

<div>Form 5500-SF</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Short Form Annual Return/Report of Small Employee Benefit Plan</div> <div>This form is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA), and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).</div> <div>▶ Complete all entries in accordance with the instructions to the Form 5500-SF.</div>	<div>OMB Nos. 1210-0110 1210-0089</div> <div>2015</div> <div>This Form is Open to Public Inspection</div>														
<div>Part I Annual Report Identification Information</div> <div>For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015</div> <div><div>A This return/report is for:</div><div><div>☒ a single-employer plan</div><div>☐ a multiple-employer plan (not multiemployer) (Filers checking this box must attach a list of participating employer information in accordance with the form instructions)</div><div>☐ a one-participant plan</div><div>☐ a foreign plan</div></div><div><div>B This return/report is</div><div><div>☐ the first return/report</div><div>☐ the final return/report</div><div>☐ an amended return/report</div><div>☐ a short plan year return/report (less than 12 months)</div></div><div><div>C Check box if filing under:</div><div><div>☒ Form 5558</div><div>☐ automatic extension</div><div>☐ DFVC program</div><div>☐ special extension (enter description)</div></div></div></div></div>																
<div>Part II Basic Plan Information—enter all requested information</div> <div><div><div>1a Name of plan</div><div>BELL HELICOPTER TEXTRON PILOTS SUPPLEMENTAL EARLY RETIREMENT PLAN</div></div><div><div>1b Three-digit plan number (PN) ▶</div><div>228</div></div><div><div>1c Effective date of plan</div><div>01/01/1995</div></div><div><div>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)</div><div>TEXTRON INC.</div><div>40 WESTMINSTER STREET PROVIDENCE, RI 02903-2525</div></div><div><div>2b Employer Identification Number (EIN)</div><div>05-0315468</div></div><div><div>2c Sponsor's telephone number</div><div>401-421-2800</div></div><div><div>2d Business code (see instructions)</div><div>339900</div></div><div><div>3a Plan administrator's name and address</div><div>☒ Same as Plan Sponsor.</div></div><div><div>3b Administrator's EIN</div><div>3c Administrator's telephone number</div></div><div><div>4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN, and the plan number from the last return/report.</div><div><div>a Sponsor's name</div><div>4b EIN</div><div>4c PN</div></div><div><div>5a Total number of participants at the beginning of the plan year</div><div>5b Total number of participants at the end of the plan year</div><div>5c Number of participants with account balances as of the end of the plan year (defined benefit plans do not complete this item)</div><div>5d(1) Total number of active participants at the beginning of the plan year</div><div>5d(2) Total number of active participants at the end of the plan year</div><div>5e Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested</div></div><div><div>2</div><div>2</div><div></div><div>2</div><div>2</div><div>0</div></div></div><div><div>Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.</div><div>Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, 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.</div><table><tr><td rowspan="2">SIGN HERE</td><td>Filed with authorized/valid electronic signature.</td><td>08/01/2016</td><td>JOYCE LAFOND</td></tr><tr><td>Signature of plan administrator</td><td>Date</td><td>Enter name of individual signing as plan administrator</td></tr><tr><td rowspan="2">SIGN HERE</td><td></td><td></td><td></td></tr><tr><td>Signature of employer/plan sponsor</td><td>Date</td><td>Enter name of individual signing as employer or plan sponsor</td></tr></table><div><div>Preparer's name (including firm name, if applicable) and address (include room or suite number)</div><div>Preparer's telephone number</div></div></div></div>			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	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													
<div>For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500-SF.</div> <div>Form 5500-SF (2015) v. 150123</div>																

- 6a** Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.) ☒ Yes ☐ No
- b** Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.) ☒ Yes ☐ No
- If you answered "No" to either line 6a or line 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.**
- c** 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 III Financial Information

7 Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a Total plan assets.....	7a	323771	323875
b Total plan liabilities	7b		
c Net plan assets (subtract line 7b from line 7a)	7c	323771	323875
8 Income, Expenses, and Transfers for this Plan Year		(a) Amount	(b) Total
a Contributions received or receivable from:			
(1) Employers	8a(1)		
(2) Participants	8a(2)		
(3) Others (including rollovers)	8a(3)		
b Other income (loss)	8b	3181	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		3181
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d		
e Certain deemed and/or corrective distributions (see instructions)....	8e		
f Administrative service providers (salaries, fees, commissions).....	8f	3077	
g Other expenses	8g		
h Total expenses (add lines 8d, 8e, 8f, and 8g).....	8h		3077
i Net income (loss) (subtract line 8h from line 8c)	8i		104
j Transfers to (from) the plan (see instructions)	8j		

Part IV Plan Characteristics

9a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1A 1D

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

Part V Compliance Questions

10 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? (See instructions and DOL's Voluntary Fiduciary Correction Program)	10a		X		
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)	10b		X		
c Was the plan covered by a fidelity bond?.....	10c	X			10000000
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	10d		X		
e Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service, or other organization that provides some or all of the benefits under the plan? (See instructions.).....	10e		X		
f Has the plan failed to provide any benefit when due under the plan?	10f		X		
g Did the plan have any participant loans? (If "Yes," enter amount as of year end.)	10g		X		
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	10h				
i If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.....	10i				
j Did the plan trust incur unrelated business taxable income?	10j				

Part VI Pension Funding Compliance

11 Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500) and line 11a below)..... ☒ Yes ☐ No

11a Enter the unpaid minimum required contribution for all years from Schedule SB (Form 5500) line 40..... **11a** 0

12 Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA?... ☐ Yes ☒ No

(If "Yes," complete line 12a or lines 12b, 12c, 12d, and 12e below, as applicable.)

- a** 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 letter ruling granting the waiver. Month Day Year

If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.

- b** Enter the minimum required contribution for this plan year **12b**
- c** Enter the amount contributed by the employer to the plan for this plan year **12c**
- d** Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount) **12d**
- e** Will the minimum funding amount reported on line 12d be met by the funding deadline? ☐ Yes ☐ No ☐ N/A

Part VII Plan Terminations and Transfers of Assets

- 13a** Has a resolution to terminate the plan been adopted in any plan year? ☐ Yes ☒ No
- If "Yes," enter the amount of any plan assets that reverted to the employer this year **13a**
- b** Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? ☐ Yes ☒ No
- c** 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.)
- | 13c(1) Name of plan(s): | 13c(2) EIN(s) | 13c(3) PN(s) |
|--------------------------------|----------------------|---------------------|
| | | |

Part VIII Trust Information

- | | |
|---|--|
| 14a Name of trust | 14b Trust's EIN |
| 14c Name of trustee or custodian | 14d Trustee's or custodian's telephone number |

Part IX IRS Compliance Questions

- 15a** Is the plan a 401(k) plan? ☐ Yes ☐ No
- 15b** 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
- 15c** 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
- 16a** 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
- 16b** 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
- 17a** Has the plan been timely amended for all required tax law changes? ☐ Yes ☐ No ☐ N/A
- 17b** 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).
- 17c** 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 _____.
- 17d** 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 ____/____/____.
- 18** 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
- 19** Were in-service distributions made during the plan year? ☐ Yes ☐ No
- If "Yes," enter amount **19**
- 20** Were required minimum distributions made to 5% owners who have attained age 70 ½ (regardless of whether or not retired), as required under section 401(a)(9)? ☐ Yes ☐ No ☐ N/A

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
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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 <u>BELL HELICOPTER TEXTRON PILOTS SUPPLEMENTAL EARLY RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>228</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>TEXTRON INC.</u>	D Employer Identification Number (EIN) <u>05-0315468</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☒ 100 or fewer ☐ 101-500 ☐ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2015</u>	
2 Assets:	
a Market value	2a <u>323771</u>
b Actuarial value	2b <u>306533</u>
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	<u>0</u> <u>0</u> <u>0</u>
b For terminated vested participants	<u>0</u> <u>0</u> <u>0</u>
c For active participants	<u>2</u> <u>0</u> <u>82639</u>
d Total	<u>2</u> <u>0</u> <u>82639</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)	☐
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>6.36 %</u>
6 Target normal cost	6 <u>7288</u>

Statement by Enrolled Actuary

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

SIGN HERE		<u>07/05/2016</u>
	Signature of actuary	Date
<u>JOSEPH GRONDIN</u>	Type or print name of actuary	<u>14-06662</u>
		Most recent enrollment number
<u>TOWERS WATSON DELAWARE INC.</u>	Firm name	<u>248-936-7700</u>
		Telephone number (including area code)
<u>26555 EVERGREEN ROAD</u> <u>SUITE 1600</u> <u>SOUTHFIELD, MI 48076</u>	Address of the firm	

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

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

Schedule SB (Form 5500) 2015
v. 150123

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)	90806	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	90806	0
10	Interest on line 9 using prior year's actual return of <u>10.68</u> %	9698	0
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 <u>6.59</u> %		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).....	100504	0

Part III Funding Percentages			
14	Funding target attainment percentage.....	14	249.31 %
15	Adjusted funding target attainment percentage	15	370.93 %
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	400.37 %
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?	☐ Yes ☒ No
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☐ Yes ☐ No
c If line 20a is "Yes," see instructions and complete the following table as applicable:	
Liquidity shortfall as of end of quarter of this plan year	
(1) 1st	(2) 2nd
(3) 3rd	(4) 4th

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

21 Discount rate:				
a Segment rates:	1st segment: 4.72 %	2nd segment: 6.11 %	3rd segment: 6.81 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 65
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	7288	
b Excess assets, if applicable, but not greater than line 31a	31b	7288	
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	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....			0
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, 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.

Plan Name:	Bell Helicopter Textron Pilots' Supplemental Early Retirement Plan
EIN / PN:	05-0315468 / 228
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	6.36%	4.51%

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 \$2,000.

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

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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, projected to 2022 using Scale AA).

Termination Rates varying by age and service.

Representative Termination Rates

Vesting service	Rate %
0	15.00
1	11.00
2	11.00
3	7.00
4	7.00

Rates by Age (Vesting service 5+ years)

Percentage leaving during the year	
Attained 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 & Over	0.00

Disability None assumed.

Plan Name: Bell Helicopter Textron Pilots' Supplemental Early Retirement Plan
EIN / PN: 05-0315468 / 228
Plan Sponsor: Textron Inc.
Valuation Date: January 1, 2015

SCHEDULE SB ATTACHMENTS

Retirement

Rates varying by age, average age 65.

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.

Percentage retiring during the year	
Age	Rate %
55	30.0
56 – 58	20.0
59 – 61	25.0
62 – 64	50.0
65	100.0

Benefit commencement date:

- Pre-retirement death benefit The later of the death of the active participant or the date the participant would have attained age 55
- Deferred vested benefit N/A
- Retirement benefit Upon termination of employment

Form of payment

Participants are assumed to elect the normal form

Percent married

85% of males; 50% of females. Used to value pre-retirement surviving spouse benefits and in determining the optional forms expected to be elected at commencement

Spouse age

Wife three years younger than husband

Covered Pay

Prior year annualized pensionable earnings is compensation paid in the year prior to the valuation date.

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.

Plan Name: Bell Helicopter Textron Pilots' Supplemental Early Retirement Plan
EIN / PN: 05-0315468 / 228
Plan Sponsor: Textron Inc.
Valuation Date: January 1, 2015

SCHEDULE SB ATTACHMENTS

Methods

Valuation date	First day of plan year.
Funding target	Present value of accrued benefits as required by regulations under IRC §430.
Target normal cost	Present value of benefits expected to accrue during the plan year plus plan-related expenses expected to be paid from plan assets during the plan year as required by regulations under IRC §430.
Actuarial value of assets	<p>Average of the fair market value of assets on the valuation date and 12 and 24 months preceding the valuation date, 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.)</p> <p>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.</p>
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.

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.
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SCHEDULE SB ATTACHMENTS

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.
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.

Plan Name: Bell Helicopter Textron Pilots' Supplemental Early Retirement Plan
 EIN / PN: 05-0315468 / 228
 Plan Sponsor: Textron Inc.
 Valuation Date: January 1, 2015

SCHEDULE SB ATTACHMENTS

Spouse age	The assumed difference between spouses' ages is based on general population statistics for married individuals of retirement age.
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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.
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Changes in Assumptions and Methods

Change in assumptions since prior valuation	<p>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.</p> <p>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.</p> <p>The assumed plan-related expenses added to the target normal cost were changed from \$1,500 for the prior valuation to \$2,000 for the current valuation to account for higher expected expenses to be paid from the trust.</p>
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Change in methods since prior valuation	None
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Plan Name:	Bell Helicopter Textron Pilots' Supplemental Early Retirement Plan
EIN / PN:	05-0315468 / 228
Plan Sponsor:	Textron Inc.
Valuation Date:	January 1, 2015

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2015 This Form is Open to Public Inspection
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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 PILOTS SUPPLEMENTAL EARLY RETIREMENT PLAN	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">B Three-digit plan number (PN) ►</td> <td style="width: 40%; text-align: center;">228</td> </tr> </table>	B Three-digit plan number (PN) ►	228
B Three-digit plan number (PN) ►	228		
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF TEXTRON INC.	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>D Employer Identification Number (EIN) 05-0315468</td> </tr> </table>	D Employer Identification Number (EIN) 05-0315468	
D Employer Identification Number (EIN) 05-0315468			

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

Part I Basic Information

1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2015</u>			
2 Assets:			
a Market value	2a		323,771
b Actuarial value	2b		306,533
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.....	0	0	0
b For terminated vested participants.....	0	0	0
c For active participants.....	2	0	82,639
d Total.....	2	0	82,639
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	6.36%	
6 Target normal cost.....	6	7,288	

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

SIGN HERE		<u>7/5/2016</u>
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Signature of actuary JOSEPH GRONDIN	Date 1406662
--	-----------------

Type or print name of actuary TOWERS WATSON DELAWARE INC.	Most recent enrollment number 248-936-7700
--	---

Firm name	Telephone number (including area code)
-----------	--

26555 EVERGREEN ROAD SUITE 1600 SOUTHFIELD MI 48076	Address of the firm
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If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	90,806	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	90,806	0
10 Interest on line 9 using prior year's actual return of <u>10.68%</u>	9,698	0
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 <u>6.59%</u>		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)	100,504	0

Part III Funding Percentages

14 Funding target attainment percentage	14	249.31%
15 Adjusted funding target attainment percentage	15	370.93%
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	400.37%
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?	☐ Yes ☒ No
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☐ Yes ☐ No
c If line 20a is "Yes," see instructions and complete the following table as applicable:	

Liquidity shortfall as of end of quarter of this plan year

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

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

21 Discount rate:			
a Segment rates:	1st segment: 4.72%	2nd segment: 6.11%	3rd segment: 6.81%
			☐ N/A, full yield curve used
b Applicable month (enter code)			21b 4
22 Weighted average retirement age			22 65
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	7,288
b Excess assets, if applicable, but not greater than line 31a		31b	7,288
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	0
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement			0
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	05-0315468/228
Plan Name	Bell Helicopter Textron Pilots' Supplemental Early 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.

Plan Name:	Bell Helicopter Textron Pilots' Supplemental Early Retirement Plan
EIN / PN:	05-0315468 / 228
Plan Sponsor:	Textron Inc.
Valuation Date:	January 1, 2015

SCHEDULE SB ATTACHMENTS

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

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		0		0		0		0		0		0		0		0		0	
30 - 34	0		0		0		0		0		0		0		0		0		0	
35 - 39	0		0		0		0		0		0		0		0		0		0	
40 - 44	0		0		0		0		0		0		0		0		0		0	
45 - 49	0		0		0		0		0		0		0		0		0		0	
50 - 54	0		0		0		0		0		1		0		0		0		0	
55 - 59	0		0		0		0		0		0		0		0		0		0	
60 - 64	0		0		0		0		0		0		0		0		0		0	
65 - 69	0		0		0		0		0		0		0		0		0		0	
70 & Over	0		0		0		0		0		0		1		0		0		0	

Plan Name: Bell Helicopter Textron Pilots' Supplemental Early Retirement Plan
 EIN / PN: 05-0315468 / 228
 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	6.36%	4.51%

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 \$2,000.

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

Plan Name:	Bell Helicopter Textron Pilots' Supplemental Early Retirement Plan
EIN / PN:	05-0315468 / 228
Plan Sponsor:	Textron Inc.
Valuation Date:	January 1, 2015

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, projected to 2022 using Scale AA).

Termination Rates varying by age and service.

Representative Termination Rates

Vesting service	Rate %
0	15.00
1	11.00
2	11.00
3	7.00
4	7.00

Rates by Age (Vesting service 5+ years)

Percentage leaving during the year	
Attained 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 & Over	0.00

Disability None assumed.

Plan Name: Bell Helicopter Textron Pilots' Supplemental Early Retirement Plan
EIN / PN: 05-0315468 / 228
Plan Sponsor: Textron Inc.
Valuation Date: January 1, 2015

SCHEDULE SB ATTACHMENTS

Retirement

Rates varying by age, average age 65.

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.

Percentage retiring during the year	
Age	Rate %
55	30.0
56 – 58	20.0
59 – 61	25.0
62 – 64	50.0
65	100.0

Benefit commencement date:

- Pre-retirement death benefit The later of the death of the active participant or the date the participant would have attained age 55
- Deferred vested benefit N/A
- Retirement benefit Upon termination of employment

Form of payment

Participants are assumed to elect the normal form

Percent married

85% of males; 50% of females. Used to value pre-retirement surviving spouse benefits and in determining the optional forms expected to be elected at commencement

Spouse age

Wife three years younger than husband

Covered Pay

Prior year annualized pensionable earnings is compensation paid in the year prior to the valuation date.

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.

Plan Name: Bell Helicopter Textron Pilots' Supplemental Early Retirement Plan
EIN / PN: 05-0315468 / 228
Plan Sponsor: Textron Inc.
Valuation Date: January 1, 2015

SCHEDULE SB ATTACHMENTS

Methods

Valuation date	First day of plan year.
Funding target	Present value of accrued benefits as required by regulations under IRC §430.
Target normal cost	Present value of benefits expected to accrue during the plan year plus plan-related expenses expected to be paid from plan assets during the plan year as required by regulations under IRC §430.
Actuarial value of assets	<p>Average of the fair market value of assets on the valuation date and 12 and 24 months preceding the valuation date, 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.)</p> <p>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.</p>
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.

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.
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Plan Name:	Bell Helicopter Textron Pilots' Supplemental Early Retirement Plan
EIN / PN:	05-0315468 / 228
Plan Sponsor:	Textron Inc.
Valuation Date:	January 1, 2015

SCHEDULE SB ATTACHMENTS

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.

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.

Plan Name: Bell Helicopter Textron Pilots' Supplemental Early Retirement Plan
EIN / PN: 05-0315468 / 228
Plan Sponsor: Textron Inc.
Valuation Date: January 1, 2015

SCHEDULE SB ATTACHMENTS

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 \$1,500 for the prior valuation to \$2,000 for the current valuation to account for higher expected expenses to be paid from the trust.

Change in methods since prior valuation None

Plan Name: Bell Helicopter Textron Pilots' Supplemental Early Retirement Plan
EIN / PN: 05-0315468 / 228
Plan Sponsor: Textron Inc.
Valuation Date: January 1, 2015

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V – Summary of plan provisions

Plan Provisions

Covered employees All persons covered by the Bell Helicopter Textron Master Retirement Plan whose pension service includes pilot service served before January 1, 1996.

Participation date A covered employee begins participation on the first day of the month following date of hire.

Definitions

Pilot service Pension service under the Bell Helicopter Textron Master Retirement Plan while a test pilot, not a demonstration pilot.

Pension service The number of years from date of participation to the date of termination.

Special early retirement age (SERA) The later of 1) age 55, and 2) age 65 minus the integer portion of half of pilot service.

Monthly early retirement benefit The monthly benefit payable for life is calculated as follows:

- Calculate the benefit which would be payable under the Bell Helicopter Textron Master Retirement Plan without taking into account any early retirement reduction applicable there under. Also, for benefits calculated under the old Part II and Part III formulas, the pension service in the denominator of the accrual fraction is projected only to the SERA as of December 31, 1988 or the anti-cutback date as appropriate.
- Multiply the amount in 1) above by the ratio of early retirement factors: the numerator is the factor for the early retirement age and the denominator is the factor for the SERA. The early retirement factors are determined by reducing the number one by 5/9% for the first 60 months by which the applicable age is less than age 65, and by 5/18% for the next 60 months.
- Subtract from the amount determined in 2) above the early retirement benefit payable as a single-life annuity from the Bell Helicopter Textron Master Retirement Plan. The remainder is the Early Retirement subsidy.

Any early retirement subsidy earned under the Bell Helicopter qualified plan in effect before the TRA '86 amendments will be paid from that plan, as will any increases in that benefit derived from the salary increases in accordance with the "freeze-and-ratio" provisions of the Bell Helicopter qualified plan currently in effect.

Plan Name: Bell Helicopter Textron Pilots' Supplemental Early Retirement Plan
EIN / PN: 05-0315468 / 228
Plan Sponsor: Textron Inc.
Valuation Date: January 1, 2015

SCHEDULE SB ATTACHMENTS

Monthly pre-retirement death benefit	<p>50% survivor benefit computed as if the participant had terminated employment at the date of death and elected a joint and 50% survivor benefit. The designated nonspousal beneficiary of an unmarried pilot who dies under the same circumstances shall be entitled to similar benefits based on the pilot's early retirement subsidy and calculated in the same manner as the corresponding pre-pension survivor annuity under the qualified plan.</p> <p>If a pilot is entitled to any other death benefit under the Bell Helicopter qualified plan that is calculated in reference to his early retirement pension under that plan, the beneficiary is grossed up in this plan to the amount he would have received from the Bell Helicopter qualified plan had the early retirement benefit in the qualified plan been calculated taking into account the pilots early retirement subsidy.</p> <p>On the death of a pilot who had completed 10 years of vesting service under the Bell Helicopter Textron Master Retirement Plan but had not attained age 55, the pilot's spouse shall be eligible to receive a monthly annuity commencing the month following death equal to the amount of the pre-pension surviving spouse annuity that the spouse would have received had the pilot reached age 55 at his date of death, but reduced 1/2% for each month that the pilot's age at death preceded his 55th birthday</p>
Temporary supplement payable to age 65	The lesser of 1) \$4,125 times pension service under the Bell Helicopter Textron Master Retirement Plan, and 2) the Pilot's unreduced Social Security benefit. No temporary supplement will be paid from the Bell Helicopter qualified plan, even if "accrued" in the plan before the TRA '86 amendments. These benefits are not protected under ERISA's anti-cutback provisions.

Eligibility for Benefits

Early retirement	Age 55 and 10 years vesting service under the Bell Helicopter Textron Retirement Plan
Vested termination	None
Pre-retirement death	Spouse of a pilot who is eligible for an early retirement subsidy in the Plan
Temporary supplement payable to age 65	Age 55 with 10 years of vesting service in the Bell Helicopter Textron Master Retirement Plan

Plan Name: Bell Helicopter Textron Pilots' Supplemental Early Retirement Plan
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 Plan Sponsor: Textron Inc.
 Valuation Date: January 1, 2015

SCHEDULE SB ATTACHMENTS

Benefits Paid Upon the Following Events

Early retirement	Monthly early retirement benefit determined as of early retirement date
Vested termination	None
Disablement	None
Pre-retirement death	Monthly preretirement death benefit determined as of the date of death

Other Plan Provisions

Forms of payment	<p>The normal form of payment for a participant who is married at the benefit commencement date is a reduced qualified joint and survivor annuity, with 50% of the benefit continuing to the surviving spouse upon the death of the participant. The normal form with respect to all other participants is a straight life annuity.</p> <p>In lieu of the normal form of retirement benefit, a married participant may elect, with the consent of their eligible spouse, to waive the qualified joint and survivor annuity and to receive the benefit under one of the optional forms of payment.</p> <p>All benefits, including death benefits, may be paid in a single actuarially equivalent lump sum calculated using the PPA discount rates and the PPA Optional Combined Mortality table.</p>
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.

Plan Name:	Bell Helicopter Textron Pilots' Supplemental Early Retirement Plan
EIN / PN:	05-0315468 / 228
Plan Sponsor:	Textron Inc.
Valuation Date:	January 1, 2015

SCHEDULE SB ATTACHMENTS

Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	Textron Inc.
EIN/PN	05-0315468/228
Plan Name	Bell Helicopter Textron Pilots' Supplemental Early 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

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Plan Sponsor	Textron Inc.
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SCHEDULE SB ATTACHMENTS

Schedule SB, Part V – Summary of plan provisions

Plan Provisions

Covered employees All persons covered by the Bell Helicopter Textron Master Retirement Plan whose pension service includes pilot service served before January 1, 1996.

Participation date A covered employee begins participation on the first day of the month following date of hire.

Definitions

Pilot service Pension service under the Bell Helicopter Textron Master Retirement Plan while a test pilot, not a demonstration pilot.

Pension service The number of years from date of participation to the date of termination.

Special early retirement age (SERA) The later of 1) age 55, and 2) age 65 minus the integer portion of half of pilot service.

Monthly early retirement benefit The monthly benefit payable for life is calculated as follows:

- Calculate the benefit which would be payable under the Bell Helicopter Textron Master Retirement Plan without taking into account any early retirement reduction applicable there under. Also, for benefits calculated under the old Part II and Part III formulas, the pension service in the denominator of the accrual fraction is projected only to the SERA as of December 31, 1988 or the anti-cutback date as appropriate.
- Multiply the amount in 1) above by the ratio of early retirement factors: the numerator is the factor for the early retirement age and the denominator is the factor for the SERA. The early retirement factors are determined by reducing the number one by 5/9% for the first 60 months by which the applicable age is less than age 65, and by 5/18% for the next 60 months.
- Subtract from the amount determined in 2) above the early retirement benefit payable as a single-life annuity from the Bell Helicopter Textron Master Retirement Plan. The remainder is the Early Retirement subsidy.

Any early retirement subsidy earned under the Bell Helicopter qualified plan in effect before the TRA '86 amendments will be paid from that plan, as will any increases in that benefit derived from the salary increases in accordance with the "freeze-and-ratio" provisions of the Bell Helicopter qualified plan currently in effect.

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SCHEDULE SB ATTACHMENTS

Monthly pre-retirement death benefit

50% survivor benefit computed as if the participant had terminated employment at the date of death and elected a joint and 50% survivor benefit. The designated nonspousal beneficiary of an unmarried pilot who dies under the same circumstances shall be entitled to similar benefits based on the pilot's early retirement subsidy and calculated in the same manner as the corresponding pre-pension survivor annuity under the qualified plan.

If a pilot is entitled to any other death benefit under the Bell Helicopter qualified plan that is calculated in reference to his early retirement pension under that plan, the beneficiary is grossed up in this plan to the amount he would have received from the Bell Helicopter qualified plan had the early retirement benefit in the qualified plan been calculated taking into account the pilots early retirement subsidy.

On the death of a pilot who had completed 10 years of vesting service under the Bell Helicopter Textron Master Retirement Plan but had not attained age 55, the pilot's spouse shall be eligible to receive a monthly annuity commencing the month following death equal to the amount of the pre-pension surviving spouse annuity that the spouse would have received had the pilot reached age 55 at his date of death, but reduced 1/2% for each month that the pilot's age at death preceded his 55th birthday

Temporary supplement payable to age 65

The lesser of 1) \$4,125 times pension service under the Bell Helicopter Textron Master Retirement Plan, and 2) the Pilot's unreduced Social Security benefit. No temporary supplement will be paid from the Bell Helicopter qualified plan, even if "accrued" in the plan before the TRA '86 amendments. These benefits are not protected under ERISA's anti-cutback provisions.

Eligibility for Benefits

Early retirement

Age 55 and 10 years vesting service under the Bell Helicopter Textron Retirement Plan

Vested termination

None

Pre-retirement death

Spouse of a pilot who is eligible for an early retirement subsidy in the Plan

Temporary supplement payable to age 65

Age 55 with 10 years of vesting service in the Bell Helicopter Textron Master Retirement Plan

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SCHEDULE SB ATTACHMENTS

Benefits Paid Upon the Following Events

Early retirement	Monthly early retirement benefit determined as of early retirement date
Vested termination	None
Disablement	None
Pre-retirement death	Monthly preretirement death benefit determined as of the date of death

Other Plan Provisions

Forms of payment	<p>The normal form of payment for a participant who is married at the benefit commencement date is a reduced qualified joint and survivor annuity, with 50% of the benefit continuing to the surviving spouse upon the death of the participant. The normal form with respect to all other participants is a straight life annuity.</p> <p>In lieu of the normal form of retirement benefit, a married participant may elect, with the consent of their eligible spouse, to waive the qualified joint and survivor annuity and to receive the benefit under one of the optional forms of payment.</p> <p>All benefits, including death benefits, may be paid in a single actuarially equivalent lump sum calculated using the PPA discount rates and the PPA Optional Combined Mortality table.</p>
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.

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