

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
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Part I Annual Report Identification Information	
For calendar plan year 2015 or fiscal plan year beginning <u>01/01/2015</u> and ending <u>12/31/2015</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	▶ ☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II Basic Plan Information —enter all requested information		
1a Name of plan <u>K & F INDUSTRIES RETIREMENT PLAN FOR SALARIED EMPLOYEES</u>	1b Three-digit plan number (PN) ▶	<u>002</u>
	1c Effective date of plan	<u>05/01/1989</u>
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) <u>MEGGITT AIRCRAFT BRAKING SYSTEM CORPORATION</u> <u>1204 MASSILLON ROAD</u> <u>AKRON, OH 44306-4186</u>	2b Employer Identification Number (EIN) <u>34-1614846</u>	2c Plan Sponsor's telephone number <u>330-796-4400</u>
	2d Business code (see instructions) <u>336410</u>	

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/17/2016	MARIO BONACCI
	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 PENSION COMMITTEE MEGGITT AIRCRAFT BRAKING SYSTEMS MARIO A. BONACCI 1204 MASSILLON RD AKRON, OH 44306	3b Administrator's EIN 34-1614846
	3c Administrator's telephone number 330-796-3583
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 1307
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) 357
a(2) Total number of active participants at the end of the plan year	6a(2) 326
b Retired or separated participants receiving benefits.....	6b 536
c Other retired or separated participants entitled to future benefits.....	6c 327
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 1189
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e 99
f Total. Add lines 6d and 6e	6f 1288
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A	
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

Part III	Form M-1 Compliance Information (to be completed by welfare benefit plans)
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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
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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 K & F INDUSTRIES RETIREMENT PLAN FOR SALARIED EMPLOYEES	B Three-digit plan number (PN) 002
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF MEGGITT AIRCRAFT BRAKING SYSTEM CORPORATION	D Employer Identification Number (EIN) 34-1614846
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1	Enter the valuation date: Month 01 Day 01 Year 2015
2	Assets:
a	Market value 106816412
b	Actuarial value 104002083
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 624 52657365 52657365
b	For terminated vested participants 326 10068603 10068603
c	For active participants 357 39404756 39544517
d	Total 1307 102130724 102270485
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 2883816

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		10/05/2016
	Signature of actuary	Date
JARRED WILSON, MAAA, EA	Type or print name of actuary	14-07371
		Most recent enrollment number
SIBSON CONSULTING	Firm name	212-251-5000
		Telephone number (including area code)
333 W 34 ST NEW YORK, NY 10001	Address of the firm	

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	3267531
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	3267531
9 Amount remaining (line 7 minus line 8)	0	0
10 Interest on line 9 using prior year's actual return of <u>9.63</u> %	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		1167343
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>6.45</u> %		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		112415
c Total available at beginning of current plan year to add to prefunding balance		1279758
d Portion of (c) to be added to prefunding balance		1279758
12 Other reductions in balances due to elections or deemed elections		
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	1279758

Part III Funding Percentages		
14 Funding target attainment percentage	14	100.44 %
15 Adjusted funding target attainment percentage	15	101.69 %
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	95.85 %
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
07/01/2015	0	375417			
10/15/2015	330000	0			
01/15/2016	550000	0			
09/15/2016	360000	0			
			Totals ►	18(b)	1240000
				18(c)	375417

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	1155819
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No		
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No		
c If line 20a is "Yes," see instructions and complete the following table as applicable:		
Liquidity shortfall as of end of quarter of this plan year		
(1) 1st	(2) 2nd	(3) 3rd
0	0	0
		(4) 4th
		0

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

21 Discount rate:				
a Segment rates:	1st segment: 4.72 %	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 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	2883816	
b Excess assets, if applicable, but not greater than line 31a	31b	451840	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	2431976	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	1279758	1279758
36 Additional cash requirement (line 34 minus line 35)	36	1152218	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	1155819	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	3601	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	3601	
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 C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		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 K & F INDUSTRIES RETIREMENT PLAN FOR SALARIED EMPLOYEES	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 MEGGITT AIRCRAFT BRAKING SYSTEM CORPORATION	D Employer Identification Number (EIN) 34-1614846	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No
- b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name: BRUNER COX LLP	b EIN: 34-0641962
c Position: ACCOUNTANT	
d Address: 4505 STEPHEN CIRCLE NW #200 CANTON, OH 44718	e Telephone: 330-497-2000

Explanation: BRUNER COX LLP WAS RECENTLY ACQUIRED BY CLIFTONLARSONALLEN LLP.

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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.
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For calendar plan year 2015 or fiscal plan year beginning	01/01/2015	and ending	12/31/2015
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A Name of plan K & F INDUSTRIES RETIREMENT PLAN FOR SALARIED EMPLOYEES	B Three-digit plan number (PN)	002
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C Plan or DFE sponsor's name as shown on line 2a of Form 5500 MEGGITT AIRCRAFT BRAKING SYSTEM CORPORATION	D Employer Identification Number (EIN) 34-1614846
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Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE:	K & F INDUSTRIES PENSION PLAN
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b Name of sponsor of entity listed in (a):	J.P. MORGAN CHASE BANK
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c EIN-PN	13-3408600-002	d Entity code	M	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	101223338
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a Name of MTIA, CCT, PSA, or 103-12 IE:	
--	--

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SCHEDULE H (Form 5500) 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 K & F INDUSTRIES RETIREMENT PLAN FOR SALARIED EMPLOYEES		B Three-digit plan number (PN) ► 002
C Plan sponsor's name as shown on line 2a of Form 5500 MEGGITT AIRCRAFT BRAKING SYSTEM CORPORATION		D Employer Identification Number (EIN) 34-1614846

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)	3150000	910000
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(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)	103630836	101223338
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	106780836	102133338

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	106780836	102133338
---	-----------	-----------	-----------

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)	1285710	
(B) Participants	2a(1)(B)	375417	
(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)		1661127
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)		450921
(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		2112048

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	5647520	
(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)		5647520
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)	491201	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	620825	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		1112026
j Total expenses. Add all expense amounts in column (b) and enter total	2j		6759546

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-4647498
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

☒ Yes ☐ No

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

(1) Name: CLIFTONLARSONALLEN LLP

(2) EIN: 41-0746749

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.)		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.)		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.)		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.)		X		
e Was this plan covered by a fidelity bond?	X			2500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X		
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X		
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X		
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X			
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X		
l Has the plan failed to provide any benefit when due under the plan?		X		
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X		
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.		X		
o Did the plan trust incur unrelated business taxable income?				
p Were in-service distributions made during the plan year?				

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

A Name of plan <u>K & F INDUSTRIES RETIREMENT PLAN FOR SALARIED EMPLOYEES</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>MEGGITT AIRCRAFT BRAKING SYSTEM CORPORATION</u>	D Employer Identification Number (EIN) <u>34-1614846</u>

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

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>13-3408600</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>0</u>

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

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

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

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

Schedule R (Form 5500) 2015
v. 150123

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: <u>19.4</u> % Investment-Grade Debt: <u>41.3</u> % High-Yield Debt: <u>8.1</u> % Real Estate: <u>6.8</u> % Other: <u>24.4</u> %
	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
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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

**K & F INDUSTRIES RETIREMENT PLAN
FOR SALARIED EMPLOYEES**

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014



CliftonLarsonAllen

CONTENTS

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INDEPENDENT AUDITORS' REPORT

Board of Directors
K & F Industries Retirement Plan for Salaried Employees
Akron, Ohio

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of K & F Industries Retirement Plan for Salaried Employees (the Plan), which comprise the statement of net assets available for benefits as of December 31, 2015, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 8, which was certified by JP Morgan Chase Bank N.A., the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan Administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the trustee as of December 31, 2015, and for the year then ended, that the information provided to the Plan Administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these 2015 financial statements.

Other Matter – 2014 Financial Statements

The financial statements of K&F Industries Retirement Plan for Salaried Employees as of December 31, 2014 were audited by Bruner Cox LLP, whose practice became part of CliftonLarsonAllen LLP as of June 1, 2016. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed the predecessor auditors not to perform and they did not perform any auditing procedures with respect to the information certified by the trustee. Their report, dated October 13, 2015, indicated that (a) because of the significance of the information that they did not audit, they were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, they did not express an opinion on the 2014 financial statements and (b) the form and content of the information included in the 2014 financial statements, other than that derived from the information certified by the trustee, was presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the 2015 financial statements, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.



CliftonLarsonAllen LLP

Akron, Ohio
October 17, 2016

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
K & F INDUSTRIES RETIREMENT PLAN FOR SALARIED EMPLOYEES

December 31, 2015 and 2014

	2015	2014
ASSETS		
Investments, at fair value		
Plan interest in K&F Industries Master Pension Trust	\$ 101,223,338	\$ 103,630,836
Employer contributions receivable	<u>910,000</u>	<u>3,150,000</u>
Net assets available for benefits	<u><u>\$ 102,133,338</u></u>	<u><u>\$ 106,780,836</u></u>

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

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

K & F INDUSTRIES RETIREMENT PLAN FOR SALARIED EMPLOYEES

For the years ended December 31, 2015 and 2014

	2015	2014
ADDITIONS TO NET ASSETS		
Income from investment in the K & F Industries Master Pension Trust		
Interest and dividend income	\$ 123,125	\$ 82,361
Net appreciation in fair value of investment	327,796	9,709,992
	<u>450,921</u>	<u>9,792,353</u>
Less allocable share of K & F Industries Master Pension Trust expenses	<u>(491,201)</u>	<u>(800,658)</u>
Net income (loss) from K&F Industries Master Pension Trust	(40,280)	8,991,695
Contributions		
Participant	375,417	447,532
Employer	1,285,710	3,180,803
	<u>1,661,127</u>	<u>3,628,335</u>
Total additions to net assets	1,620,847	12,620,030
DEDUCTIONS FROM NET ASSETS		
Benefits paid to participants	5,647,520	5,333,461
Administrative expenses	620,825	287,175
	<u>6,268,345</u>	<u>5,620,636</u>
Total deductions from net assets	6,268,345	5,620,636
Net increase (decrease) in net assets available for benefits	(4,647,498)	6,999,394
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	106,780,836	99,781,442
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	\$ 102,133,338	\$ 106,780,836

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

NOTES TO FINANCIAL STATEMENTS
K & F INDUSTRIES
RETIREMENT PLAN FOR SALARIED EMPLOYEES

Note 1. Description of the Plan

The following brief description of the K & F Industries Retirement Plan for Salaried Employees (the Plan) is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

General

The Plan is a defined benefit pension plan with a basic noncontributory benefit for all participants and a voluntary contributory benefit available to electing participants. The Plan covers salaried employees employed prior to April 1, 2009 of Meggitt Aircraft Braking Systems Corporation (MABS) and Meggitt (Rockmart), Inc. (Rockmart) (formerly Engineered Fabrics Corp.) (the Company), both of which are wholly-owned subsidiaries of Meggitt-USA, Inc. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

The Plan is frozen to new participants, with the exception of previously participating employees who are rehired within five years of their termination date and certain transfers of employees promoted from the Rockmart bargaining unit. Vesting is immediate for participant contributions and occurs after 5 years of eligibility service for benefits related to employer contributions.

The Plan is used for certain transactions, in addition to which are defined by the Plan document. The plan sponsor funds the expenses to the trust for these transactions; therefore, there is no effect on net assets available for benefits of the Plan.

Participant Accounts

Under the Plan provisions, amounts are credited by the Company to the participants' hypothetical accounts. The accounts are allocated compensation credits and investment credits at the end of every quarter. The compensation credits are allocated based on a percentage of the participants' certified compensation as defined in the Plan document for that particular quarter. The applicable percentage is 7% and is based on the participants' age plus years of credited service (as defined in the Plan document) at the end of the quarter. Age and credited service are determined in whole years at the end of the quarter.

Participants' hypothetical accounts also receive investment credits at the end of every quarter. The amount of the investment credit is adjusted quarterly. The interest rate was 7% as of December 31, 2015 and 2014.

Pension Benefits

Benefits are determined based on the participants' hypothetical account balance. Generally, normal retirement is the later of age 65 or completion of 5 years of eligibility service. Pension benefits are based upon formulas for noncontributory benefits for all eligible participants and separate formulas for contributory benefits for MABS and Rockmart as summarized below.

The non-contributory benefit formula is the sum of (i) a fixed dollar amount multiplied by years and months of continuous service from March 13, 1987 through December 31, 1989 and (ii) for continuous service after 1989, the greater of the sum of 0.7% of each year's earnings up to the Social Security wage base or \$288 multiplied by years and months of continuous service.

NOTES TO FINANCIAL STATEMENTS
K & F INDUSTRIES
RETIREMENT PLAN FOR SALARIED EMPLOYEES

Note 1. Description of the Plan (Continued)

Pension Benefits (Continued)

The contributory benefit formula for MABS is in two parts with part 1 being the greater of (i) 60% of employee contributions made between March 13, 1987 and December 31, 1989 which were not withdrawn or (ii) adjusted earnings in excess of the applicable base amount multiplied by a percentage based upon years of contributory service. Part 2 applies to contributory service after 1989 and is equal to the greater of (i) 60% of employee contributions made after 1989 or (ii) the sum of amounts determined each year after 1989 by applying a percentage (either 1.05% or 1.35% based upon years of contributory service) to earnings in excess of \$19,800 but not more than the Social Security wage base for the year plus a percentage (either 2.25% or 2.65% based upon years of contributory service) multiplied by earnings in excess of the Social Security wage base for the year.

The contributory benefit formula for Rockmart is the greater of (i) 60% of all employee contributions made on and after March 13, 1987 which were not withdrawn or (ii) adjusted earnings in excess of the applicable base amount multiplied by a percentage that reflects increasing years of contributory service.

Required and optional forms of payment are provided to eligible participants with spousal consent where applicable. The Plan permits early retirement with unreduced benefits in certain circumstances. Early retirement is available at any age with at least 30 years of eligibility service, 10 years of eligibility service and age 55, or age of 55 plus a combination of age and years of eligibility service totaling at least 70 years.

The Plan document includes detailed rules for each situation and forms of payment. Participants and other interested parties should refer to the Plan document regarding specific provisions of the Plan.

Death Benefits

The Plan provides the required 50% qualified pre-retirement survivor annuity (QPSA) to the surviving spouses of vested married participants. In lieu of the QPSA, a special surviving spouse benefit is available for an active, eligible employee with at least 10 years of eligibility service who dies at age 45 or older. This special death benefit is equal to a 100% joint and survivor annuity and is paid to the surviving spouse until such spouse's death. There is a limited death benefit payable to certain survivor(s) if the participant was not eligible for the QPSA or special death benefit.

Note 2. Significant Accounting Policies

The accompanying financial statements reflect the application of certain accounting policies described in this note.

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

Use of Estimates

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

NOTES TO FINANCIAL STATEMENTS
K & F INDUSTRIES
RETIREMENT PLAN FOR SALARIED EMPLOYEES

Note 2. Significant Accounting Policies (Continued)

Investment Valuation and Income Recognition

The Plan's sole investment is an interest in the K & F Industries Master Pension Trust (Master Trust), which was established for the pooled investment of assets of the Plan and Aircraft Braking Systems/Engineered Fabrics Retirement Plan for Bargaining-Unit Employees. The Plan's investment in the Master Trust is stated at fair value based on the fair value of the net assets of the Master Trust. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 7 for a discussion of fair value measurements.

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

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Administrative Expenses

As provided in the Plan document, costs of administering the Plan are paid by the Plan. Certain administrative and clerical functions are performed by the Company's employees at no charge to the Plan.

Recent Accounting Pronouncements

In May 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2015-07, Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent). The amendments in this Update remove the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. However, sufficient information must be provided to permit reconciliation of the fair value of assets categorized within the fair value hierarchy to the amounts presented in the statement of financial position. The amendments also remove the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. The amendments in this Update are effective for public business entities for fiscal years beginning after December 15, 2015. For all other entities, the amendments in this Update are effective for fiscal years beginning after December 15, 2016. Early adoption is permitted. Upon adoption, the amendments shall be applied retrospectively to all periods presented. The Plan adopted this update for the 2015 Plan year, and it was retrospectively applied to December 31, 2014. Prior year disclosures have been revised to reflect the retrospective application of this Update. The impact of adopting this Update is reflected in Note 8.

In July 2015, the FASB issued Accounting Standards Update No. 2015-12, Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965) – (I) Fully Benefit-Responsive Investment Contracts, (II) Plan Investment Disclosures, and (III) Measurement Date Practical Expedient (a consensus of the FASB Emerging Issues Task Force). The purpose of this Update is to simplify plan accounting.

NOTES TO FINANCIAL STATEMENTS
K & F INDUSTRIES
RETIREMENT PLAN FOR SALARIED EMPLOYEES

Note 2. Significant Accounting Policies (Continued)

Recent Accounting Pronouncements (Continued)

- The amendments in Part I of this Update designate contract value as the only required measure for direct investments in fully benefit-responsive investment contracts. Fully benefit-responsive investment contracts will be presented at contract value, accordingly there will no longer be an adjustment from fair value to contract value on the face of the financial statements.
- The amendments in Part II of this Update will eliminate the requirements for plans to disclose (1) individual investments that represent 5 percent or more of net assets available for benefits and (2) the net appreciation or depreciation for investments by general type for both participant directed investments and nonparticipant-directed investments. The net appreciation or depreciation in investments for the period will still be required to be presented in the aggregate. In addition, if an investment is measured using the net asset value per share (or its equivalent) practical expedient in Topic 820 and that investment is in a fund that files a U.S. Department of Labor Form 5500, Annual Return/Report of Employee Benefit Plan, as a direct filing entity, disclosure of that investment's strategy will no longer be required.
- The amendments in Part III of this Update reduce complexity in employee benefit plan accounting by providing a practical expedient that permits plans to measure investments and investment-related accounts as of a month-end date that is closest to the plan's fiscal year-end, when the fiscal period does not coincide with month-end.

The Update may be adopted in whole or by part (I, II, and III), as applicable. The amendments in this Update are effective for fiscal years beginning after December 15, 2015. Early adoption is permitted. Upon adoption, the amendments in Parts I and II shall be applied retrospectively to all periods presented; the amendments in Part III shall be applied prospectively. The Plan adopted Part II of this Update for the 2015 plan year, and the amendments in Part II were retrospectively applied to December 31, 2014. Prior year disclosures in Note 8 have been revised to reflect the retrospective application. The impact of adopting these amendments is reflected in the financial statements.

Subsequent Events

The Plan has evaluated subsequent events through October 17, 2016, the date the financial statements were available to be issued.

Note 3. Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments that are attributable, under the provisions of the Plan, to the services employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees with vested rights or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries.

Benefits under the Plan are based on certain formulas determined by the Plan.

The accumulated plan benefits for active employees are based on the Plan's terms and each participant's service through the date as of which the benefit information is presented (the valuation date). 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.

NOTES TO FINANCIAL STATEMENTS
K & F INDUSTRIES
RETIREMENT PLAN FOR SALARIED EMPLOYEES

Note 3. Actuarial Present Value of Accumulated Plan Benefits (Continued)

The actuarial present value of accumulated plan benefits was determined by an independent actuary and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions underlying the actuarial computations as of December 31, 2014, the latest actuarial information available, were (a) life expectancy of participants based upon RP-2014 Headcount Weighted table (adjusted back to 2006) (b) retirement age assumptions based on a table of anticipated rates of retirement at each of the ages at which retirement eligibility occurs, and (c) the assumed rate of return on the Plan's investments. The valuation included an assumed rate of return of 7%.

The foregoing actuarial assumptions were 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.

Note 4. Funding Policy

Employer Contributions

The Company's funding policy is to make contributions to the Plan on the basis of an annual actuarial determination of the Plan's liabilities. The amounts of such contributions are intended to maintain funding levels in the Plan, which will meet ongoing obligations to participants of the Plan as well as amortizing the past service liability over periods as stipulated by ERISA. The Company's contributions for the years ended December 31, 2015 and 2014 met or exceeded the minimum funding requirements under ERISA.

Participant Contributions

To increase the benefits available under the Plan, participants, on a monthly basis, may contribute 1 3/4% (2% after age 55) of earnings in excess of \$1,650 per month up to 1/12 the current Social Security wage base, plus 3-1/2% (4% after age 55) of earnings in excess of the monthly Social Security wage base. Participants who elect to contribute to the Plan must have six months of service and make contributions of at least \$5.00 per month.

Note 5. Plan Termination

Although it has not expressed any intent to do so, the plan sponsor has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to provisions of ERISA. In the event of Plan termination, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

- (a) Benefits attributable to employee contributions taking into account those paid out before termination.
- (b) Annuity benefits that former employees or their beneficiaries have been receiving for at least three years or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under Plan provisions in effect at any time during the five years preceding Plan termination.

NOTES TO FINANCIAL STATEMENTS
K & F INDUSTRIES
RETIREMENT PLAN FOR SALARIED EMPLOYEES

Note 5. Plan Termination (Continued)

- (c) Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC) up to the applicable limitations (discussed below).
- (d) Other vested benefits (that is, vested benefits not insured by the PBGC).
- (e) All nonvested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested, normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees. For Plan terminations occurring during 2015 and 2014, the statutory ceiling was approximately \$5,000 and \$4,900 per month, respectively.

The ceiling applies to those pensioners who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or plan termination (whichever comes later). For younger annuitants or for those who elect to receive their benefits in some form more valuable than a single-life annuity, the corresponding ceilings will be actuarially adjusted downward.

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

Note 6. Present Value of Accumulated Plan Benefits

The actuarial present value of accumulated Plan benefits information as of December 31, 2014 is summarized as follows:

Vested benefits	
Participants currently receiving payments	\$ 51,050,484
Other participants	47,321,716
	<u>98,372,200</u>
Nonvested benefits	
	139,083
	<u><u>\$ 98,511,283</u></u>

NOTES TO FINANCIAL STATEMENTS
K & F INDUSTRIES
RETIREMENT PLAN FOR SALARIED EMPLOYEES

Note 6. Present Value of Accumulated Plan Benefits (Continued)

The changes in the actuarial present value of accumulated Plan benefits as of December 31, 2014 are summarized as follows:

Actuarial present value of accumulated Plan benefits, beginning	\$ 91,319,553
Increase (decrease) during the year attributable to	
Change in actuarial assumptions	3,862,079
Benefits accumulated and actuarial experience	2,270,743
Increase for interest due to the decrease in the discount period	6,392,369
Benefits paid	<u>(5,333,461)</u>
Actuarial present value of accumulated plan benefits, ending	<u>\$ 98,511,283</u>

Note 7. Fair Value Measurements

The framework for measuring fair value provides 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 or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

NOTES TO FINANCIAL STATEMENTS
K & F INDUSTRIES
RETIREMENT PLAN FOR SALARIED EMPLOYEES

Note 7. Fair Value Measurements (Continued)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2015 and 2014.

Interest-Bearing Cash: Valued using amortized cost which approximates fair value.

U.S. Government Agency Bonds and Notes: Valued at the closing price reported on the active market on which the individual securities are traded.

Common Collective Trusts: A collective fund that is composed primarily of fully benefit-responsive investment contracts is valued at the net asset value (NAV) of units of the bank collective trust. The NAV is used as a practical expedient to estimate fair value. This practical expedient would not be used if it is determined to be probable that the fund will sell the investment for an amount different from the reported NAV. Participant transactions (purchases and sales) may occur daily. If the Plan initiates a full redemption of the collective trust, the issuer reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

Other: Valued by using pricing tools using the Black-Scholes option pricing model as a key driver. These options are “over-the-counter” and customized for the Plan so there are no prices available on exchange. However, pricing is readily obtainable from counterparty investment banks as these are liquid instruments.

Note 8. Interest in K & F Industries Master Pension Trust

Investments of the Plan are maintained in the Master Trust administered by JP Morgan Chase Bank N.A., as trustee. The Master Trust was established by K & F Industries, Inc. for the pooled investment of assets of the Plan and Aircraft Braking Systems/Engineered Fabrics Retirement Plan for Bargaining-Unit Employees.

Pursuant to the trustee's method of allocating the investment holdings between the two plans, contributions into the Master Trust are treated as purchases of shares in the Master Trust, withdrawals are treated as sales of shares, and investment income is allocated proportionately to all shares held.

Accordingly, the value of the Plan's investment in the Master Trust is equal to the Plan's interest in the Master Trust's combined net assets available for benefits.

All investment information including investments held in the Master Trust as of December 31, 2015 and 2014, interest and dividend income and net appreciation in fair value of investments for the years then ended, included in the Plan's financial statements, was prepared by or derived from information provided by JP Morgan Chase Bank N.A., the trustee of the Plan, and furnished to the plan administrator. The plan administrator has obtained certifications from the trustee that the information provided to the plan administrator by the trustee related to the Master Trust and to the Plan is complete and accurate. Accordingly, as permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the investment information.

NOTES TO FINANCIAL STATEMENTS

K & F INDUSTRIES

RETIREMENT PLAN FOR SALARIED EMPLOYEES

Note 8. Interest in K & F Industries Master Pension Trust (Continued)

The fair value of Master Trust investments held by the trustee, of which the Plan has a proportionate interest of approximately 50.7% and 50.1% at December 31, 2015 and 2014, respectively, is presented in the table below. The following tables include unaudited information regarding the Master Trust and the Plan as of and for the years ended December 31:

	2015	2014
Investments		
Interest bearing cash	\$ 1,101,188	\$ 1,615,550
U.S. Government Agency bonds and notes	38,775,548	38,218,001
Common collective trusts	155,601,204	163,887,375
Other	4,314,909	2,994,602
	199,792,849	206,715,528
Accrued investment income	41,912	41,887
Total	\$199,834,761	\$206,757,415
Amount allocated to the Plan	\$101,223,338	\$103,630,836

The following are the changes in net assets for the Master Trust for the years ended December 31:

	2015	2014
Net appreciation in fair value of investments	\$ 695,272	\$ 19,432,518
Interest and dividends	244,194	164,384
Net investment income	939,466	19,596,902
Net transfers	(5,748,256)	(1,007,336)
Administrative expenses	(2,113,864)	(2,112,274)
Increase (decrease) in net assets	(6,922,654)	16,477,292
Net assets		
Beginning of year	206,757,415	190,280,123
End of year	\$199,834,761	\$206,757,415

NOTES TO FINANCIAL STATEMENTS

K & F INDUSTRIES

RETIREMENT PLAN FOR SALARIED EMPLOYEES

Note 8. Interest in K & F Industries Master Pension Trust (Continued)

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

Assets at fair value as of December 31, 2015				
	Level 1	Level 2	Level 3	Total
Interest bearing cash	\$ -	\$ 1,143,100	\$ -	\$ 1,143,100
U.S. Government Agency bonds and notes	-	38,775,548	-	38,775,548
Other	-	4,314,909	-	4,314,909
Total investments in the fair value hierarchy	\$ -	\$ 44,233,557	\$ -	44,233,557
Investment measured at net asset value (a)				155,601,204
Total investments at fair value				\$ 199,834,761

Assets at fair value as of December 31, 2014				
	Level 1	Level 2	Level 3	Total
Interest bearing cash	\$ -	\$ 1,657,437	\$ -	\$ 1,657,437
U.S. Government Agency bonds and notes	-	38,218,001	-	38,218,001
Other	-	2,994,602	-	2,994,602
Total investments in the fair value hierarchy	\$ -	\$ 42,870,040	\$ -	42,870,040
Investment measured at net asset value (a)				163,887,375
Total investments at fair value				\$ 206,757,415

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

NOTES TO FINANCIAL STATEMENTS

K & F INDUSTRIES

RETIREMENT PLAN FOR SALARIED EMPLOYEES

Note 8. Interest in K & F Industries Master Pension Trust (Continued)

The following table summarizes investments for which fair value is measured using the net asset per share practical expedient as of December 31.

2015				
	Fair value	Unfunded commitment	Redemption frequency	Redemption notice period
Common collective trusts				
Equity (a)	\$ 38,561,479	\$ -	Daily	None
Fixed income (b)	103,510,438	-	Daily	None
Real estate (c)	13,529,287	-	Quarterly	45 days
Total	\$ 155,601,204	\$ -		
2014				
	Fair value	Unfunded commitment	Redemption frequency	Redemption notice period
Common collective trusts				
Equity (a)	\$ 40,506,683	\$ -	Daily	None
Fixed income (b)	109,991,000	-	Daily	None
Real estate (c)	13,389,692	-	Quarterly	45 days
Total	\$ 163,887,375	\$ -		

- (a) This class seeks to provide strong risk-adjusted returns through exposure to a mix of both domestic and international equities.
- (b) This class seeks to provide liquidity and preservation of capital by investing primarily in debt securities. Investments in this class include commingled funds which may invest in high yield corporate debt securities, investment grade debt securities rated A or better, debt instruments of foreign corporations and governments, traditional money market investments, U.S. treasuries, and other fixed income instruments.
- (c) This class seeks to provide a high level of current income combined with moderate appreciation through the investment of real estate investments which are owned directly or through partnership interests, as well as mortgage loans on income-producing real estate.

The fair value of investments in all of these categories noted above has been estimated using the net asset value per share of underlying investments.

NOTES TO FINANCIAL STATEMENTS
K & F INDUSTRIES
RETIREMENT PLAN FOR SALARIED EMPLOYEES

Note 8. Interest in K&F Industries Master Pension Trust (Continued)

Changes in Fair Value Levels

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

We evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the years ended December 31, 2015 and 2014, there were no significant transfers in or out of Levels 1, 2 or 3.

Note 9. Income Tax Status

The Internal Revenue Service has determined and informed the Company by letter dated November 6, 2015, that the Plan and the related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC) and, therefore, the related trust is not subject to the tax under present income tax law. The Plan has been amended since filing for the determination letter. However, the plan administrator believes that the Plan is designed and is currently being operated in compliance with applicable requirements of the IRC.

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

Note 10. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such 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 estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Note 11. Related-Party Transactions

Certain Plan investments are units of a common collective trust fund managed by JP Morgan Chase Bank N.A. JP Morgan Chase Bank N.A. is the trustee of the Plan and, therefore, these transactions qualify as party-in-interest transactions which are exempt from the prohibited transaction rules. Management fees for these funds are paid by the respective funds and reduce the return earned on the funds.

**Attachment to 2015 Schedule SB of Form 5500
Schedule SB, Line 26 – Schedule of Active Participant Data
K&F Industries Retirement Plan for Salaried Employees
EIN 34-1614846 PN 002**

[illegible]

Attachment to 2015 Schedule SB of Form 5500
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
K&F Industries Retirement Plan for Salaried Employees
EIN 34-1614846 PN 002

Interest:

The interest rates used for the 2015 plan year are the 24-month average corporate bond segment rates for September 2014 (a 4-month lookback) subject to funding stabilization. Under stabilization, the interest rates used for funding purposes are calculated in the usual manner (24-month average corporate bond rates) but are then constrained to be within a corridor around a 25-year average of those same bond rates. For 2015, the stabilization corridor is 10%. It will remain at 10% through 2020, then increase by 5% per year until it reaches 30% for 2024. The rates are as follows:

	Payments in the First 5 Years	Payments in Years 6 – 20	Payments Thereafter	Effective Interest Rate
Current Year, reflecting stabilization (under HATFA)	4.72%	6.11%	6.81%	6.24%
Current Year, without stabilization	1.15%	4.06%	5.15%	4.31%
Prior Year, reflecting stabilization (under HATFA)	4.99%	6.32%	6.99%	6.45%
Prior Year, without stabilization	1.37%	4.05%	5.06%	4.31%

Attachment to 2015 Schedule SB of Form 5500
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
K&F Industries Retirement Plan for Salaried Employees
EIN 34-1614846 PN 002

	The interest rates used to determine the PBGC variable rate premium are: <table><tr><th></th><th>Payments in the First 5 Years</th><th>Payments in Years 6 – 20</th><th>Payments Thereafter</th></tr><tr><td>Current Year</td><td>1.48%</td><td>3.77%</td><td>4.79%</td></tr><tr><td>Prior Year</td><td>1.25%</td><td>4.57%</td><td>5.60%</td></tr></table> These interest rates are based on the plan sponsor’s election subject to the constraints established by law.		Payments in the First 5 Years	Payments in Years 6 – 20	Payments Thereafter	Current Year	1.48%	3.77%	4.79%	Prior Year	1.25%	4.57%	5.60%				
	Payments in the First 5 Years	Payments in Years 6 – 20	Payments Thereafter														
Current Year	1.48%	3.77%	4.79%														
Prior Year	1.25%	4.57%	5.60%														
Mortality rates:	RP2000 separate annuitant and non-annuitant healthy mortality tables (sex-specific) with static projection using Scale AA and no collar-adjustment. Mortality is projected from 2000 through the valuation date plus another 7 years for annuitants, and through the valuation date plus another 15 years for non-annuitants. This assumption is one of the choices allowed by the regulations.																
Salary increases:	<table><tr><th>Age</th><th>Male</th></tr><tr><td>Under 25</td><td>7.50%</td></tr><tr><td>25</td><td>7.32</td></tr><tr><td>30</td><td>6.41</td></tr><tr><td>35 - 54</td><td>5.50</td></tr><tr><td>55</td><td>5.18</td></tr><tr><td>60</td><td>3.59</td></tr><tr><td>65 & over</td><td>2.00</td></tr></table> This assumption is based on historical and current data, adjusted to reflect estimated future experience and professional judgment.	Age	Male	Under 25	7.50%	25	7.32	30	6.41	35 - 54	5.50	55	5.18	60	3.59	65 & over	2.00
Age	Male																
Under 25	7.50%																
25	7.32																
30	6.41																
35 - 54	5.50																
55	5.18																
60	3.59																
65 & over	2.00																

Attachment to 2015 Schedule SB of Form 5500
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
K&F Industries Retirement Plan for Salaried Employees
EIN 34-1614846 PN 002

Benefit election:	100% of participants are assumed to elect payment in the form of a 5-year certain and life. This assumption is based on historical and current data, adjusted to reflect estimated future experience and professional judgment.	
Sample termination rates:		

Attachment to 2015 Schedule SB of Form 5500
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
K&F Industries Retirement Plan for Salaried Employees
EIN 34-1614846 PN 002

Retirement (from active status) rates:		

Attachment to 2015 Schedule SB of Form 5500
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
K&F Industries Retirement Plan for Salaried Employees
EIN 34-1614846 PN 002

Asset method:	As selected by the plan sponsor, assets are determined by averaging the market value as of the valuation date and the adjusted market values as of the preceding two years. The resulting value is limited to between 90% to 110% of market value of assets. The adjusted market values reflect cash flow and expected earnings to the valuation date. The expected earnings are based on an assumed rate of return of 8.00% for 2013 and 8.00% for 2014, not to exceed the applicable third segment rate of 7.16% for 2013 and 6.99% for 2014.
Funding method:	Funding method is unit credit actuarial cost method, as prescribed by law. The liability is measured on an accrual-to-date basis using mandated mortality tables and interest rates with no salary projection past the end of the year. If all assumptions are met (including the investment earnings implicitly assumed by the interest rate), funding the plan at the minimum required contribution level is generally designed to achieve a 100% funded status within seven years. Once that is achieved, or for overfunded plans, the required contribution will generally equal the target normal cost reduced by any overfunding.

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 <u>01/01/2015</u> and ending <u>12/31/2015</u>																						
► 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 K & F INDUSTRIES RETIREMENT PLAN FOR SALARIED EMPLOYEES		B Three-digit plan number (PN) ► <u>002</u>																				
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF K & F INDUSTRIES, INC.		D Employer Identification Number (EIN) 34-1614846																				
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: <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">a Market value.....</td> <td style="width: 10%; text-align: center;">2a</td> <td style="width: 20%; text-align: right;">106,816,412</td> </tr> <tr> <td>b Actuarial value.....</td> <td style="text-align: center;">2b</td> <td style="text-align: right;">104,002,083</td> </tr> </table>			a Market value.....	2a	106,816,412	b Actuarial value.....	2b	104,002,083														
a Market value.....	2a	106,816,412																				
b Actuarial value.....	2b	104,002,083																				
3 Funding target/participant count breakdown <table style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%;"></th> <th style="width: 15%; text-align: center;">(1) Number of participants</th> <th style="width: 15%; text-align: center;">(2) Vested Funding Target</th> <th style="width: 20%; text-align: center;">(3) Total Funding Target</th> </tr> <tr> <td>a For retired participants and beneficiaries receiving payment.....</td> <td style="text-align: center;">624</td> <td style="text-align: right;">52,657,365</td> <td style="text-align: right;">52,657,365</td> </tr> <tr> <td>b For terminated vested participants.....</td> <td style="text-align: center;">326</td> <td style="text-align: right;">10,068,603</td> <td style="text-align: right;">10,068,603</td> </tr> <tr> <td>c For active participants.....</td> <td style="text-align: center;">357</td> <td style="text-align: right;">39,404,756</td> <td style="text-align: right;">39,544,517</td> </tr> <tr> <td>d Total.....</td> <td style="text-align: center;">1,307</td> <td style="text-align: right;">102,130,724</td> <td style="text-align: right;">102,270,485</td> </tr> </table>				(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target	a For retired participants and beneficiaries receiving payment.....	624	52,657,365	52,657,365	b For terminated vested participants.....	326	10,068,603	10,068,603	c For active participants.....	357	39,404,756	39,544,517	d Total.....	1,307	102,130,724	102,270,485
	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target																			
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c For active participants.....	357	39,404,756	39,544,517																			
d Total.....	1,307	102,130,724	102,270,485																			
4 If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐ <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">a Funding target disregarding prescribed at-risk assumptions.....</td> <td style="width: 10%; text-align: center;">4a</td> <td style="width: 20%;"></td> </tr> <tr> <td>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.....</td> <td style="text-align: center;">4b</td> <td></td> </tr> </table>			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															
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 2,883,816																						
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	Jarred Wilson Signature of actuary	10/05/2016 Date 1407371 Most recent enrollment number 212-251-5000 Telephone number (including area code)																				
JARRED WILSON, MAAA, EA Type or print name of actuary																						
SIBSON CONSULTING Firm name																						
333 W. 34 ST. NEW YORK NY 10001 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	3,267,531
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	3,267,531
9 Amount remaining (line 7 minus line 8)	0	0
10 Interest on line 9 using prior year's actual return of <u>9.63</u> %	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		1,167,343
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>6.49</u> %		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		112,415
c Total available at beginning of current plan year to add to prefunding balance		1,279,758
d Portion of (c) to be added to prefunding balance		1,279,758
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	1,279,758

Part III Funding Percentages

14 Funding target attainment percentage	14	100.44 %
15 Adjusted funding target attainment percentage	15	101.69 %
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	95.85 %
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
07/01/2015	0	375,417			
10/15/2015	330,000	0			
01/15/2016	550,000	0			
09/15/2016	360,000	0			
Totals ▶			18(b)	1,240,000	18(c) 375,417

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	1,155,819

20 Quarterly contributions and liquidity shortfalls:

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

Liquidity shortfall as of end of quarter of this plan year

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

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

21 Discount rate:			
a Segment rates:	1st segment: 4.72%	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 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	2,883,816	
b Excess assets, if applicable, but not greater than line 31a	31b	451,840	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount		33	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)		34	2,431,976
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	1,279,758	1,279,758
36 Additional cash requirement (line 34 minus line 35)		36	1,152,218
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)		37	1,155,819
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	3,601	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	3,601	
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

Attachment to 2015 Schedule SB of Form 5500

Schedule SB, Line 18 – Contributions made to the plan for the plan year by employees

K&F Industries Retirement Plan for Salaried Employees

EIN 34-1614846 PN 002

Schedule of Employee Contributions

Date (MM-DD-YYYY)	Amount paid by employees
01/15/2015	23,361
02/15/2015	36,611
03/15/2015	23,211
04/15/2015	54,106
05/15/2015	56,331
06/15/2015	1,731
07/15/2015	31,187
08/15/2015	39,725
09/15/2015	28,997
10/15/2015	25,921
11/15/2015	30,899
12/15/2015	23,336
Totals	375,417

Attachment to 2015 Schedule SB of Form 5500
Schedule SB, Line 22 – Description of Weighted Average Retirement Age
K&F Industries Retirement Plan for Salaried Employees
EIN 34-1614846 PN 002

Retirement (from active status) rates:	The incidence of retirement is assumed as indicated below: Percentage of Participants Expected to Retire Within One Year <table> <tr> <th><u>Age</u></th><th><u>Rates</u></th></tr> <tr> <td>50-54</td><td>0%</td></tr> <tr> <td>55</td><td>3</td></tr> <tr> <td>56</td><td>3</td></tr> <tr> <td>57</td><td>3</td></tr> <tr> <td>58</td><td>3</td></tr> <tr> <td>59</td><td>3</td></tr> <tr> <td>60</td><td>3</td></tr> <tr> <td>61</td><td>10</td></tr> <tr> <td>62</td><td>30</td></tr> <tr> <td>63</td><td>10</td></tr> <tr> <td>64</td><td>20</td></tr> <tr> <td>65-69</td><td>30</td></tr> <tr> <td>70 & over</td><td>100</td></tr> </table> Average retirement age for Schedule SB, line 22: 63	<u>Age</u>	<u>Rates</u>	50-54	0%	55	3	56	3	57	3	58	3	59	3	60	3	61	10	62	30	63	10	64	20	65-69	30	70 & over	100
<u>Age</u>	<u>Rates</u>																												
50-54	0%																												
55	3																												
56	3																												
57	3																												
58	3																												
59	3																												
60	3																												
61	10																												
62	30																												
63	10																												
64	20																												
65-69	30																												
70 & over	100																												
Methodology:	The weighted retirement age is determined by using a radix at age 54, applying the retirement rates above to determine the expected number of retirements at each potential retirement age, weighing each age by the retirement proportion, and then summing up all the weighted ages.																												

Attachment to 2015 Schedule SB of Form 5500
Schedule SB, Part V – Summary of Plan Provisions
K&F Industries Retirement Plan for Salaried Employees
EIN 34-1614846 PN 002

This subsection summarizes the major provisions of the Plan as included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

PLAN STATUS: ONGOING; CLOSED TO NEW ENTRANTS AS OF APRIL 1, 2009	
Normal retirement:	
Age requirement:	65
Service requirement:	5 years
<u>Akron & New York</u> Amount:	For service through 12/31/89, accrued benefit as of that date, including an adjustment to the final average salary through 12/31/91. For service beginning after December 31, 1989, for each year of service the sum of (a) plus (b): (a) Non-contributory portion of 0.7% of pay up to the Social Security Wage Base, with a minimum of \$288. (b) Contributory portion equal to the greater of: (i) 60% of employee's accumulated contributions; or (ii) Career average formula of 1.05% of pay between \$19,800 and the Social Security Wage Base plus 2.25% of pay in excess of the Social Security Wage Base for the first 15 years of service, plus 1.35% of pay between \$19,800 and the Social Security Wage Base plus 2.65% of pay in excess of the Social Security Wage Base for years of service in excess of 15.
<u>Rockmart</u> Amount:	Non Contributory Pension – For service through 12/31/89, accrued benefit as of that date. For service 1/1/90 and later, 0.7% of pay up to the Social Security wage base, with a minimum of \$288. Contributory Pension - Annual benefit equal to the greater of: 1) 60% of the employee's accumulated contributions or 2) Adjusted Earnings in excess of the Social Security Base Amount multiplied by: a) 2.4% times years of service up to 10 plus b) 1.8% times additional years of service up to 20 plus c) 1.2% times additional years of service up to 30 plus d) 0.6% times all additional service above 30 years. Adjusted Earnings is defined as average compensation earned during the last ten years. The Social Security Base Amount is defined as 90% of the average of the Social Security wage bases during the last ten years.

Attachment to 2015 Schedule SB of Form 5500
Schedule SB, Part V – Summary of Plan Provisions
K&F Industries Retirement Plan for Salaried Employees
EIN 34-1614846 PN 002

Early retirement:				
Age and service requirement:	1)	Age 55 and 10 years of service or		
	2)	Age 55 with age plus years of service equaling at least 70 or		
	3)	Any age with 30 years of service.		
Regular Amount:	The accrued normal retirement benefit is reduced by 4/10 of 1% for each month benefit commencement is prior to age 62. For the Akron and New York locations, the accrued normal retirement benefit for service after 1/1/90 is reduced to the percentage shown in the table below:			
		62	100.0%	56 57.8%
		61	90.8	55 53.1
		60	82.7	54 48.8
		59	75.4	53 45.0
		58	68.9	52 41.5
		57	63.1	51 38.3
				50 33.4
	The non-contributory benefit will not be reduced for employees retiring with 30 years of service.			
Supplemental Amount:	For employees retiring after age 55 with 30 years of service, a monthly benefit in lieu of the non-contributory benefit prior to age 62 of \$90 plus \$9 for each year of service in excess of 30 plus \$10 for each year that retirement age is in excess of 55, payable to age 62.			
Disability:				
Age requirement:	None			
Service requirement:	None			
Amount:	The accrued normal retirement benefit payable at age 65. Payments may begin as early as age 55, reduced according to the schedule shown in Early Retirement.			

Attachment to 2015 Schedule SB of Form 5500
Schedule SB, Part V – Summary of Plan Provisions
K&F Industries Retirement Plan for Salaried Employees
EIN 34-1614846 PN 002

Vesting:	
Age requirement:	None
Service requirement:	5 years of service
Amount:	The accrued normal retirement benefit payable at age 65. Payments may begin as early as age 55, reduced according to the schedule shown in Early Retirement.
Pre-retirement death benefits:	
Regular Survivor Benefit:	
Age:	45
Service requirement:	If hired on or after September 1, 1982, 10 years; otherwise, no service requirement
Amount:	The benefit which would have been paid to the spouse if the employee had retired on the date of his death and elected Option A (100% J&S with 5-year certain), with the non-contributory portion subject to a \$400 minimum.
Pre-retirement survivor Benefit (Retirement Equity Act):	
Age:	None
Service requirement:	5 years
Amount:	50% of the benefit the participant would have received had he retired on the date of death and elected the 50% Joint and Survivor Option, commencing on the date of death, or age 55 if later.
Transition Benefit:	
Eligibility requirement:	No age and service requirement, but participant may not concurrently receive any other death benefit.
Amount:	\$400 per month payable for a maximum of 24 months following the participant's death (fewer than 24 months if the participant becomes eligible for another death benefit.)

Attachment to 2015 Schedule SB of Form 5500
Schedule SB, Part V – Summary of Plan Provisions
K&F Industries Retirement Plan for Salaried Employees
EIN 34-1614846 PN 002

Forms of Benefit:	
Normal Form:	50% Joint and Surviving Spouse Annuity with 5 years certain (if married) Life Annuity with 5 years certain (if unmarried)
Optional Forms:	100% Joint and Surviving Beneficiary Annuity with 5 years certain 50% Joint and Surviving Beneficiary Annuity with 5 years certain 75% Joint and Surviving Beneficiary Additional Joint and Survivor percentages available 10 Year Certain and Life Annuity 15 Year Certain and Life Annuity 20 Year Certain and Life Annuity
Actuarial Equivalence:	UP 1984 Mortality Table, 6% interest For the lump sum and level income options, actuarial equivalence is based on 417(e) assumptions
Employee Contributions For Contributory Benefit:	
Required Contributions:	Participants contribute 1-3/4% (2% after age 55) of the excess of the participant's earnings over \$19,800 up to the Social Security Wage Base plus 3-1/2% (4% after age 55) of the excess of the participant's earnings over the Social Security Wage Base; the minimum monthly contribution is \$5.00.
Withdrawal of Contributions:	Upon termination of employment prior to becoming vested, employee contributions, together with appropriate accumulated interest, are refunded.
Return of Contributions in the Event of Death:	In the event of death prior to benefit commencement when no future contributory benefits will be payable, employee contributions with interest to the date of death are refunded to any participant. In the event of cessation of benefits due to death after benefit commencement, the excess, if any, of employee contributions with interest to the date of benefit commencement over benefits paid are refunded.
Statutory Limits:	
Section 415 limit:	\$210,000 (previously \$210,000)
Section 401(a)(17) limit:	\$265,000 (previously \$260,000)

SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)

K & F INDUSTRIES MASTER PENSION TRUST
EIN 13-3408600
PN 001

December 31, 2015

<i>(a)</i> Identity of issue, borrower, lessor or similar party	<i>(b)</i>	<i>(c)</i> Description of investment including maturity date, rate of interest, collateral and par or maturity value	<i>(d)</i> Cost	<i>(e)</i> Current value
Interest bearing cash				
* JPMorgan Prime Premier Shares Monthly Variable 12/31/2049		1,101,188 shares	**	1,101,188
Common collective trusts				
* JPMCB Emerging Markets Fixed Income Fund		472,789 shares	**	5,480,992
* JPM Liquidity Monthly Variable		156,226 shares	**	156,226
* JPMCB Core Bond Fund		212,280 shares	**	3,683,065
* JPMCB Diversified Equity Fund		1,578,380 shares	**	38,259,939
* JPMCB Extended Duration Fund		1,522,548 shares	**	31,242,680
* JPMCB Strategic Property Fund		4,855 shares	**	13,529,287
* JPMCB Corporate High Yield Fund		224,736 shares	**	8,162,418
* JPMCB Long Duration Investment Grade Fund		2,582,243 shares	**	46,816,072
* JPMCB Diversified Equity Fund -QR21		12,440 shares	**	301,539
* JPMCB High Yield Bond Fund		442,721 shares	**	7,968,985
Total Common collective trusts				155,601,204
Government bonds				
Government Bonds - USA Notes Fixed		39,280,300 shares	**	38,775,548
Other investments				
Nortel Networks Corp		29 shares	**	0
EQOBSH USD 91.43 30/04/18		40,000,000 shares	**	8,139,140
EQOBSH 73.8 30/04/18		(54,200,542) shares	**	(1,511,068)
EQOBSH 118.8 30/04/18		(40,000,000) shares	**	(2,313,163)
Total other investments				4,314,909
Total				\$ 199,792,850

* Party-in-interest to the Plan

** Cost omitted for participant-directed investments