirement, but before commencement of benefits, the beneficiary shall receive a monthly benefit for 60 months equal to the single life annuity the member could have received, but reduced for early commencement.
Post-retirement additional death benefit	The beneficiary shall be eligible to receive a death benefit if the participant had not yet received 60 monthly payments. The death benefit is an annuity for the remainder of the 60-month period in the amount of the participant's single life annuity. This death benefit is in addition to any other survivor annuity under the elected form of payment

Eligibility for Benefits	
Normal retirement	Retirement on NRD
Early retirement	The earlier of: Age 60, Age 55 with at least 5 years of vesting service, or Employees hired pre 1/1/2007, age 54 with at least 10 years of vesting service, or completion of 20 years of vesting service regardless of age at termination, but with benefit commencement on or after age 54.
Disability	Plan members who become disabled during employment and eligible to receive Social Security disability benefits continue to accrue pension service and vesting service until the earlier of death, recovery, age 65 or pension benefits commence.
Vested termination	Termination for reasons other than death or retirement after completing five years of vesting service
Postponed retirement	Retirement after NRD
Pre-retirement and post-retirement death	Spouse of a participant who has completed at least 5 years of vesting service

SCHEDULE SB ATTACHMENTS

Benefits Paid Upon the Following Events

Normal retirement

Monthly pension benefit determined as of NRD

Early retirement

For benefits payable under monthly pension benefit sections Ai, B, D, and E, the reductions are as follows:

Age	Basic Pension Reduction Factor	Additional Pension Reduction Factor	Age	Basic Pension Reduction Factor	Additional Pension Reduction Factor
54	0.567	0.467	60	0.867	0.667
55	0.600	0.500	61	0.933	0.733
56	0.633	0.533	62	1.000	0.800
57	0.667	0.567	63	1.000	0.867
58	0.733	0.600	64	1.000	0.933
59	0.800	0.633	65	1.000	1.000

For benefits accrued on or before December 31, 2006 under monthly pension benefit section C, the Basic Pension Reduction Factor in the above table should be applied.

Members who retire before age 65 and after attaining age 62 who have completed 30 years of vesting service are entitled to the greater of 1) the Early Retirement benefit above; 2) the participant's Basic Pension Plus Additional Pension (as defined above) calculated with a maximum of 35 years of pension service, and without any reduction for early commencement.

For benefits payable under monthly pension benefit section A.ii and benefits accrued after December 31, 2006 under monthly pension benefit section C, the Normal Retirement Benefit reduced 5/12% for each month of benefit commencement before age 65.

Vested termination

Payable as a straight life annuity starting on the participant's Normal Retirement Age (age 65), equals the participant's Normal Retirement benefit. The benefit is reduced the same as the Early Retirement benefit if commenced before age 65, but no earlier than age 55 (54 for participants hired on or before December 31, 2006).

SCHEDULE SB ATTACHMENTS

Other Plan Provisions

Forms of payment	Monthly pension benefits are paid as described above as a life annuity, if the participant has no spouse as of the date payments begin, or if the participant so elects. If married, on a reduced basis, a 50% joint and surviving spouse form is automatic.
Pension Increases	None
Plan participants' contributions	None
Maximum on benefits and pay	All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.

Future Plan Changes

No future plan changes were recognized in determining pension cost or in determining minimum and maximum contributions. Willis Towers Watson is not aware of any future plan changes which are required to be reflected.

Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year.

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V: Summary of principal plan provisions – Union Employees

Plan Provisions	
Covered employees	All employees covered by the Collective Bargaining Agreements between Bell Helicopter Textron Inc., in Dallas and Tarrant Counties, Texas and UAW Locals 218 and 317, and United Plant Guard Workers of America Local 256.
Participation date	Closed to new hires, rehires or transfers effective as of October 15, 2013.
Definitions	
Vesting service	A participant earns one year of vesting service for each calendar year of 1,000 or more hours of service, subject to a minimum of the pension service earned for that year.
Pension service	A participant earns one year of service toward benefit accrual if compensated for 1,600 or more hours per calendar year, reduced pro-rata to the nearest 1/10 year for less than 1,600 hours. Such hours include all periods of time for which the participant is paid by the Company or by a member of the Controlled Group, and also all other hours as required under Department of Labor regulations.
Hours of service	Such hours include all periods of time for which the Employee is paid or entitled to payment by the Company or by a member of the Controlled Group, and also all other hours as required under Department of Labor regulations.
Normal retirement date (NRD)	Termination of employment on or after attaining age 65, or age 62 with 5 years of vesting service.
Monthly pension benefit	$71.00 per year of pension service.
Monthly disability benefit	$350 is payable until age 65
Monthly pre-retirement death benefit	55% survivor benefit computed as if the participant had terminated employment at the date of death, survived to age 55, or date of death, if later, and elected to commence benefits under the Normal Form of Payment, and then at that time died.
Post-retirement additional death benefit	Lump sum benefit of $6,000 is payable to the employee's designated beneficiary. This death benefit is in addition to any other survivor annuity under the elected form of payment.
Level income special allowance (LISA)	Monthly benefit of $1,000 payable until age 62. Employees who terminate or retire after December 31, 2013 will not be eligible for the Level Income Special Allowance (LISA).

Lump sum payments	A payment of $500 no later than December 15, 2009, December 15, 2010 and December 15, 2011.

Eligibility for Benefits

Normal retirement	Retirement on NRD
Early retirement	Age 55 with at least 5 years of vesting service
Disability	Plan members who become disabled during employment and have 10 years of pension service
Vested termination	Termination for reasons other than death or retirement after completing five years of vesting service
Pre-retirement and post-retirement death	Spouse of a participant who has completed at least 5 years of vesting service
Level income special allowance (LISA)	Participants who attain age 60 with 20 years of pension service. Employees who terminate or retire after December 31, 2013 will not be eligible for the Level Income Special Allowance (LISA).
Lump sum payments	Annual lump sums will not be paid to retirees.
Postponed retirement	Retirement after NRD

Benefits Paid Upon the Following Events

Normal retirement	Monthly pension benefit determined as of NRD
Early retirement	The monthly pension benefit is reduced from age 62 at ¼% per month for the first 24 months and $^1/_3$% thereafter. For retirements at or after age 60 with 20 or more years of pension service, the benefit is payable unreduced.
Disablement	Monthly disability benefit paid until age 65
Vested termination	Payable as a straight life annuity starting on the participant's Normal Retirement Age (age 62), equals the participant's Normal Retirement benefit. Benefits are reduced as described above if benefit commencement is before age 62.

SCHEDULE SB ATTACHMENTS

Other Plan Provisions

Forms of payment	The normal form is a single life annuity, unless married. If married, on a reduced basis, a 55% joint and surviving spouse form is automatic unless the spouse consents otherwise.
Pension Increases	None
Plan participants' contributions	None
Maximum on benefits and pay	All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.

Future Plan Changes

No future plan changes were recognized in determining pension cost or in determining minimum and maximum contributions. Willis Towers Watson is not aware of any future plan changes which are required to be reflected.

Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year.

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V: Summary of principal plan provisions – Non-Union Employees

Plan Provisions	
Covered employees	Non-union hourly paid employees of Bell Helicopter Textron, Inc. in Dallas and Tarrant counties, Texas.
Participation date	A covered employee begins participation on date of hire.
Definitions	
Vesting service	A participant earns one year of vesting service for each calendar year of 1,000 or more hours of service, subject to a minimum of the pension service earned for that year.
Pension service	A participant earns one year of service toward benefit accrual if compensated for 1,600 or more hours per calendar year, reduced pro-rata to the nearest 1/10 year for less than 1,600 hours. Such hours include all periods of time for which the participant is paid by the Company or by a member of the Controlled Group, and also all other hours as required under Department of Labor regulations.
Hours of service	Such hours include all periods of time for which the Employee is paid or entitled to payment by the Company or by a member of the Controlled Group, and also all other hours as required under Department of Labor regulations.
Normal retirement date (NRD)	Termination of employment on or after attaining age 65, or age 62 with 10 years of vesting service.
Monthly pension benefit	$51.00 per year of pension service.
Monthly disability benefit	$350 commencing twelve months after total disability is payable until age 65
Monthly pre-retirement death benefit	55% survivor benefit computed as if the participant had terminated employment at the date of death, survived to age 55, or date of death, if later, and elected to commence benefits under the Normal Form of Payment, and then at that time died.
Post-retirement additional death benefit	Lump sum benefit of $6,000 is payable to the employee's designated beneficiary. This death benefit is in addition to any other survivor annuity under the elected form of payment.
Level income special allowance (LISA)	Monthly benefit of $800 payable until age 62.

SCHEDULE SB ATTACHMENTS

Eligibility for benefits	
Normal retirement	Retirement on NRD
Early retirement	Age 55 with at least 10 years of vesting service
Disability	Plan members who become disabled during employment and have 10 years of pension service
Vested termination	Termination for reasons other than death or retirement after completing five years of vesting service
Pre-retirement and post-retirement death	Spouse of a participant who has completed at least 5 years of vesting service
Level income special allowance (LISA)	Participants who attain age 60 with 20 years of pension service
Postponed retirement	Retirement as of NRD

Benefits Paid Upon the Following Events	
Normal retirement	Monthly pension benefit determined as of NRD
Early retirement	The monthly pension benefit is actuarially reduced from age 62. For retirements at or after age 60 with 20 or more years of pension service, the benefit is payable unreduced.
Disablement	Monthly disability benefit commencing twelve months after total disability is payable until age 65
Vested termination	Payable as a straight life annuity starting on the participant's Normal Retirement Age (age 62). Benefits are reduced as described above if benefit commencement is before age 62.

Other Plan Provisions	
Forms of payment	The normal form is a single life annuity, unless married. If married, on a reduced basis, a 55% joint and surviving spouse form is automatic unless the spouse consents otherwise.
Pension Increases	None
Plan participants' contributions	None

SCHEDULE SB ATTACHMENTS

Maximum on benefits and pay

All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.

Future Plan Changes

No future plan changes were recognized in determining pension cost or in determining minimum and maximum contributions. Willis Towers Watson is not aware of any future plan changes which are required to be reflected.

Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year.

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V: Summary of principal plan provisions – Amarillo Employees

Plan Provisions	
Covered employees	Hourly-paid employees of the Amarillo, Texas Overhaul and Modification Center of Bell Helicopter Textron, Inc. are covered by this plan. Employees hired on or after September 8, 1989 are not eligible to participate.
Participation date	A covered employee begins participation on date of hire.

Definitions	
Vesting service	The sum of: • Vesting service, if any, at December 31, 1988, and • One year of vesting service for each calendar year after 1988 in which the employee accumulated 1,000 or more hours of service.
Pension service	The sum of: • Pension service, if any, at December 31, 1988, and • A fraction of a year of pension service for the period from January 1, 1989 to September 9, 1989 equal to the hours of service accumulated in such period divided by 1,600 hours of service and rounded to the nearest tenth.
Hours of service	Such hours include all periods of time for which the Employee is paid or entitled to payment by the Company or by a member of the Controlled Group, and also all other hours as required under Department of Labor regulations.
Normal retirement date (NRD)	First of month coinciding with or next following the attainment of age 65.
Monthly pension benefit	Monthly benefit equal to $19.00 per year of pension service. Employees as of July 1, 1975 who retire at Normal Retirement Age with 5 or more years of pension service will receive credit for at least 10 years of pension service.
Monthly disability benefit	$250 commencing 12 months after total disability is payable until age 65

SCHEDULE SB ATTACHMENTS

Monthly pre-retirement death benefit	55% survivor benefit computed as if the participant had terminated employment at the date of death, survived to age 55, or date of death, if later, and elected to commence benefits under the Normal Form of Payment, and at that time died.
Post-retirement additional death benefit	Lump sum benefit of $1,500 is payable to the employee's designated beneficiary. This death benefit is in addition to any other survivor annuity under the elected form of payment.

Eligibility for benefits	
Normal retirement	Retirement on NRD
Early retirement	Age 55 with at least 10 years of vesting service
Disability	Plan members who become disabled during employment and have 10 years of vesting service
Vested termination	Termination for reasons other than death or retirement after completing five years of vesting service
Pre-retirement and post-retirement death	Spouse of a participant who has completed at least 5 years of vesting service

Benefits Paid Upon the Following Events	
Normal retirement	Monthly pension benefit determined as of NRD
Early retirement	The monthly pension benefit is actuarially reduced from age 65
Disablement	Monthly disability benefit commencing 12 months after total disability is payable until age 65
Vested termination	Payable as a straight life annuity starting on the participant's Normal Retirement Age (age 65). Benefits are reduced as described above if benefit commencement is before age 65

Other Plan Provisions	
Forms of payment	The normal form is a single life annuity, unless married. If married, on a reduced basis, a 55% joint and surviving spouse form is automatic unless the spouse consents otherwise.
Pension increases	None
Plan participants' contributions	None

SCHEDULE SB ATTACHMENTS

Maximum on benefits and pay

All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.

Future Plan Changes

No future plan changes were recognized in determining pension cost or in determining minimum and maximum contributions. Willis Towers Watson is not aware of any future plan changes which are required to be reflected.

Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year.

SCHEDULE SB ATTACHMENTS

Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	Textron Inc.
EIN/PN	05-0315468/006
Plan Name	Bell Helicopter Textron Master Retirement Plan
Valuation Date	January 1, 2015
Enrolled Actuary	Joseph Grondin
Enrollment Number	14-06662

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

SCHEDULE SB ATTACHMENTS

Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	Textron Inc.
EIN/PN	05-0315468/006
Plan Name	Bell Helicopter Textron Master Retirement Plan
Valuation Date	January 1, 2015
Enrolled Actuary	Joseph Grondin
Enrollment Number	14-06662

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V: Summary of principal plan provisions – Salaried Employees

Plan Provisions	
Covered employees	Any salaried employee or commissioned basis employee of Bell Helicopter Textron Inc. or any affiliate authorized to participate.
Participation date	Closed to new hires effective as of January 1, 2010.
Definitions	
Vesting service	Years and completed months of employment for salaried employees, including with any predecessor Employer, plus years and completed months subsequent to termination of employment as a result of total disability and prior to the earlier of age 65, death, recovery or commencement of benefits under the plan.
Pension service	The sum of: • Pension service under the terms of Part IV of the plan as it then existed as of December 31, 1975; plus • Years and completed months of covered employment subsequent to December 31, 1975; plus • Years and completed months of employment by a predecessor company to the extent approved by the Board of Directors; plus • Years and completed months subsequent to termination of employment as a result of total disability and prior to the earlier of age 65, death, recovery or commencement of benefits under the plan; plus • Any other amounts as outlined in the plan.
Compensation	W-2 earnings plus Code Section 401(k) and Section 125 contributions, but not including reimbursements or other expense allowances, fringe benefits, moving expenses, other deferred compensation and welfare benefits credited or paid.

SCHEDULE SB ATTACHMENTS

Final average earnings	Based on highest consecutive 5 calendar years of compensation during all employment with Textron.
Covered compensation	The average of the 35 Social Security wage bases ending with the year a participant terminates or retires.
Grandfathered employee	A covered employee on January 1, 2007 who had: 1. Attained age 60 or completed 5 years of vesting service no later than January 1, 2007 and 2. Earned sufficient vesting service such that the sum of the participant's age in completed years and full years of vesting service as of January 1, 2007 equals or exceeds 55.
Retirement account	The sum of: 1 The account balance in the Textron Retirement Account Plan and 2 The Actuarial Equivalent of the single sum value of all prior distributions the participant has received from such account.
Retirement account actuarial equivalence	The 1994 Group Annuity Reserving Mortality Table (unisex) and an interest rate of 7% should be used to determine the Actuarial Equivalent of a Member's Retirement Account for any purpose, except that, for purposes of projecting the Retirement Account to any age, mortality shall be disregarded.
Retirement account rollover option	The participant can roll over his entire account balance under the Textron Retirement Account Plan upon retirement into this plan. The balance is converted into an actuarial equivalent Normal Retirement pension and is reduced for early commencement consistent with post-December 31, 2006 accruals.
Normal retirement date (NRD)	Age 65

SCHEDULE SB ATTACHMENTS

Monthly pension benefit

Monthly benefit is equal to the greatest of A, B, C, D or E.

A. One-twelfth of the sum of (i) and (ii):

   i. 1.00% of final average earnings times pension service (limited to 43.75 years) as of December 31, 2006 (Basic Pension) plus 0.50% of the difference between Final Average Earnings and 82.5% of Covered Compensation times pension service (limited to 43.75 years) as of December 31, 2006 (Additional Pension)

   ii. 1-1/3% of Final Average Earnings times pension service earned after December 31, 2006, offset by the participant's Retirement Account expressed as an actuarially equivalent single life annuity commencing at age 65 (or, if later, his actual retirement date)

B. For Grandfathered Employees only: one-twelfth of the sum of 1.00% of Final Average Earnings times pension service, limited to 43.75 years (Basic Pension); plus 0.50% of the difference between Final Average Earnings and 82.5% of Covered Compensation times pension service, limited to 43.75 years (Additional Pension), with any portion of such amount that is attributable to pension service earned after December 31, 2006 being offset by the participant's Retirement Account as described in A.ii.

C. $50 per year of pension service up to 5 years, with any portion of such amount that is attributable to pension service earned after December 31, 2006 being offset by the participant's Retirement Account as described in A.ii.

D. Minimum monthly benefit listed on Supplement XI ("Minimum Monthly Benefits for Certain Members").

E. The participant's monthly accrued benefit earned as of December 31, 2006.

Monthly pre-retirement death benefit	50% surviving spouse benefit that would have been payable to the spouse based on the accrued benefit at date of death. Benefits commence at the participant's earliest retirement date, or date of death if later. Unmarried participants eligible for Normal Retirement or Early Retirement may designate a non-spouse beneficiary to receive this 50% survivor annuity in the event of death before retirement, at a cost of 1/12% reduction per month of coverage. If a plan member dies after termination of employment and is eligible for Normal Retirement, Disabled Retirement or Early Retirement, but before commencement of benefits, the beneficiary shall receive a monthly benefit for 60 months equal to the single life annuity the member could have received, but reduced for early commencement.
Post-retirement additional death benefit	The beneficiary shall be eligible to receive a death benefit if the participant had not yet received 60 monthly payments. The death benefit is an annuity for the remainder of the 60-month period in the amount of the participant's single life annuity. This death benefit is in addition to any other survivor annuity under the elected form of payment

Eligibility for Benefits	
Normal retirement	Retirement on NRD
Early retirement	The earlier of: Age 60, Age 55 with at least 5 years of vesting service, or Employees hired pre 1/1/2007, age 54 with at least 10 years of vesting service, or completion of 20 years of vesting service regardless of age at termination, but with benefit commencement on or after age 54.
Disability	Plan members who become disabled during employment and eligible to receive Social Security disability benefits continue to accrue pension service and vesting service until the earlier of death, recovery, age 65 or pension benefits commence.
Vested termination	Termination for reasons other than death or retirement after completing five years of vesting service
Postponed retirement	Retirement after NRD
Pre-retirement and post-retirement death	Spouse of a participant who has completed at least 5 years of vesting service

SCHEDULE SB ATTACHMENTS

Benefits Paid Upon the Following Events

Normal retirement

Monthly pension benefit determined as of NRD

Early retirement

For benefits payable under monthly pension benefit sections Ai, B, D, and E, the reductions are as follows:

Age	Basic Pension Reduction Factor	Additional Pension Reduction Factor	Age	Basic Pension Reduction Factor	Additional Pension Reduction Factor
54	0.567	0.467	60	0.867	0.667
55	0.600	0.500	61	0.933	0.733
56	0.633	0.533	62	1.000	0.800
57	0.667	0.567	63	1.000	0.867
58	0.733	0.600	64	1.000	0.933
59	0.800	0.633	65	1.000	1.000

For benefits accrued on or before December 31, 2006 under monthly pension benefit section C, the Basic Pension Reduction Factor in the above table should be applied.

Members who retire before age 65 and after attaining age 62 who have completed 30 years of vesting service are entitled to the greater of 1) the Early Retirement benefit above; 2) the participant's Basic Pension Plus Additional Pension (as defined above) calculated with a maximum of 35 years of pension service, and without any reduction for early commencement.

For benefits payable under monthly pension benefit section A.ii and benefits accrued after December 31, 2006 under monthly pension benefit section C, the Normal Retirement Benefit reduced 5/12% for each month of benefit commencement before age 65.

Vested termination

Payable as a straight life annuity starting on the participant's Normal Retirement Age (age 65), equals the participant's Normal Retirement benefit. The benefit is reduced the same as the Early Retirement benefit if commenced before age 65, but no earlier than age 55 (54 for participants hired on or before December 31, 2006).

SCHEDULE SB ATTACHMENTS

Other Plan Provisions

Forms of payment	Monthly pension benefits are paid as described above as a life annuity, if the participant has no spouse as of the date payments begin, or if the participant so elects. If married, on a reduced basis, a 50% joint and surviving spouse form is automatic.
Pension Increases	None
Plan participants' contributions	None
Maximum on benefits and pay	All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.

Future Plan Changes

No future plan changes were recognized in determining pension cost or in determining minimum and maximum contributions. Willis Towers Watson is not aware of any future plan changes which are required to be reflected.

Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year.

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V: Summary of principal plan provisions – Union Employees

Plan Provisions	
Covered employees	All employees covered by the Collective Bargaining Agreements between Bell Helicopter Textron Inc., in Dallas and Tarrant Counties, Texas and UAW Locals 218 and 317, and United Plant Guard Workers of America Local 256.
Participation date	Closed to new hires, rehires or transfers effective as of October 15, 2013.
Definitions	
Vesting service	A participant earns one year of vesting service for each calendar year of 1,000 or more hours of service, subject to a minimum of the pension service earned for that year.
Pension service	A participant earns one year of service toward benefit accrual if compensated for 1,600 or more hours per calendar year, reduced pro-rata to the nearest 1/10 year for less than 1,600 hours. Such hours include all periods of time for which the participant is paid by the Company or by a member of the Controlled Group, and also all other hours as required under Department of Labor regulations.
Hours of service	Such hours include all periods of time for which the Employee is paid or entitled to payment by the Company or by a member of the Controlled Group, and also all other hours as required under Department of Labor regulations.
Normal retirement date (NRD)	Termination of employment on or after attaining age 65, or age 62 with 5 years of vesting service.
Monthly pension benefit	$71.00 per year of pension service.
Monthly disability benefit	$350 is payable until age 65
Monthly pre-retirement death benefit	55% survivor benefit computed as if the participant had terminated employment at the date of death, survived to age 55, or date of death, if later, and elected to commence benefits under the Normal Form of Payment, and then at that time died.
Post-retirement additional death benefit	Lump sum benefit of $6,000 is payable to the employee's designated beneficiary. This death benefit is in addition to any other survivor annuity under the elected form of payment.
Level income special allowance (LISA)	Monthly benefit of $1,000 payable until age 62. Employees who terminate or retire after December 31, 2013 will not be eligible for the Level Income Special Allowance (LISA).

Lump sum payments	A payment of $500 no later than December 15, 2009, December 15, 2010 and December 15, 2011.

Eligibility for Benefits

Normal retirement	Retirement on NRD
Early retirement	Age 55 with at least 5 years of vesting service
Disability	Plan members who become disabled during employment and have 10 years of pension service
Vested termination	Termination for reasons other than death or retirement after completing five years of vesting service
Pre-retirement and post-retirement death	Spouse of a participant who has completed at least 5 years of vesting service
Level income special allowance (LISA)	Participants who attain age 60 with 20 years of pension service. Employees who terminate or retire after December 31, 2013 will not be eligible for the Level Income Special Allowance (LISA).
Lump sum payments	Annual lump sums will not be paid to retirees.
Postponed retirement	Retirement after NRD

Benefits Paid Upon the Following Events

Normal retirement	Monthly pension benefit determined as of NRD
Early retirement	The monthly pension benefit is reduced from age 62 at ¼% per month for the first 24 months and $^1/_3$% thereafter. For retirements at or after age 60 with 20 or more years of pension service, the benefit is payable unreduced.
Disablement	Monthly disability benefit paid until age 65
Vested termination	Payable as a straight life annuity starting on the participant's Normal Retirement Age (age 62), equals the participant's Normal Retirement benefit. Benefits are reduced as described above if benefit commencement is before age 62.

SCHEDULE SB ATTACHMENTS

Other Plan Provisions

Forms of payment	The normal form is a single life annuity, unless married. If married, on a reduced basis, a 55% joint and surviving spouse form is automatic unless the spouse consents otherwise.
Pension Increases	None
Plan participants' contributions	None
Maximum on benefits and pay	All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.

Future Plan Changes

No future plan changes were recognized in determining pension cost or in determining minimum and maximum contributions. Willis Towers Watson is not aware of any future plan changes which are required to be reflected.

Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year.

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V: Summary of principal plan provisions – Non-Union Employees

Plan Provisions	
Covered employees	Non-union hourly paid employees of Bell Helicopter Textron, Inc. in Dallas and Tarrant counties, Texas.
Participation date	A covered employee begins participation on date of hire.
Definitions	
Vesting service	A participant earns one year of vesting service for each calendar year of 1,000 or more hours of service, subject to a minimum of the pension service earned for that year.
Pension service	A participant earns one year of service toward benefit accrual if compensated for 1,600 or more hours per calendar year, reduced pro-rata to the nearest 1/10 year for less than 1,600 hours. Such hours include all periods of time for which the participant is paid by the Company or by a member of the Controlled Group, and also all other hours as required under Department of Labor regulations.
Hours of service	Such hours include all periods of time for which the Employee is paid or entitled to payment by the Company or by a member of the Controlled Group, and also all other hours as required under Department of Labor regulations.
Normal retirement date (NRD)	Termination of employment on or after attaining age 65, or age 62 with 10 years of vesting service.
Monthly pension benefit	$51.00 per year of pension service.
Monthly disability benefit	$350 commencing twelve months after total disability is payable until age 65
Monthly pre-retirement death benefit	55% survivor benefit computed as if the participant had terminated employment at the date of death, survived to age 55, or date of death, if later, and elected to commence benefits under the Normal Form of Payment, and then at that time died.
Post-retirement additional death benefit	Lump sum benefit of $6,000 is payable to the employee's designated beneficiary. This death benefit is in addition to any other survivor annuity under the elected form of payment.
Level income special allowance (LISA)	Monthly benefit of $800 payable until age 62.

SCHEDULE SB ATTACHMENTS

Eligibility for benefits	
Normal retirement	Retirement on NRD
Early retirement	Age 55 with at least 10 years of vesting service
Disability	Plan members who become disabled during employment and have 10 years of pension service
Vested termination	Termination for reasons other than death or retirement after completing five years of vesting service
Pre-retirement and post-retirement death	Spouse of a participant who has completed at least 5 years of vesting service
Level income special allowance (LISA)	Participants who attain age 60 with 20 years of pension service
Postponed retirement	Retirement as of NRD

Benefits Paid Upon the Following Events	
Normal retirement	Monthly pension benefit determined as of NRD
Early retirement	The monthly pension benefit is actuarially reduced from age 62. For retirements at or after age 60 with 20 or more years of pension service, the benefit is payable unreduced.
Disablement	Monthly disability benefit commencing twelve months after total disability is payable until age 65
Vested termination	Payable as a straight life annuity starting on the participant's Normal Retirement Age (age 62). Benefits are reduced as described above if benefit commencement is before age 62.

Other Plan Provisions	
Forms of payment	The normal form is a single life annuity, unless married. If married, on a reduced basis, a 55% joint and surviving spouse form is automatic unless the spouse consents otherwise.
Pension Increases	None
Plan participants' contributions	None

SCHEDULE SB ATTACHMENTS

Maximum on benefits and pay

All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.

Future Plan Changes

No future plan changes were recognized in determining pension cost or in determining minimum and maximum contributions. Willis Towers Watson is not aware of any future plan changes which are required to be reflected.

Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year.

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V: Summary of principal plan provisions – Amarillo Employees

Plan Provisions	
Covered employees	Hourly-paid employees of the Amarillo, Texas Overhaul and Modification Center of Bell Helicopter Textron, Inc. are covered by this plan. Employees hired on or after September 8, 1989 are not eligible to participate.
Participation date	A covered employee begins participation on date of hire.

Definitions	
Vesting service	The sum of: • Vesting service, if any, at December 31, 1988, and • One year of vesting service for each calendar year after 1988 in which the employee accumulated 1,000 or more hours of service.
Pension service	The sum of: • Pension service, if any, at December 31, 1988, and • A fraction of a year of pension service for the period from January 1, 1989 to September 9, 1989 equal to the hours of service accumulated in such period divided by 1,600 hours of service and rounded to the nearest tenth.
Hours of service	Such hours include all periods of time for which the Employee is paid or entitled to payment by the Company or by a member of the Controlled Group, and also all other hours as required under Department of Labor regulations.
Normal retirement date (NRD)	First of month coinciding with or next following the attainment of age 65.
Monthly pension benefit	Monthly benefit equal to $19.00 per year of pension service. Employees as of July 1, 1975 who retire at Normal Retirement Age with 5 or more years of pension service will receive credit for at least 10 years of pension service.
Monthly disability benefit	$250 commencing 12 months after total disability is payable until age 65

SCHEDULE SB ATTACHMENTS

Monthly pre-retirement death benefit	55% survivor benefit computed as if the participant had terminated employment at the date of death, survived to age 55, or date of death, if later, and elected to commence benefits under the Normal Form of Payment, and at that time died.
Post-retirement additional death benefit	Lump sum benefit of $1,500 is payable to the employee's designated beneficiary. This death benefit is in addition to any other survivor annuity under the elected form of payment.

Eligibility for benefits	
Normal retirement	Retirement on NRD
Early retirement	Age 55 with at least 10 years of vesting service
Disability	Plan members who become disabled during employment and have 10 years of vesting service
Vested termination	Termination for reasons other than death or retirement after completing five years of vesting service
Pre-retirement and post-retirement death	Spouse of a participant who has completed at least 5 years of vesting service

Benefits Paid Upon the Following Events	
Normal retirement	Monthly pension benefit determined as of NRD
Early retirement	The monthly pension benefit is actuarially reduced from age 65
Disablement	Monthly disability benefit commencing 12 months after total disability is payable until age 65
Vested termination	Payable as a straight life annuity starting on the participant's Normal Retirement Age (age 65). Benefits are reduced as described above if benefit commencement is before age 65

Other Plan Provisions	
Forms of payment	The normal form is a single life annuity, unless married. If married, on a reduced basis, a 55% joint and surviving spouse form is automatic unless the spouse consents otherwise.
Pension increases	None
Plan participants' contributions	None

SCHEDULE SB ATTACHMENTS

Maximum on benefits and pay

All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.

Future Plan Changes

No future plan changes were recognized in determining pension cost or in determining minimum and maximum contributions. Willis Towers Watson is not aware of any future plan changes which are required to be reflected.

Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year.