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 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

2016

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

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

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
RETIREMENT PLAN FOR HOURLY EMPLOYEES OF THE GREENVILLE DIVISION OF E-SYSTEMS, INC

1b Three-digit plan number (PN) ▶ 036

1c Effective date of plan 01/01/1972

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)
RAYTHEON COMPANY

870 WINTER STREET
WALTHAM, MA 02451-1449

2b Employer Identification Number (EIN)
95-1778500

2c Plan Sponsor's telephone number
781-522-3000

2d Business code (see instructions)
335900

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.	09/13/2017	KELLY B. LAPPIN
	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

KELLY B. LAPPIN RAYTHEON COMPANY

870 WINTER STREET
WALTHAM, MA 02451-1449

3b Administrator's EIN: 95-1778500

3c Administrator's telephone number: 781-522-5821

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**	2134
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)**	0
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	0
b	Retired or separated participants receiving benefits	**6b**	941
c	Other retired or separated participants entitled to future benefits	**6c**	807
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	1748
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	302
f	Total. Add lines **6d** and **6e**.	**6f**	2050
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:

1B

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

9a Plan funding arrangement (check all that apply)

- **(1)** ☐ Insurance
- **(2)** ☐ Code section 412(e)(3) insurance contracts
- **(3)** ☒ 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)** ☐ 0 **A** (Insurance Information)
- **(4)** ☒ **C** (Service Provider Information)
- **(5)** ☒ **D** (DFE/Participating Plan Information)
- **(6)** ☐ **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2016 Form M-1 annual report. If the plan was not required to file the 2016 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

2016

This Form is Open to Public Inspection

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

▶ **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
RETIREMENT PLAN FOR HOURLY EMPLOYEES OF THE GREENVILLE DIVISION OF E-SYSTEMS, INC

B Three-digit plan number (PN) ▶ 036

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
RAYTHEON COMPANY

D Employer Identification Number (EIN)
95-1778500

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

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

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2016

2 Assets:

a Market value	**2a**	59905243
b Actuarial value	**2b**	62805524

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	1227	36372415	36372415
b For terminated vested participants	907	18919292	18919292
c For active participants	0	0	0
d Total	2134	55291707	55291707

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**	6.04 %
6 Target normal cost	**6**	600000

Statement by Enrolled Actuary

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

SIGN HERE

Signature of actuary

Date

GRACE BARBIERI, F.S.A.

Type or print name of actuary

17-07481

Most recent enrollment number

MERCER

Firm name

617-747-9500

Telephone number (including area code)

99 HIGH STREET
BOSTON, MA 02110-2320

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	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of 0.21%	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)		0
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.24 %		0
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
	c Total available at beginning of current plan year to add to prefunding balance		0
	d Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding Percentages

14	Funding target attainment percentage	14	113.58%
15	Adjusted funding target attainment percentage	15	113.58%
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	113.14%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls

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

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

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

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

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

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

Liquidity shortfall as of end of quarter of this plan year

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

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

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
4.43%	5.91%	6.65%	☐ N/A, full yield curve used

b Applicable month (enter code) **21b** 0

22 Weighted average retirement age **22**

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** 600000

b Excess assets, if applicable, but not greater than line 31a **31b** 600000

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** 0

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

36 Additional cash requirement (line 34 minus line 35) **36** 0

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) **37** 0

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

a Total (excess, if any, of line 37 over line 36) **38a** 0

b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances **38b** 0

39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) **39** 0

40 Unpaid minimum required contributions for all years **40** 0

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

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

a Schedule elected ..... ☐ 2 plus 7 years ☐ 15 years

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

42 Amount of acceleration adjustment **42**

43 Excess installment acceleration amount to be carried over to future plan years **43**

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2016** **This Form is Open to Public Inspection.**

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan	**B** Three-digit plan number (PN) ▶	
RETIREMENT PLAN FOR HOURLY EMPLOYEES OF THE GREENVILLE DIVISION OF E-SYSTEMS, INC		036
C Plan sponsor's name as shown on line 2a of Form 5500 RAYTHEON COMPANY	**D** Employer Identification Number (EIN) 95-1778500	

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions). . . . . ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

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

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

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

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

XEROX BUSINESS SERVICES, LLC

51-0310342

(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?
13	NONE	124448	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

PRICEWATERHOUSECOOPERS LLP

13-4008324

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	NONE	94373	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

MERCER

13-2834414

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11	NONE	45831	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

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

DELOITTE LLP

13-6044173

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10 16	NONE	8188	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

(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

(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

(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

(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

(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: JONATHAN R. BARRY

b EIN: 51-0310342

c Position: ENROLLED ACTUARY

d Address: CONDUENT HR SERVICES
260 FRANKLIN ST, SUITE 500
BOSTON, MA 02110

e Telephone: 508-440-6246

Explanation: JONATHAN R. BARRY IS NO LONGER EMPLOYED AT MERCER.

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

2016

This Form is Open to Public Inspection.

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan
RETIREMENT PLAN FOR HOURLY EMPLOYEES OF THE GREENVILLE DIVISION OF E-SYSTEMS, INC

B Three-digit plan number (PN) ▶ 036

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
RAYTHEON COMPANY

D Employer Identification Number (EIN)
95-1778500

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

a Name of MTIA, CCT, PSA, or 103-12 IE: RAYTHEON MASTER PENSION TRUST

b Name of sponsor of entity listed in (a): THE BANK OF NEW YORK MELLON

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)
04-3172773-001	M	59071624

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

a Plan name

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

a Plan name

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

a Plan name

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

a Plan name

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

a Plan name

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

a Plan name

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

a Plan name

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

a Plan name

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

a Plan name

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

a Plan name

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

a Plan name

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

a Plan name

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

a Plan name

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

SCHEDULE H (Form 5500)

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

2016

This Form is Open to Public Inspection

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan
RETIREMENT PLAN FOR HOURLY EMPLOYEES OF THE GREENVILLE DIVISION OF E-SYSTEMS, INC

B Three-digit plan number (PN) ▶ 036

C Plan sponsor's name as shown on line 2a of Form 5500
RAYTHEON COMPANY

D Employer Identification Number (EIN)
95-1778500

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)		
(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)	59905244	59071624
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	**1d(1)**		
	(2) Employer real property	**1d(2)**		
e	Buildings and other property used in plan operation	**1e**		
f	Total assets (add all amounts in lines 1a through 1e)	**1f**	59905244	59071624
	Liabilities			
g	Benefit claims payable	**1g**		
h	Operating payables	**1h**	7551	6570
i	Acquisition indebtedness	**1i**		
j	Other liabilities	**1j**	153949	154049
k	Total liabilities (add all amounts in lines 1g through1j)	**1k**	161500	160619
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	**1l**	59743744	58911005

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

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		3814440
(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		3814440
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	4045397	
(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)		4045397
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	601782	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		601782
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		4647179
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		-832739
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) [X] Unqualified **(2)** [ ] Qualified **(3)** [ ] Disclaimer **(4)** [ ] Adverse

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

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

(1) Name: PRICEWATERHOUSECOOPERS LLP **(2)** EIN: 13-4008324

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	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	

			Yes	No	Amount
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		20000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i		X	
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m			
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	4n			
o	Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service?	4o			

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
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 4020884. (See instructions.)

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 sections 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

2016

This Form is Open to Public Inspection.

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan
RETIREMENT PLAN FOR HOURLY EMPLOYEES OF THE GREENVILLE DIVISION OF E-SYSTEMS, INC

B Three-digit plan number (PN) ▶ 036

C Plan sponsor's name as shown on line 2a of Form 5500
RAYTHEON COMPANY

D Employer Identification Number (EIN)
95-1778500

Part I Distributions

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

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

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

EIN(s): 13-5160382

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year **3** 0

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

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

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

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

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

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

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

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

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

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

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

Part III Amendments

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

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

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

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

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

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

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

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

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

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

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

a Enter the percentage of plan assets held as:
Stock: 24.0 % Investment-Grade Debt: 30.0 % High-Yield Debt: 2.0 % Real Estate: 5.0 % Other: 39.0 %

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☒ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☒ Macaulay duration ☐ Modified duration ☐ Other (specify):

Part VII IRS Compliance Questions

20a Is the plan a 401(k) plan? If "No," skip b	☐ Yes ☐ No
20b How did the plan satisfy the nondiscrimination requirements for employee deferrals under section 401(k)(3) for the plan year? Check all that apply:	☐ Design-based safe harbor ☐ "Prior year" ADP test ☐ "Current year" ADP test ☐ N/A
21a What testing method was used to satisfy the coverage requirements under section 410(b) for the plan year? Check all that apply:	☐ Ratio percentage test ☐ Average benefit test ☐ N/A
21b Did the plan satisfy the coverage and nondiscrimination requirements of sections 410(b) and 401(a)(4) for the plan year by combining this plan with any other plan under the permissive aggregation rules?	☐ Yes ☐ No

22a If the plan is a master and prototype plan (M&P) or volume submitter plan that received a favorable IRS opinion letter or advisory letter, enter the date of the letter ____/____/____ and the serial number _____.

22b If the plan is an individually-designed plan that received a favorable determination letter from the IRS, enter the date of the most recent determination letter ____/____/____.

Retirement Plan for Hourly Employees of the Greenville Division of E-Systems, Inc.

Financial Statements
To Accompany 2016 Form 5500
Annual Report of Employee Benefit Plan
Under ERISA of 1974
December 31, 2016 and 2015

Retirement Plan for Hourly Employees of the Greenville Division of E-Systems, Inc.
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The supplemental schedules to the Plan's Form 5500 are not required since the Plan's assets are held in a Master Trust. Accordingly, the Plan Administrator must file detailed financial information for the Master Trust, including the supplemental schedules, separately with the Department of Labor.

Report of Independent Auditors

To the Administrator of Retirement Plan for Hourly Employees of the Greenville Division of E-Systems, Inc.

We have audited the accompanying financial statements of Retirement Plan for Hourly Employees of the Greenville Division of E-Systems, Inc. (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2016 and December 31, 2015, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding the Plan's net assets available for benefits as of December 31, 2016 and changes therein for the year then ended and its financial status as of December 31, 2015, and changes therein for the year then ended in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP

Boston, Massachusetts
September 11, 2017

Retirement Plan for Hourly Employees of the Greenville Division of E-Systems, Inc.
Statements of Net Assets Available for Benefits
December 31, 2016 and 2015

	2016	2015
Assets		
Investments at fair value (Notes 2 and 5)		
Raytheon Master Pension Trust	$ 59,071,624	$ 59,905,244
Total assets	59,071,624	59,905,244
Liabilities		
Other liabilities	$ 154,049	$ 153,949
Accrued administrative expenses	6,570	7,551
Total liabilities	160,619	161,500
Net assets available for benefits	$ 58,911,005	$ 59,743,744

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

Retirement Plan for Hourly Employees of the Greenville Division of E-Systems, Inc.
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2016 and 2015

	2016	2015
Additions		
Raytheon Master Pension Trust investment income (Notes 2 and 6)	$ 3,814,440	$ 91,065
Total additions	3,814,440	91,065
Deductions		
Benefit payments	$ 4,045,397	$ 4,029,246
Administrative expenses	601,782	529,900
Total deductions	4,647,179	4,559,146
Net increase/(decrease) in net assets available for benefits	(832,739)	$ (4,468,081)
Net assets available for benefits, beginning of year	59,743,744	$ 64,211,825
Net assets available for benefits, end of year	$ 58,911,005	$ 59,743,744

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

1. Plan Description

The following description of the Retirement Plan for Hourly Employees of the Greenville Division of E- Systems, Inc. (the "Plan") is for general information purposes only. Participants should refer to the Summary Plan Description or the Plan Document for a complete description of the Plan's provisions.

General

The Plan is a defined benefit plan that covers substantially all former employees of the former Greenville Division of Raytheon E-Systems, Inc. represented by the International Union, United Automobile, Aerospace, and Agricultural Implement Workers of America ("UAW"). The Plan provides for pension, disability, and death benefits.

On March 7, 2002, Raytheon's Aircraft Integration Systems business was sold to L-3 Corporation. The Plan was not terminated, as it still holds the accrued benefits for vested and retired employees.

Investments are held in the Raytheon Master Pension Trust ("Master Trust"). The Plan is administered by the Plan Administrator appointed by the Company's Vice President of Human Resources and is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Benefits, Eligibility and Vesting

The Plan provides for the payment of normal monthly retirement benefits at the age of 65 payable for life. The total benefit payment will be calculated using the appropriate pension rate multiplied by the number of years of benefit service. If an employee who has benefit service under the Plan prior to April 1, 1994 terminates after age 60, the employee is eligible for an optional early pension. If an employee hired after April 1, 1994 terminates after age 60, ten years of vesting service is required for optional early retirement. The benefit is computed as for normal retirement and payable for life. If an employee terminates after age 55, with ten or more years vesting service, the employee is eligible for an early pension with reduced benefits. An employee who terminates due to total and permanent disability after completion of ten or more years of vesting service is eligible for a disability pension commencing one year after the disability occurred (or, if later, the date written application is made), payable for life or until the disability ceases.

Employees of the Raytheon Company (the "Company") who meet the eligibility requirements, as defined by the Plan, may participate in the Plan. Participants are fully vested upon completion of five years of vesting service.

Contributions

The Company makes contributions to the Plan to ensure assets are sufficient to pay the benefits of the Plan. The Plan does not permit contributions by participants.

2. Summary of Significant Accounting Policies

Basis of Presentation

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

Investment Valuation and Income Recognition

The Plan's interest in the Master Trust is stated at fair value. Net investment income/ (loss) from the Master Trust is allocated proportionately on a monthly basis based on the Plan's interest in the Master Trust. See Note 5 for additional information.

Contributions
Employer contributions are funded and recorded as determined by actuarial computation. See Note 4 for additional information.

Benefit Payments
Benefit payments to participants are recorded when paid.

Administrative Expenses
All expenses of the Plan, which primarily consist of professional and administrative fees, are paid by the Plan. Expenses specifically related to the Plan are included in the Statements of Changes in Net Assets Available for Benefits under "Administrative expenses." Additionally, expenses paid directly by the Master Trust, which primarily consist of investment management fees, are allocated proportionally on a monthly basis based on the Plan's interest in the Master Trust and are included in the Statements of Changes in Net Assets Available for Benefits under "Raytheon Master Pension Trust investment income."

Use of Estimates
The preparation of the Plan's financial statements in conformity with U.S. Generally Accepted Accounting Principles ("GAAP") requires the Plan Administrator to make significant estimates and assumptions that affect the reported amounts of net assets available for benefits at the date of the financial statements and the actuarial present value of accumulated plan benefits as of the benefit information date, the changes in net assets available for benefits during the reporting period and, when applicable, the disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from the estimates included in the financial statements.

New Accounting Pronouncements
In February 2017, FASB issued Accounting Standards Update (ASU) No. 2017-06, Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), and Health and Welfare Benefit Plans (Topic 965) - Employee Benefit Plan Master Trust Reporting. ASU No. 2017-06 amends the master trust disclosure to require additional disclosures related to the Plan's interest in the master trust.

This ASU is effective for fiscal years beginning after December 15, 2018 and is required to be applied retrospectively for all comparative periods presented. Management does not expect the adoption of this ASU to have a significant impact on the Plan's financial statements.

3. Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of deceased employees, and (c) active employees or their beneficiaries. Benefits are based on a stated benefit rate multiplied by the number of years of covered service. Benefits payable under all circumstances - retirement, death, disability and termination of employment - are included to the extent that they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by the Company's consulting actuary, Mercer, and is the amount which 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 for death, disability or retirement) between the valuation and the expected date of payment.

The significant actuarial assumptions used in the valuation as of December 31, 2015 and 2014, are as follows:

Assumed rate of return on investments for accumulated benefits	8.00%
Mortality basis	
Healthy & disability participants	Modified version of the RP-2014 employee/retiree no collar tables, which has the projection scale backed off to 2007 and projected future generational mortality improvement based on a modified version of the MP-2014 scale, which reflects a 10-year downgrade period and an ultimate improvement rate of 0.75%
Retirement	Several rates, varying by age from 55 to 70

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

As of December 31, 2015, the most recent valuation date, the actuarial present value of accumulated plan benefits is as follows:

Vested benefits		
Participants receiving benefits	$	32,735,382
Participants with deferred benefits		15,044,308
Total actuarial present value of accumulated plan benefits	$	47,779,690

The following is an analysis of changes in the present value of accumulated benefits:

Actuarial present value of accumulated plan benefits as of December 31, 2014	$	48,941,675
Benefits accumulated and non-investment (gains)/losses		(873,472)
Increase for interest due to decrease in discount period		3,740,733
Benefits paid		(4,029,246)
Actuarial present value of accumulated plan benefits as of December 31, 2015	$	47,779,690

4. Funding Policy

The employer's contributions are actuarially determined and generally fund the existing unfunded liability on account of qualified service prior to the valuation date in accordance with the amortization schedules prescribed by ERISA minimum funding requirements (as amended by the Pension Protection Act). At the Company's discretion, and to the extent allowable under maximum tax deductibility regulations, contributions above the ERISA minimum requirements may be made to the Plan. Contributions for the years ended December 31, 2016 and 2015 met the minimum funding requirements of ERISA.

5. Master Trust

Summary Financial Information
The Plan's assets are held in the Master Trust, which was established for the investment of assets of the Plan and several other Company sponsored retirement plans. The assets of the Master Trust are held by the Bank of New York Mellon ("BNY Mellon"), the Trustee. The Investment Committee, appointed by the Chairman and CEO of the Company, periodically reviews the asset allocation and performance of the investments held in the Master Trust. The investment policy, as approved by the Investment Committee, permits asset diversification to include a combination of cash and cash equivalents, publicly traded equity securities, private equity funds, fixed-income securities, private real estate funds, commingled funds and other investments such as insurance contracts and derivatives.

Investment securities are exposed to various risks, such as interest rate, market, currency, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur and such changes could materially affect the amounts reported in the statements of net assets available for benefits.

At December 31, 2016 and 2015, the Plan owned approximately 0.3% of the fair value of the Master Trust net assets. The total net assets of the Master Trust at December 31, 2016 and 2015 were:

	2016	2015
Assets		
Investments at fair market value		
Interest-bearing cash	$7,506,132	$874,723
U.S. government bonds	1,042,546,503	346,542,940
Corporate debt instruments and other fixed income securities	2,550,311,398	2,463,352,496
Corporate stock - preferred	14,187,376	10,576,573
Corporate stock - common and other equity securities	3,868,544,460	3,804,671,071
Purchased Options	1,287,000	-
Commingled Funds	6,404,899,640	6,463,106,241
Registered investment companies	1,788,700,522	3,469,557,182
Unallocated insurance contracts	18,768,380	18,182,463
Private equity funds	1,287,654,315	1,069,246,262
Private real estate funds	749,809,519	599,924,583
	$17,734,215,245	$18,246,034,534
Cash	4,503,965	76,532
Cash held at broker due to variation margin	6,177,770	10,385,026
Foreign cash	18,797,021	4,353,286
Interest and dividends receivable	44,084,223	43,792,688
Receivable for forward foreign currency contracts	1,145,880	99,718
Receivable for securities sold	280,321,262	69,149,254
Other assets and receivables	964,018	20,491,029
Total Assets	$18,090,209,384	$18,394,382,067
Liabilities		
Interest and dividend payable	$286,597	$209,431
Payable for forward foreign currency contracts	23,162	310,658
Payable for securities purchased	92,131,233	172,831,746
Other payables	7,908,341	7,625,102
Total Liabilities	$100,349,333	$180,976,937
Master Trust net assets	$17,989,860,051	$18,213,405,130
Plan's interest in Master Trust	$59,071,623	$59,905,244

The following table is a summary of the investment earnings and the net appreciation (depreciation) in the fair market value of the Master Trust for the years ended December 31, 2016 and 2015:

	2016	2015
Net appreciation (depreciation) in investments at fair market value	$958,044,243	($152,532,373)
Interest	134,729,456	118,731,573
Dividends	147,694,124	170,541,073
Other income	70,422,166	57,742,348
Total investment income	$1,310,889,989	$194,482,621
Total expenses	$169,786,211	$156,145,471
Net investment income	$1,141,103,778	$38,337,150
Portion allocated to the Plan	$3,814,440	$91,065

Fair Value Measurements
The accounting standard for fair value measurements provides a framework for measuring fair value and requires expanded disclosures regarding fair value measurements. Fair value is defined as the price that would be received for an asset or the exit price that would be paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. The accounting standard established a fair value hierarchy which requires an entity to maximize the use of observable inputs, where available. The following summarizes the three levels of inputs required as well as the assets and liabilities that we value using those levels of inputs.

Level 1:	Unadjusted quoted prices in active markets for identical assets or liabilities.
Level 2:	Observable inputs, other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs which are observable or have been corroborated by observable market data for substantially the full term of the related assets or liabilities.
Level 3:	Unobservable inputs supported by little or no market activity that are significant to the fair value of the assets or liabilities.

A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. See valuation policy section for further information.

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.

For the years ended December 31, 2016 and December 31, 2015, there were no material transfers in or out of Levels 1, 2 or 3.

The following tables summarize the fair value of investment assets and liabilities as of December 31, 2016.

	Fair Value of Investment Assets as of 12/31/2016				
	Total	**Level 1**	**Level 2**	**Level 3**	**Not Subject to Leveling[4]**
Interest-bearing cash	$ 7,506,132	$ -	$ 7,506,132	$ -	$ -
U.S. government bonds	1,042,546,503	927,271,256	115,275,247	-	-
Corporate debt instruments and other fixed income securities [1]	2,550,311,398	-	2,550,311,398	-	-
Corporate stock – preferred	14,187,376	14,187,376	-	-	-
Corporate stock - common and other equity securities [2]	3,868,544,460	3,867,787,877	756,583	-	-
Purchased options	1,287,000	1,287,000	-	-	-
Commingled funds	6,404,899,640	-	-	-	6,404,899,640
Registered investment companies	1,788,700,522	1,788,700,522	-	-	-
Unallocated insurance contracts	18,768,380	-	-	18,768,380	-
Private equity funds	1,287,654,315	-	-	-	1,287,654,315
Private real estate funds	749,809,519	-	-	-	749,809,519
Unrealized gain on futures contracts [3]	712,699	712,699	-	-	-
Receivable for forward foreign currency contracts	1,145,880	-	1,145,880	-	-
Total assets in fair value hierarchy	$ 17,736,073,824	$ 6,599,946,730	$ 2,674,995,240	$ 18,768,380	$ 8,442,363,474

	Fair Value of Investment Liabilities as of 12/31/2016				
	Total	**Level 1**	**Level 2**	**Level 3**	**Not Subject to Leveling**
Unrealized loss on futures contracts [3]	$ 1,959,643	$ 1,959,643	$ -	$ -	$ -
Payable for forward foreign currency contracts	23,162	-	23,162	-	-
Total liabilities in fair value hierarchy	$ 1,982,805	$ 1,959,643	$ 23,162	$ -	$ -

(1) Corporate debt instruments and other fixed income securities includes $38,090,958 of asset backed securities and $112,792,668 of term loans.
(2) Corporate stock - common and other equity securities includes $103,946,317 of master limited partnership securities in U.S. equity.
(3) Unrealized gain/loss on futures contracts are recorded within Cash held at broker due to variation margin on the balance sheet.
(4) In accordance with Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient 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 amounts presented in the statements of net assets available for benefits.

The following tables summarize the fair value of investment assets and liabilities as of December 31, 2015.

	Fair Value of Investment Assets as of 12/31/2015				
	Total	Level 1	Level 2	Level 3	Not Subject To Leveling[4]
Interest-bearing cash	$ 874,723	$ -	$ 874,723	$ -	$ -
U.S. government bonds	346,542,940	259,732,762	86,810,178	-	-
Corporate debt instruments and other fixed income securities [1]	2,463,352,496	-	2,463,352,496	-	-
Corporate stock – preferred	10,576,573	10,576,573	-	-	-
Corporate stock - common and other equity securities [2]	3,804,671,071	3,803,025,836	1,645,235	-	-
Registered investment companies	3,469,557,182	3,469,557,182	-	-	-
Commingled funds	6,463,106,241	-	-	-	6,463,106,241
Private equity funds	1,069,246,262	-	-	-	1,069,246,262
Private real estate funds	599,924,583	-	-	-	599,924,583
Unallocated insurance contracts	18,182,463	-	-	18,182,463	-
Unrealized gain on futures contracts [3]	1,188,967	1,188,967	-	-	-
Receivable for forward foreign currency contracts	99,718	-	99,718	-	-
Total assets in fair value hierarchy	$ 18,247,323,219	$ 7,544,081,320	$2,552,782,350	$ 18,182,463	$ 8,132,277,086

	Fair Value of Investment Liabilities as of 12/31/2015				
	Total	Level 1	Level 2	Level 3	Not Subject To Leveling
Unrealized loss on futures contracts [3]	$ 1,074,096	$ 1,074,096	$ -	$ -	$ -
Payable for forward foreign currency contracts	310,658	-	310,658	-	-
Total liabilities in fair value hierarchy	$ 1,384,754	$ 1,074,096	$ 310,658	$ -	$ -

(1) Corporate debt instruments and other fixed income securities includes $46,008,378 of asset backed securities and $136,711,059 of term loans.
(2) Corporate stock - common and other equity securities includes $118,551,244 of master limited partnership securities in U.S. equity.
(3) Unrealized gain/loss on futures contracts are recorded within Cash held at broker due to variation margin on the balance sheet.
(4) In accordance with Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient 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 amounts presented in the statements of net assets available for benefits.

Level 3 Investments

Level 3 investments consist mainly of unallocated insurance contracts. Unallocated insurance contracts represent less than 1% of the Master Trust assets and are valued at their contract price which approximates fair value.

A reconciliation of investments with significant unobservable inputs (Level 3) has not been provided as the amounts are immaterial.

The table below summarizes the fair value measurements of the investments in certain entities that calculate net asset value per share as of December 31, 2016.

Category of Investment	Fair Value	Unfunded Commitments	Remaining Life, if applicable	Redemption Terms, if currently eligible	Redemption restrictions and terms
Commingled Funds[1]					
103-12 Entities	$ 468,039,116	Not applicable	Not applicable	Ranges from 5-15 days notice monthly	100% of these funds are either not under lock or have a lock of one year or less.
Common/Collective Trusts	3,450,734,233	Not applicable	Not applicable	Ranges from one day daily to up to 90 days quarterly	100% of these funds are either not under lock or have a lock of one year or less.
Real Estate Pooled Separate Accounts	112,078,967	Not applicable	Not applicable	90 days quarterly	100% of these funds are either not under lock or have a lock of one year or less.
Other Commingled Funds	2,374,047,324	$ 32,989,615	Not applicable	Ranges from 10-65 days notice monthly, 30-90 days notice quarterly, 90 days notice semi-annually, 90 days notice annually, 60 days notice only on specified dates	13% of these funds have a lockup provision greater than one year and up to ten years.
Private Equity Funds	1,287,654,315	953,123,365	0 - 10 years	Not applicable	Not applicable
Private Real Estate Funds	749,809,519	521,133,034	0 - 10 years	Not applicable	Not applicable

[1]Approximately 22% of Commingled Funds had gates in place as of December 31, 2016.

The table below summarizes the fair value measurements of the investments in certain entities that calculate net asset value per share as of December 31, 2015.

Category of Investment	Fair Value	Unfunded Commitments	Remaining Life, if applicable	Redemption Terms, if currently eligible	Redemption restrictions and terms
Commingled Funds[1]					
103-12 Entities	$ 653,660,676	Not applicable	Not applicable	Ranges from 5-15 days notice monthly	100% of these funds are either not under lock or have a lock of one year or less.
Common/Collective Trusts	3,137,808,121	91,666,268	Not applicable	Ranges up to 10 days daily, up to 90 days quarterly	100% of these funds are either not under lock or have a lock of one year or less.
Real Estate Pooled Separate Accounts	132,553,538	25,000,000	Not applicable	90 days quarterly	100% of these funds are either not under lock or have a lock of one year or less.
Other Commingled Funds	2,539,083,906	Not applicable	Not applicable	Ranges from 10-65 days notice monthly, 30-90 days notice quarterly, 90 days notice semi-annually, 90 days notice annually, 60 days notice only on specified dates	14% of these funds have a lock up provision greater than one year and up to ten years
Private Equity Funds	1,069,246,262	1,023,880,279	0 - 10 years	Not applicable	Not applicable
Private Real Estate Funds	599,924,583	607,980,733	0 - 10 years	Not applicable	Not applicable

[1]Approximately 20% of Commingled Funds had gates in place as of December 31, 2015.

Valuation Policy
The Plan's interest in the Master Trust is stated at fair value. The Trustee values Master Trust investments as follows:

Cash and cash equivalents are valued at amortized cost, which approximates fair value.

Investments in equity securities (common and preferred) and equity securities sold short, if any, are valued at the exchange traded closing price if available.

Investments in fixed income securities (U.S. Government, domestic and foreign bonds, asset backed securities and term loans) are valued by a pricing service which determines valuations for normal institutional-size trading units of such securities using methods based upon market transactions for comparable securities and various relationships between securities which are generally recognized by institutional traders, or at fair value as determined in good faith by the Trustee of the Master Trust and management.

Investments denominated in foreign currencies are translated into U.S. Dollars using the last reported exchange rate.

Investments in registered investment companies are valued at their last reported net asset value.

Investments in commingled funds, private equity fund and private real estate funds are estimated at fair market value, which primarily utilizes net asset values reported by the investment manager or fund administrator. Management reviews additional valuation and pricing information from fund managers, including audited financial statements, to evaluate the net asset values.

Unallocated insurance contracts are valued at their contract price which approximates fair value.

Securities and other assets for which market quotations are not readily available or for which the above valuation procedures are deemed not to reflect fair value are valued in a manner that is intended to reflect their fair value.

Valuation policies for derivative investments are disclosed in the Derivative Policy paragraph.

Investment Income (Loss)
The Trustee maintains separate records of each plan's proportionate share in the Master Trust's investment accounts. The Plan's share of investment income (loss) and net appreciation (depreciation) in the fair value of investments of the Master Trust is included in the Statements of Changes in Net Assets Available for Benefits as Master Trust investment income (loss). The net appreciation (depreciation) in the fair value of investments consists of the realized gains (losses) and the change in unrealized appreciation (depreciation) on those investments.

Under the Master Trust Agreement, each plan's assets are jointly invested. The Plan uses the unit participation method to calculate the Plan's interest in the Master Trust. Under this method, contributions made to and benefits paid from the Master Trust result in increases or decreases in units of participation. All Master Trust income or loss results in a change in unit value.

Dividends are recorded on the ex-dividend date and interest income is accrued as earned. All security transactions are recorded on the trade date. Premiums and discounts on debt securities are amortized to maturity. Gains or losses on sales of securities are based on average cost.

Derivatives Policy

The Master Trust enters into contractual arrangements classified as derivatives in carrying out its investment strategy, principally to: (1) hedge a portion of the Master Trust's portfolio to limit or minimize exposure to certain risks, (2) gain exposure to a market more rapidly or less expensively than could be accomplished through the use of the cash markets, and (3) increase investment returns by reducing the cost of structuring the portfolio or capturing value disparities between financial instruments. The Master Trust may utilize both exchange traded investment instruments such as equity and fixed income futures and options contracts and over-the-counter derivatives such as forward contracts and swaps. Select major financial institutions are used in derivatives transactions. When engaging in over the counter derivatives and forward foreign exchange contracts, there is exposure to credit loss in the event of nonperformance by the counterparties to these transactions. As needed for material exposures, the Master Trust manages these exposures through credit approvals, limits, monitoring procedures, and to the extent possible, by restricting the period over which unpaid balances are allowed to accumulate. The Master Trust does not anticipate nonperformance by counterparties to these contracts.

The following tables present the values of derivatives (not accounted for as hedging instruments) carried on the Statement of Net Assets and the Statement of Changes in Net Assets of the Master Trust as of and for the year ended December 31, 2016.

Effect of Derivative Instruments on the Statement of Net Assets:

Assets	Credit	Equity	Foreign Exchange	Total
Options	$ -	$ 1,287,000	$ -	$ 1,287,000
Futures contracts	712,699	-	-	712,699
Forward currency contracts	-	-	1,145,880	1,145,880
	$ 712,699	$ 1,287,000	$ 1,145,880	$ 3,145,579
Liabilities				
Futures contracts	$ 1,598,121	$ 361,522	$ -	$ 1,959,643
Forward currency contracts	-	-	23,162	23,162
	$ 1,598,121	$ 361,522	$ 23,162	$ 1,982,805

Effect of Derivative Instruments on the Statements of Changes in Net Assets:

	Net Appreciation/ (Depreciation)	Average Number of Contracts*
Options	$ 454,638	270
Futures contracts	28,134,406	6,540
Forward currency contracts	(220,741)	80
	$ 28,368,303	6,890

* Number of contracts represents volume of derivative activity and is based on a quarterly average.

The following tables present the values of derivatives (not accounted for as hedging instruments) carried on the Statement of Net Assets and the Statement of Changes in Net Assets of the Master Trust as of and for the year ended December 31, 2015.

Effect of Derivative Instruments on the Statement of Net Assets:

Assets	Credit	Equity	Foreign Exchange	Total
Futures contracts	$ 1,188,967	$ -	$ -	$ 1,188,967
Forward currency contracts	-	-	99,718	99,718
	$ 1,188,967	$ -	$ 99,718	$ 1,288,685
Liabilities				
Futures contracts	$ 1,074,096	$ -	$ -	$ 1,074,096
Forward currency contracts	-	-	310,658	310,658
	$ 1,074,096	$ -	$ 310,658	$ 1,384,754

Effect of Derivative Instruments on the Statements of Changes in Net Assets:

	Net Appreciation/ (Depreciation)	Average Number of Contracts*
Futures contracts	$ (20,313,085)	9,125
Forward currency contracts	497,530	75
	$ (19,815,555)	9,200

* Number of contracts represents volume of derivative activity and is based on a quarterly average.

The following is a summary of the significant accounting policies associated with the Master Trust's use of derivatives:

Forward Foreign Currency Exchange Contracts
A forward foreign currency exchange contract ("forward currency contract") is a commitment to purchase or sell a foreign currency at a future settlement date and at a negotiated rate.

Forward currency contracts are utilized to hedge a portion of the currency exposure that results from the Master Trust's holdings of equity and fixed income securities denominated in foreign currencies.

Forward currency contracts are marked-to-market at the prevailing forward exchange rate of the underlying currencies and the difference between contract value and market value is recorded as unrealized appreciation (depreciation) on Master Trust net assets. When the forward exchange contract is closed, the Master Trust transfers the unrealized appreciation (depreciation) to a realized gain (loss) equal to the change in the value of the forward exchange contract when it was opened and the value at the time it was closed or offset. Sales and purchases of forward currency contracts having the same settlement date and broker are offset and any gain (loss) is realized on the date of offset.

Certain risks may arise upon entering into a forward currency contract from the potential inability of counterparties to meet the terms of their contracts. Additionally, when utilizing forward currency contracts to hedge, the Master Trust gives up the opportunity to profit from favorable exchange rate movements during the term of the contract.

As of December 31, 2016 and 2015, the total aggregate face value of open forward currency contracts in the Master Trust was ($9,296,528) and $20,308,587, respectively.

Futures Contracts
A futures contract is a contractual agreement to make or take delivery of a standardized quantity of a specified grade or type of commodity or financial instrument at a specified future date in accordance with terms specified by a regulated futures exchange.

The Master Trust may use equity index, fixed income, cash and cash equivalents and commodities futures contracts to manage exposure to the market. Buying futures increases the Master Trust's exposure to the underlying instrument. Selling futures decreases the Master Trust's exposure to the underlying instrument held, or hedge the fair value of other fund investments.

Futures contracts are valued at the last settlement price at the end of each day on the exchange upon which they are traded. Upon entering into a futures contract, the Master Trust is required to deposit either in cash or securities an amount equal to a certain percentage of the nominal value of the contract ("initial margin"). Pursuant to the futures contract, the Master Trust agrees to receive from, or pay to, the broker an amount of cash equal to the daily fluctuation in the value of the futures contract. Such receipts or payments are recorded as “margin flows,” and the accumulated balances resulting from those flows are included within “cash held at broker due to variation margin” on the balance sheet. The Master Trust will also record an unrealized gain or loss on futures, which is calculated as the difference between the notional cost and the notional market value of open futures contracts.

Futures contracts involve, to varying degrees, credit and market risks. The Master Trust enters into futures contracts on exchanges where the exchange acts as the counterparty to the transaction. Thus, credit risk on such transactions is limited to the failure of the exchange. The daily settlement

on the futures contracts serves to greatly reduce credit risk. Losses in value may arise from changes in the value of the underlying instrument or if there is an illiquid secondary market for the contracts. In addition, there is the risk that there may not be an exact correlation between a futures contract and the underlying index or security.

At December 31, 2016, U.S. Government Bonds with a par value of $16,159,000 ($15,959,093 fair value) were pledged as collateral for open equity, fixed income and cash and cash equivalents futures positions. These bonds are restricted from trading until the futures positions for which they are pledged as collateral are settled. A cash balance of $7,424,714 was pledged to cover margin requirements for open futures contracts.

At December 31, 2015, U.S. Government Bonds with a par value of $14,195,000 ($14,153,190 fair value) were pledged as collateral for open equity, fixed income and cash and cash equivalents futures positions. These bonds are restricted from trading until the futures positions for which they are pledged as collateral are settled. A cash balance of $10,270,155 was pledged to cover margin requirements for open futures contracts.

A summary of the open futures as of December 31, 2016 are presented below:

	Long Contracts		Short Contracts	
	Number of Contracts	Aggregate Face Value	Number of Contracts	Aggregate Face Value
Fixed income	2,446	$ 344,904,977	1,216	$ 173,473,805
Equity index	2,748	307,253,880	-	-
Cash & cash equivalents	15	3,693,000	5	1,237,000
Grand Total	5,209	$ 655,851,857	1,221	$ 174,710,805

A summary of the open futures as of December 31, 2015 are presented below:

	Long Contracts		Short Contracts	
	Number of Contracts	Aggregate Face Value	Number of Contracts	Aggregate Face Value
Fixed income	2,434	$ 324,170,782	1,082	$ 139,291,016
Equity index	2,740	278,849,800	-	-
Cash & cash equivalents	-	-	626	154,485,425
Grand Total	5,174	$ 603,020,582	1,708	$ 293,776,441

Options

The Master Trust may invest in option contracts. An option contract is a contract in which the writer of the option grants the buyer of the option the right to purchase from ("call option"), or sell to ("put option"), the writer a designated instrument at a specified price within a specified period of time. Certain options, including options on indices, will require cash settlement by the Master Trust if the option is exercised. The Master Trust may enter into put or call option contracts in order to: hedge against potential adverse price movements in the value of the portfolio assets, as a temporary substitute for selling selected investments; to lock in the purchase price of a security or currency

that it expects to purchase in the near future, as a temporary substitute for the purchase of selected investments; and to enhance potential gain.

When the Master Trust purchases or writes an option, an amount equal to the premium paid or received by the Master Trust is recorded as an asset or liability and is subsequently adjusted to the current market value of the option purchased or written. Options purchased or written are valued at the last sale price or, in the absence of a sale, the mean between the closing bid and asked prices or at the most recent asked price (bid for purchased options) if no bid and asked price are available. Over-the-counter purchased or written options are valued using dealer supplied quotations. Gain and loss is recognized when the option contract expires or is closed.

If the Master Trust writes a covered call option, the Master Trust foregoes, in exchange for the premium, the opportunity to profit during the option period from an increase in the value of the underlying security above the exercise price. If the Master Trust writes a put option, it accepts the risk of a decline in the value of the underlying security below the exercise price. Over-the-counter options have a risk of the potential inability of counterparties to meet the terms of their contracts. The Master Trust's maximum exposure to purchased options is limited to the premium initially paid. In addition, certain risks may arise upon entering into option contracts prior to the expiration date and that a change in value of the option contract may not correlate exactly with changes in the value of the securities or currencies hedged.

As of December 31, 2016, the Master Trust had open purchased equity index options with total market value of $1,287,000 (450 contracts). The premiums paid in aggregate as of December 31, 2016 were $1,337,418. As of December 31, 2015, the Master Trust was not invested in any options.

6. Termination Policies

The Company has not expressed any intent to terminate the Plan or discontinue its contributions. However, in the event the Plan is discontinued:

(a) The assets comprising the Plan, including the net income/ (loss) of the Plan shall be revalued at market by the Trustee.

(b) The Plan provides that the net assets of the Plan shall be allocated among the participants and beneficiaries of the Plan in the order provided by ERISA.

(c) To the extent unfunded vested benefits exist, ERISA provides that such benefits are payable by the Pension Benefit Guaranty Corporation (the “PBGC”) to participants, up to specified limitations, as described in ERISA.

Whether all participants receive their full or partial 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.

The Company may terminate the Plan in whole or in part at any time. This summary of termination priorities is provided for general information purposes only. Participants should refer to the Plan Document for more information.

7. Certain Transactions Involving Related Parties and Parties-in-Interest

BNY Mellon is the Trustee and Custodian of the Plan, and is therefore a party-in-interest with respect to the Plan. Certain investments within the Master Trust were advised by or affiliated with BNY Mellon. The Plan Sponsor, Raytheon Company, is a party-in interest with respect to the Plan and incurs expenses in connection with the administration of the Plan and the Master Trust.

The following table is a summary of expenses paid to parties-in-interest for the years ended December 31, 2016 and December 31, 2015:

	Year Ended 2016	Year Ended 2015
Expenses specifically related to the Plan (included in "Administrative expenses")	$ 375	$ 500
Plan allocation of expenses paid directly by the Master Trust (included in "Raytheon Master Pension Trust investment income")	$ 16,474	$ 14,873
	As of December 31, 2016	**As of December 31, 2015**
Accrued expenses (included in "Accrued administrative expenses" and "Other liabilities")	$ 2,587	$ 3,707

All of these transactions either fall outside the scope of, or are exempt from, ERISA's prohibited transaction rules.

8. Tax Status

The Internal Revenue Service (the "IRS") has determined and informed the Company by letter dated September 23, 2013, that the design of the Plan meets the requirements for qualification under Code section 401(a), on which the tax exemption of the Trust under Code section 501(a) is based. The Plan has been amended since receiving the determination letter. The Plan Administrator and the Company's benefits counsel believe that the current design and operation of the Plan are consistent with continued qualification of the Plan and exemption of the Trust in the context of applicable IRS procedures. The Company, on behalf of the Plan, applied for a new determination letter on January 29, 2016.

The Plan adopted the provisions of uncertain tax positions that provide criteria for the recognition, measurement, presentation and disclosure of uncertain tax positions. The Plan may from time to time hold investments that give rise to certain tax liabilities. Based upon management's assessment, the Plan has not recognized any tax liabilities at December 31, 2016 and 2015, respectively. The Plan is subject to examinations by taxing jurisdictions; however, there are currently no audits for any tax period in progress. The Plan Administrator believes the Plan is no longer subject to federal tax examination for years prior to 2013.

9. Risks and Uncertainties

The Plan financial statements are based on the application of U.S. GAAP, which require the Plan to make estimates and assumptions about future events that affect the amounts reported in financial statements and the accompanying notes.

Contributions to the Plan 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

compensation and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions will occur in the near term and, due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements. The investments of the Plan, which are held in the Master Trust, are exposed to various risks, such as interest rate, currency, market and credit risks. See Note 5 for additional information with respect to investment risk.

10. Subsequent Events

The Plan has evaluated subsequent events and transactions subsequent to December 31, 2016 through the date the Plan's financial statements were available to be issued, September 11, 2017.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Actuarial Assumptions for January 1, 2016 Funding Valuation

Discount rate sponsor elections

• Segment rates or full yield curve	Segment	
• Look-back months	0	
	Stabilized	**Nonstabilized**
• First 5 years	4.43%	1.41%
• Next 15 years	5.91%	3.96%
• Over 20 years	6.65%	4.97%

Mortality sponsor elections

• Healthy participants	Section 430(h)(3) prescribed separate static annuitant and nonannuitant mortality tables. These tables are based on the RP-2000 mortality tables projected with mortality improvement to the valuation year plus 7 and 15 years based on Scale AA
• Disabled participants	Same as healthy

Other economic assumptions

• Salary increases	N/A
• Social Security wage base	N/A
• Inflation	N/A
• Expected investment return	The expected investment return is 8.00% per year but not greater than the 3rd segment rate in effect for each year Rationale: The expected long-term return on assets assumption was developed based on the plan's current target investment allocation and a building block approach, which looked at the weighted average expected return for each asset class based on long-term capital market assumptions. The expected return for each asset class is composed of inflation plus a risk free rate of return, plus an expected risk premium for each asset class. The resulting return was then adjusted for administrative, investment management and trading expenses as well as recognition of alpha for active management
• Expenses	$600,000 (added to current year target normal cost) Rationale: Based on an estimate of administrative expenses expected to be incurred in the current plan year

Demographic assumptions

Withdrawal	N/A	
Disability incidence	N/A	
Retirement age	N/A	
Benefit commencement age for		
• Future vested deferred	N/A	
• Current vested deferred	65	
Spouse assumptions	**Male participants**	**Female participants**
• Percentage married	85%	75%

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

• Spouse age difference	3 years younger	3 years older
Form of payment	**Single life**	
• Active retirements	N/A	
• Future vested deferred	N/A	
• Current vested deferred	100%	
Unpredictable contingent event assumptions	N/A	

Actuarial Methods for Funding

Asset Methods

The asset valuation method is an average of the adjusted market value for each year during the last 24 months preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110 percent and no less than 90 percent of the fair market value, as defined in IRC Section 430.

A characteristic of this asset method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than the market value.

Participant methods

Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** Xerox HR Solutions, LLP provides us with data on all employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date.
- **Insurance contracts:** The plan does not have any insurance contracts.

Minimum funding methods

The funding target for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- The plan's valuation date is the beginning of the plan year.
- An individual's **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target normal cost for an

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

individual is the sum of the component funding targets and target normal costs associated with the various anticipated separation dates.

- The plan's **target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan.

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

2016

This Form is Open to Public Inspection

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

▶ **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
RETIREMENT PLAN FOR HOURLY EMPLOYEES OF THE GREENVILLE DIVISION OF E-SYSTEMS, INC

B Three-digit plan number (PN) ▶ 036

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
RAYTHEON COMPANY

D Employer Identification Number (EIN)
95-1778500

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

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

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2016

2 Assets:

a Market value	2a	59,905,243
b Actuarial value	2b	62,805,524

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	1,227	36,372,415	36,372,415
b For terminated vested participants	907	18,919,292	18,919,292
c For active participants	0	0	0
d Total	2,134	55,291,707	55,291,707

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	6.04%
6 Target normal cost	6	600,000

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

Grace Barbieri FSA — Signature of actuary

June 22, 2017 — Date

GRACE BARBIERI, F.S.A. — Type or print name of actuary

1707481 — Most recent enrollment number

MERCER — Firm name

617-747-9500 — Telephone number (including area code)

99 HIGH STREET
BOSTON MA 02110-2320
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	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	0	0
10 Interest on line 9 using prior year's actual return of 0.21%	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)		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.24%		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding Percentages

14 Funding target attainment percentage	14	113.58%
15 Adjusted funding target attainment percentage	15	113.58%
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	113.14%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls

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

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

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

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

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

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

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

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
4.43 %	5.91 %	6.65%	☐ N/A, full yield curve used

b Applicable month (enter code) — **21b**: 0

22 Weighted average retirement age — **22**:

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**: 600,000

b Excess assets, if applicable, but not greater than line 31a — **31b**: 600,000

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**: 0

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

36 Additional cash requirement (line 34 minus line 35) — **36**: 0

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) — **37**: 0

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

a Total (excess, if any, of line 37 over line 36) — **38a**: 0

b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances — **38b**: 0

39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) — **39**: 0

40 Unpaid minimum required contributions for all years — **40**: 0

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

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

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

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

42 Amount of acceleration adjustment — **42**:

43 Excess installment acceleration amount to be carried over to future plan years — **43**:

Schedule SB, Part V — Summary of Plan Provisions

Summary of Major Plan Provisions

Effective date and plan year	Original plan: January 1, 1972 Restated plan: March 28, 2005 Plan year: January 1
Status of the plan	The plan has no active participants. It was closed to new entrants as of March 11, 2002.
Significant events that occurred during the year	None
Normal retirement	
• Eligibility	Age 65

Schedule SB, Part V — Summary of Plan Provisions

- Benefit

Monthly benefit, payable for life beginning at age 65, is determined by multiplying benefit service by the pension multiplier in effect at the time of termination or retirement, as shown in the schedule below.

Termination or Retirement Dates		
on or after	**and prior to**	**Pension Multiplier**
March 1, 1972	September 1, 1975	$ 6.00
September 1, 1975	January 1, 1978	7.00
January 1, 1978	August 1, 1978	8.00
August 1, 1978	January 1, 1980	9.00
January 1, 1980	August 1, 1981	10.00
August 1, 1981	August 1, 1982	11.00
August 1, 1982	January 1, 1984	12.00
January 1, 1984	January 1, 1985	13.00
January 1, 1985	January 1, 1986	14.00
January 1, 1986	January 1, 1987	15.00
January 1, 1987	January 1, 1988	16.00
January 1, 1988	January 1, 1989	17.00
January 1, 1989	January 1, 1990	18.00
January 1, 1990	January 1, 1991	19.00
January 1, 1991	January 1, 1992	20.00
January 1, 1992	January 1, 1993	21.00
January 1, 1993	January 1, 1994	22.00
January 1, 1994	January 1, 1995	23.00
January 1, 1995	January 1, 1996	24.00
January 1, 1996	January 1, 1997	25.00
January 1, 1997	January 1, 1999	27.00
January 1, 1999	January 1, 2000	29.00
January 1, 2000	January 1, 2001	30.00
January 1, 2001	January 1, 2002	31.00
January 1, 2002	January 1, 2003	34.00
January 1, 2003	January 1, 2004	35.00
January 1, 2004	N/A	36.00

On March 7, 2002, the active participants of the Retirement Plan for Hourly Employees of Greenville Division of E-Systems, Inc. became terminated employees as a result of being a part of the AIS divestiture. As a result, the terminated vested employees in this group have a pension multiplier of $36.

Early retirement

- Eligibility

Age 55 and 10 years of vesting service.

Schedule SB, Part V — Summary of Plan Provisions

• Benefit	If the benefit commences prior to age 60, it is reduced according to the following table: **Age at Date of Commencement** / **Percent Reduced** 55 — 25% 56 — 16% 57 — 9% 58 — 4% 59 — 1% 60 or later — 0% Participants sold as part of the AIS divestiture that attained age 55 and completed 10 or more years of vesting service on March 7, 2002 will receive the subsidized early retirement reduction according to the table above on their benefit.
Optional Early retirement	
• Eligibility	Hired prior to June 26, 1991: Age 60 (attained or reached during the normal recall period if laid off) Hired after June 26, 1991: Age 60, and 10 years of vesting service
• Benefit	The monthly benefit, commencing immediately and payable for life with a minimum of 60 monthly payments, is computed as for normal retirement considering service and compensation to date of retirement and projected primary Social Security.
Level Income Supplemental Allowance (LISA)	If an employee terminates with 20 years of benefit service at or after age 60 but prior to age 62 and agrees to restrict his post-retirement earnings, he is eligible for a LISA in addition to his early pension.
Deferred vested	
• Eligibility	Five years of service
• Benefit	The monthly annuity, commencing at age 65 if the employee is then living is computed by multiplying his benefit service by the pension rate in effect at termination. An actuarially reduced pension may commence after age 55 and completion of 10 years of vesting service.
Disability	
• Eligibility	Participants who become totally and permanently disabled with 10 years of vesting service
• Benefit	The monthly annuity will commence one year after the disability occurred and will be payable for life or until disability ceases. If the employee qualifies for disability Social Security benefits, his monthly pension will be computed as for normal retirement, considering service to disablement. For any month in which the employee does not qualify for disability or unreduced old age Social Security, his benefit will be two times the amount computed above.

Schedule SB, Part V — Summary of Plan Provisions

Benefit Increases for Retirees and Survivors	Effective January 1, 1979, participants and survivors who are receiving benefits on July 1, 1978, shall receive an increase of $1.00 times benefit service. Effective January 1, 1980, participants and survivors who are receiving benefits on January 1, 1980, shall receive an increase of $1.00 times benefit service. Effective August 1, 1981, participants and survivors who are receiving benefits on August 1, 1981, shall receive a 5% increase in the monthly amount of their pension benefit. Effective January 1, 1984, participants and survivors who are receiving benefits on January 1, 1984, shall receive a 6% increase in the monthly amount of their pension benefit. Effective January 1, 1987, participants and survivors who are receiving benefits on January 1, 1987, shall receive a 5% increase in the monthly amount of their pension benefit.
Death Benefits	
• Transition Survivor Income	Payable upon the death of an active employee or an employee on disability retirement prior to his normal retirement date. The monthly benefit commencing immediately is $100 payable for 24 months or until the death of all eligible survivors, if earlier. Eligible survivors are the spouse, dependent children, and dependent parents. The monthly benefit increases to $300 for each month in which the survivor is ineligible for unreduced monthly Social Security benefits.
• Bridge Survivor Income	Upon the death of a participant, bridge survivor income is payable to the spouse if: (a) The spouse was between age 45 and age 60 at the date of the employee's death (b) The spouse has received 24 transition survivor income benefit payments and (c) The spouse continues to qualify as an eligible spouse. The monthly benefit of $300, commencing the month following the 24th transition benefit, is payable until the remarriage or death of the spouse, or until age 62 or commencement of unreduced Social Security benefits, if earlier.

Schedule SB, Part V — Summary of Plan Provisions

• Automatic Survivor Income	Upon the death of an active employee with 10 years of credited service, a benefit is payable for life to the surviving spouse. The monthly amount is payable at the date the participant would have attained age 55, or immediately, if over age 55 at death. The amount is computed by taking 55% of 95% of the monthly pension the participant would have received had he retired on the date of death and commenced receiving payments at age 55, or immediately if past age 55 at death. This amount is adjusted for spousal age differences and may be paid immediately with the amount reduced actuarially. The benefit is reduced by the amount of any Transition Survivor Income or Bridge Survivor Income to be received the same month.
• Optional Survivor Benefit	Unless an employee elects to the contrary, his pension (except a disability pension) will be paid in the form of an optional survivor pension. The benefit, payable for the employee's lifetime, is 95% of his accrued benefit and, upon his death, 55% of such pension will be paid to the spouse, if then living, for her remaining lifetime. The benefit is reduced 1/2% for each year that the spouse's age is more than five years less than the participant's age, and is increased 1/2%, to a maximum of 5%, for each year that the spouse's age exceeds the participant's age by more than five years.
Unpredictable contingent event benefits	N/A
Form of benefits	
• Automatic form for unmarried participants	Single life annuity
• Automatic form for married participants	Actuarially equivalent 55% Joint & Survivor Annuity
• Optional forms	50% Joint & Survivor Annuity 66 2/3% Joint & Survivor Annuity 75% Joint & Survivor Annuity 100% Joint & Survivor Annuity 66 2/3% Last To Survive Annuity 5 or 10 year Certain & Life
• Optional form conversion factors	Unless otherwise stated in the Plan Document, optional forms of payment are computed on an Actuarial Equivalent basis using a 7% interest rate and 1971 Group Annuity Mortality Table, Projected by Scale D to 1975 using a unisex rate that is 50% male and 50% female.
Miscellaneous	
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2016, the limit is $210,000.

Schedule SB, Part V — Summary of Plan Provisions

Benefits Included or Excluded

Unless noted below, all benefits provided by the plan, as restated effective January 16, 2015, are included in this valuation.

- **Most recent plan amendments included:** Not applicable.
- **Plan amendments excluded:** None.
- **Late retirement increases:**
  - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued including the late retirement actuarial increase.
- **Internal Revenue Code limitations:** The limitations of Internal Revenue Code Section 415(b) and 401(a)(17) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60 percent of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.

Plan Provisions Specific to Funding

Additional Benefits Included or Excluded

- **IRC Section 436 benefit restrictions:**
  - *Unpredictable contingent event benefits:* N/A
  - *Plan amendments:* See above.
  - *Prohibited payments:* Limitations on prohibited benefits (if any) are reflected for annuity starting dates before the valuation date but are ignored for annuity starting dates on or after the valuation date.
  - *Benefit accruals:* N/A
- **Scheduled benefit increases:** None.
- **Unpredictable contingent event benefits:** The plan does not have any unpredictable contingent event benefits.

Plan Provision Changes Since Prior Valuation

Maximum benefits were updated from 2015 to 2016.

Schedule SB, line 24 — Change in Actuarial Assumptions

- Interest discounts and mortality rates were updated from 2015 to 2016 in accordance with PPA.
- Expenses loaded on the normal cost increased from $366,723 to $600,000 to reflect our best estimate of the current plan year's expenses.