

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2017 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2017 or fiscal plan year beginning <u>01/01/2017</u> and ending <u>12/31/2017</u>			
A	This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)	
	☒ a single-employer plan ☐ a DFE (specify) ____		
B	This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)	
C	If the plan is a collectively-bargained plan, check here. ☒		
D	Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ special extension (enter description)	☐ the DFVC program

Part II	Basic Plan Information—enter all requested information		
1a	Name of plan <u>MARINE & POWER SYSTEMS RETIREMENT PLAN</u>	1b	Three-digit plan number (PN) ▶ <u>012</u>
		1c	Effective date of plan <u>05/01/1987</u>
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>L3 TECHNOLOGIES, INC.</u> <u>600 THIRD AVENUE</u> <u>NEW YORK, NY 10016-1901</u> <u>13500 ROOSEVELT BLVD</u> <u>PHILADELPHIA, PA 19116-4299</u>	2b	Employer Identification Number (EIN) <u>13-3937436</u>
		2c	Plan Sponsor's telephone number <u>212-697-1111</u>
		2d	Business code (see instructions) <u>336990</u>

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2018	MELINDA D. GROSSKOPF
	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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2017)
v. 170203

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 1601
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) 302
a(2) Total number of active participants at the end of the plan year	6a(2) 278
b Retired or separated participants receiving benefits	6b 738
c Other retired or separated participants entitled to future benefits	6c 221
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 1237
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 251
f Total. Add lines 6d and 6e	6f 1488
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 who terminated employment during the plan year with accrued benefits that were less than 100% vested	6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7

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

1A 3F 3H

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

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

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

b General Schedules

- (1)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☐ 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 2017 Form M-1 annual report. If the plan was not required to file the 2017 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 2017 This Form is Open to Public Inspection
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For calendar plan year 2017 or fiscal plan year beginning <u>01/01/2017</u> and ending <u>12/31/2017</u>	
▶ Round off amounts to nearest dollar.	
▶ Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.	
A Name of plan <u>MARINE & POWER SYSTEMS RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>012</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>L3 TECHNOLOGIES, INC.</u>	D Employer Identification Number (EIN) <u>13-3937436</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2017</u>	
2 Assets:	
a Market value	2a <u>116956712</u>
b Actuarial value	2b <u>117941710</u>
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment	(1) Number of participants <u>1006</u> (2) Vested Funding Target <u>67859516</u> (3) Total Funding Target <u>67859516</u>
b For terminated vested participants	<u>293</u> <u>11584508</u> <u>11584508</u>
c For active participants	<u>302</u> <u>26538375</u> <u>26873979</u>
d Total	<u>1601</u> <u>105982399</u> <u>106318003</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>5.82 %</u>
6 Target normal cost	6 <u>2314197</u>

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

SIGN HERE	
Signature of actuary <u>PATRICK GRIGSBY, EA, MAAA</u>	<u>09/17/2018</u> Date
Type or print name of actuary <u>SIBSON CONSULTING</u>	<u>17-07173</u> Most recent enrollment number
Firm name <u>333 W 34TH STREET NEW YORK, NY 10001-2402</u>	<u>212-251-5000</u> Telephone number (including area code)
Address of the firm	

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	7280695
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	7280695
10 Interest on line 9 using prior year's actual return of <u>8.30</u> %	0	604298
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		1233196
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.01</u> %		74115
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		1307311
d Portion of (c) to be added to prefunding balance		1307311
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	9192304

Part III Funding Percentages

14 Funding target attainment percentage	14	102.28%
15 Adjusted funding target attainment percentage	15	110.93%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	106.36%
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
09/14/2018	188000	0			
Totals ▶			18(b)	188000	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	170723

20 Quarterly contributions and liquidity shortfalls:

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

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

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

21 Discount rate:				
a Segment rates:	1st segment: 4.16 %	2nd segment: 5.72 %	3rd segment: 6.48 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age.....				22 63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.....	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	2314197	
b Excess assets, if applicable, but not greater than line 31a	31b	2314197	
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment.....	0		0
b Waiver amortization installment			
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	170723	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	170723	
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) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2017
		This Form is Open to Public Inspection.

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017		
A Name of plan MARINE & POWER SYSTEMS RETIREMENT PLAN	B Three-digit plan number (PN) ▶	012
C Plan sponsor's name as shown on line 2a of Form 5500 L3 TECHNOLOGIES, INC.	D Employer Identification Number (EIN) 13-3937436	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

SIBSON CONSULTING

333 WEST 34TH STREET
NEW YORK, NY 10001

(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 50	NONE	188995	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

INDEPENDENT FRANCHISE PARTNERS LLP

98-0682628

(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?
50 28	NONE	83730	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

BNY MELLON

225 LIBERTY STREET
NEW YORK, NY 10286

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21 50	NONE	55442	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

CONDUENT HUMAN RESOURCE SERVICES

101 WOODCREST ROAD
CHERRY HILL, NJ 08003

(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?
50 15	NONE	42500	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

ATLANTA CAPITAL MANAGEMENT

58-2236910

(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?
50 28	NONE	37130	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

NOMURA CORPORATE RESEARCH AND ASSET

13-3607885

(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?
50 28	NONE	35104	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

HEITMAN REAL ESTATE SECURITIES

36-4265577

(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?
50 28	NONE	33150	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

PRICEWATERHOUSECOOPERS

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 50	NONE	31531	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

LSV ASSET MANAGEMENT

23-2772200

(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?
50 28	NONE	31067	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

WELLINGTON TRUST COMPANY

04-2755549

(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?
50 28	NONE	25444	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

XEROX HR SOLUTIONS, LLP

101 WOODCREST ROAD
CHERRY HILL, NJ 08003

(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?
50 15	NONE	23661	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

CHAMPLAIN INVESTMENT PARTNERS

20-1367417

(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?
50 28	NONE	17555	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

VICTORY CAPITAL MANAGEMENT INC

13-2700161

(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?
50 28	NONE	13276	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

BANK OF AMERICA

PO BOX 841715
DALLAS, TX 75284

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 50	NONE	12140	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

T. ROWE PRICE ASSOCIATES, INC

52-0556948

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
50 28	NONE	10579	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

MITCHELL SILBERBERG & KNUPP LLP

11377 WEST OLYMPIC BLVD
LOS ANGELES, CA 90064

(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?
29 50	NONE	9584	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

WINSLOW CAPITAL MANAGEMENT

41-1719690

(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?
50 28	NONE	8582	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

WESTFIELD CAPITAL MANAGEMENT

80-0175963

(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?
50 28	NONE	7341	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:	PRICEWATERHOUSECOOPERS LLP	b EIN:	13-4008324
c Position:	ACCOUNTING FIRM		
d Address:	300 MADISON AVENUE NEW YORK, NY 10017	e Telephone:	646-471-3000

Explanation: DESIRED CONSOLIDATION OF SERVICES

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
		2017
		This Form is Open to Public Inspection.

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

A Name of plan <u>MARINE & POWER SYSTEMS RETIREMENT PLAN</u>	B Three-digit plan number (PN) ►	<u>012</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>L3 TECHNOLOGIES, INC.</u>	D Employer Identification Number (EIN) <u>13-3937436</u>	

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: L-3 COMM. CORPORATION MASTER TRUST

b Name of sponsor of entity listed in (a): L3 TECHNOLOGIES, INC.

c EIN-PN <u>13-3937436-020</u>	d Entity code <u>M</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>124335000</u>
---------------------------------------	-------------------------------	--

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2017 This Form is Open to Public Inspection
For calendar plan year 2017 or fiscal plan year beginning <u>01/01/2017</u> and ending <u>12/31/2017</u>		
A Name of plan <u>MARINE & POWER SYSTEMS RETIREMENT PLAN</u>	B Three-digit plan number (PN) ►	<u>012</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>L3 TECHNOLOGIES, INC.</u>	D Employer Identification Number (EIN) <u>13-3937436</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.				
	Assets			
a	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	1362000	188000
	(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)	115649450	124335000
	(12) Value of interest in 103-12 investment entities	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
	(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	117011450	124523000
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h	217838	228000
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	217838	228000
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	116793612	124295000

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)	188000	
(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)		188000
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)		17976000
(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		388
d Total income. Add all income amounts in column (b) and enter total.....	2d		18164388

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	9594000	
(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)		9594000
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)	285552	
(2) Contract administrator fees	2i(2)	66295	
(3) Investment advisory and management fees	2i(3)	322780	
(4) Other	2i(4)	394373	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		1069000
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		10663000

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		7501388
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: GRANT THORNTON LLP

(2) EIN: 36-6055558

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

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

Part IV Compliance Questions

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

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)

	Yes	No	Amount
4a		X	
4b		X	

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

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

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 4071593. (See instructions.)

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>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).</div> <div>► File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2017</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017		
A Name of plan MARINE & POWER SYSTEMS RETIREMENT PLAN		B Three-digit plan number (PN) ► 012
C Plan sponsor's name as shown on line 2a of Form 5500 L3 TECHNOLOGIES, INC.		D Employer Identification Number (EIN) 13-3937436
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): 13-7074646		
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 53
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☒ No ☐ N/A If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month Day Year If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)		6a
b Enter the amount contributed by the employer to the plan for this plan year		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☒ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ☐ Increase ☐ Decrease ☐ Both ☒ No		
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		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2017 v. 170203		

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: 60.5% Investment-Grade Debt: 19.8% High-Yield Debt: 8.5% Real Estate: 6.4% Other: 4.8%

- 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):

MARINE AND POWER SYSTEMS RETIREMENT PLAN

Financial Statements as of
and for the Years Ended
December 31, 2017 and 2016

MARINE AND POWER SYSTEMS RETIREMENT PLAN
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Note: Supplemental schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA") have been omitted as the conditions under which they are required are not present.	

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Participants and Administrator

Marine and Power Systems Retirement Plan

Report on the financial statements

We were engaged to audit the accompanying financial statements of Marine and Power Systems Retirement Plan (the “Plan”), which comprise the statement of net assets available for benefits as of December 31, 2017, and the related statement of changes in net assets available for benefits for the year then ended, the statement of accumulated plan benefits as of December 31, 2016, and the related statement of changes in accumulated plan benefits for the year then ended, and the related notes to the financial statements (collectively referred to as the “2017 financial statements”).

Management's responsibility for the 2017 financial statements

Management is responsible for the preparation and fair presentation of these 2017 financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these 2017 financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion on the 2017 Financial Statements paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the 2017 financial statements.

Basis for disclaimer of opinion on the 2017 financial statements

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the certified information described

in Note 8, except for comparing such information with the related information included in the 2017 financial statements. We have been informed by the Plan administrator that the certifying entity meets the requirements of 29 CFR 2520.103-8. The Plan administrator obtained a certification from this entity as of and for the year ended December 31, 2017, stating that the certified information provided to the Plan administrator is complete and accurate.

Disclaimer of opinion on the 2017 financial statements

Because of the significance of the matter described in the Basis for Disclaimer of Opinion on the 2017 Financial Statements paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the 2017 financial statements. Accordingly, we do not express an opinion on these 2017 financial statements.

Other matter

The financial statements of the Plan as of and for the year ended December 31, 2016 were audited by other auditors. Those auditors expressed an unmodified opinion on those financial statements in their report dated September 26, 2017.

Report on form and content in compliance with DOL rules and regulations for the 2017 financial statements

The form and content of the information included in the 2017 financial statements, other than that derived from the certified information described in Note 8, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

A handwritten signature in cursive script that reads "Grant Thornton LLP".

New York, New York
October 11, 2018

MARINE AND POWER SYSTEMS RETIREMENT PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2017 AND 2016
(Dollars in thousands)

	<u>2017</u>	<u>2016</u>
Assets:		
Interest in Master Trust, at fair value	\$ 124,335	\$ 115,649
Employer contribution receivable	188	1,362
Total assets	<u>124,523</u>	<u>117,011</u>
Liabilities:		
Accrued expenses	228	217
Net assets available for benefits	<u>\$ 124,295</u>	<u>\$ 116,794</u>

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

MARINE AND POWER SYSTEMS RETIREMENT PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016
(Dollars in thousands)

	<u>2017</u>	<u>2016</u>
Additions:		
Interest in Master Trust investment income	\$ 17,976	\$ 9,604
Employer contributions	<u>188</u>	<u>1,362</u>
Total additions	<u>18,164</u>	<u>10,966</u>
Deductions:		
Benefit payments	9,594	7,636
Plan expenses	<u>1,069</u>	<u>1,086</u>
Total deductions	<u>10,663</u>	<u>8,722</u>
Net increase in net assets available for benefits	7,501	2,244
Net assets available for benefits, beginning of year	<u>116,794</u>	<u>114,550</u>
Net assets available for benefits, end of year	<u><u>\$ 124,295</u></u>	<u><u>\$ 116,794</u></u>

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

**MARINE AND POWER SYSTEMS RETIREMENT PLAN
STATEMENTS OF ACCUMULATED PLAN BENEFITS AND
CHANGES IN ACCUMULATED PLAN BENEFITS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2016
(Dollars in thousands)**

Statement of Accumulated Plan Benefits as of December 31, 2016:

Actuarial present value of accumulated plan benefits	
Vested benefits:	
Participants currently receiving benefits	\$ 60,329
Other participants	30,300
Total vested benefits	<u>90,629</u>
Non-vested benefits	274
Total actuarial present value of accumulated plan benefits	<u><u>\$ 90,903</u></u>

**Statement of Changes in Accumulated Plan Benefits for year ended
December 31, 2016:**

Actuarial present value of accumulated plan benefits as of December 31, 2015	<u>\$ 90,871</u>
Increase (decrease) during the year attributable to:	
Benefits accumulated and actuarial experience	398
Increase for interest due to decrease in discount period	7,270
Benefits paid	<u>(7,636)</u>
Net increase	32
Actuarial present value of accumulated plan benefits as of December 31, 2016	<u><u>\$ 90,903</u></u>

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

MARINE AND POWER SYSTEMS RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
(Dollars in thousands)

1. Plan Description

On December 31, 2016, following the merger of L-3 Communications Holdings, Inc. with and into L-3 Communications Corporation, L-3 Communications Corporation changed its name to L3 Technologies, Inc. (the “Company”). The following brief description of the Marine and Power Systems Retirement Plan (the “Plan”) is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

The Plan is a non-contributory defined benefit plan which covers substantially all employees of Power Paragon, Inc., a subsidiary of the Company and SPD Technologies, a division of the Company. The Plan also covers employees of the following subsidiaries of the Company: SPD Electrical Systems, Inc., SPD Switchgear, Inc., Henschel, Inc., and PacOrd, Inc. Effective January 1, 2007, any employee of Power Paragon, Inc., who is hired on or after such date, is not eligible to participate in the Plan. Effective September 1, 1995, any employee of Henschel, Inc. who is hired on or after such date, is not eligible to participate in the Plan. Effective January 1, 1995, any salaried employee of SPD Electrical Systems, Inc., or SPD Switchgear, Inc. who is hired on or after such date, is not eligible to participate in the Plan. The Plan is subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

Effective October 15, 1992, benefit accruals under the Plan have been frozen for represented employees of PacOrd, Inc. and any employee who is hired on or after such date, is not eligible to participate in the Plan.

Effective April 10, 1999 and January 1, 2000, any UAW Local 1612 represented employees of SPD Switchgear, Inc. and SPD Electrical Systems, Inc., respectively, who are hired on or after such date, are not eligible to participate in the Plan. Effective June 30, 2007, benefit accruals under the Plan have been frozen for UAW Local 1612 represented employees of SPD Switchgear, Inc. and SPD Electrical Systems, Inc.

If a Plan participant is transferred to any business unit within the Company on or after January 1, 2014, any service and compensation earned by the participant of the Plan from the date of transfer until the date of the participant’s termination of employment with the Company will be treated as though earned by the participant at the business unit of the Plan.

2. Summary of Significant Accounting Policies

Basis of Accounting

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

Interest in Master Trust

Investment assets of the Plan are maintained in the L-3 Communications Corporation Master Trust (the “Master Trust”), administered by The Bank of New York (“BNY”) Mellon, as Trustee. The Plan participates in the Master Trust along with other defined benefit plans sponsored by the Company (collectively, the “L3 Participating Plans”). The fair value of the Plan’s undivided interest

MARINE AND POWER SYSTEMS RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS - continued
(Dollars in thousands)

in the Master Trust is determined based on the beginning of year value of the Plan's undivided interest in the Master Trust plus actual contributions and allocated investment income (loss) less actual distributions and actual administrative expenses. Assets held in the Master Trust primarily consist of equity securities, fixed income securities, a mutual fund, a commingled trust fund and short term investments. See Note 6 for a description of the valuation methodologies of the assets of the Master Trust.

The Master Trust records investment transactions on the trade-date, dividend income on the ex-dividend date, interest income as earned, and determines realized gains and losses on sales of securities based on the average cost method.

Net Investment Income from Master Trust

The net investment income from the Master Trust includes interest and dividend income and net appreciation or depreciation in the fair value of investments, which includes net gains or losses realized upon disposition of investments and net unrealized appreciation or depreciation of investments. The net investment income or loss is allocated to the L3 Participating Plans based upon the relationship of each plan's respective ending monthly balances in the investment pool to the total investments of the Master Trust, as determined on a monthly basis.

Benefit Payments

Benefit payments are recorded when paid.

Plan Expenses

The administrative expenses of the Plan are paid for by the Plan. Administrative expenses are allocated to the Plan at the direction of the Company based upon the Plan's respective portion of the expense. Investment management fees are allocated to the L3 Participating Plans based upon the relationship of each plan's respective ending monthly balances in the investment pool to the total investments of the Master Trust, as determined on a monthly basis.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make significant estimates and assumptions that affect the reported amounts of assets, liabilities, benefit obligations, and changes therein, disclosures of contingent assets, liabilities and benefit obligations, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results may differ from those estimates.

Risks and Uncertainties

Plan contributions and the actuarial present value of accumulated plan benefits are determined based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption

MARINE AND POWER SYSTEMS RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS - continued
(Dollars in thousands)

process, it is at least reasonably possible that changes in the estimates and assumptions in the near term would be material to the financial statements.

The investments held in the Master Trust are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in risks in the near term would materially affect the investments and related allocation reported in the Statements of Net Assets Available for Benefits and the Statements of Changes in Net Assets Available for Benefits.

New Accounting Standards Implemented

In February 2017, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2017-06, which requires the plans to disclose (1) the plan’s interest in the master trust and any change in that interest to be presented in separate line items in the statement of net assets available for benefits and in the statement of changes in net assets available for benefits, respectively, (2) the dollar amount of their interest in each of those general types of investments, which supplements the existing requirement to disclose the master trust’s balances in each general type of investment and (3) the master trust’s other asset and liability balances and the dollar amount of the plan’s interest in each of those balances. This update is effective for fiscal periods beginning after December 15, 2018, and early adoption is permitted. The Plan has elected to early adopt ASU 2017-06 for the year ended December 31, 2016. The adoption of this standard did not impact the Plan’s statements of net assets available for benefits, statements of changes in net assets available for benefits or statements of accumulated plan benefits and changes in accumulated plan benefits. See Note 5 for additional information.

Subsequent Events

In the fourth quarter of 2017, the Benefit Plan Committee approved the freezing of the participants’ benefit service as of December 31, 2018. The amendment will only apply to participants who are employees of Power Paragon, Inc. These participants will not accrue any additional benefit service under the Plan after December 31, 2018.

The Plan evaluated its December 31, 2017 financial statements for subsequent events for recognition or disclosure through October 11, 2018, the date the financial statements were available to be issued. Other than what was disclosed above, there were no subsequent events that would require recognition or additional disclosure in the Plan’s financial statements.

3. Contributions

Generally, the Company’s funding policy is to contribute amounts in accordance with the Internal Revenue Code (“IRC”) that are at least equal to the minimum funding requirements under ERISA. There was no minimum funding requirement in 2017 and 2016. The Company’s contributions met or exceeded the minimum funding requirements of ERISA in 2017 and 2016. Minimum contributions are calculated using the Unit Credit Actuarial Cost Method, as prescribed by law. Under this method, the liability is measured on an accrued-to-date basis using mandated mortality

MARINE AND POWER SYSTEMS RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS - continued
(Dollars in thousands)

tables and interest rates with no salary projection past the end of the year. Assuming all assumptions are met (including the investment earnings implicitly assumed by the interest rate), funding the minimum required contribution is generally designed to achieve the following: (1) if the plan is underfunded, funding at the minimum level would achieve 100% funding within seven years, and then contributions would equal the target normal cost, or (2) if the plan is overfunded, there will be no required contributions unless the target normal cost exceeds the overfunding.

4. 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 that employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries.

Former Retirement Plan for Employees of Power Paragon, Inc.

Participants are entitled to receive monthly pension benefits beginning at the normal retirement age of 65 equal to the sum of 0.65% of their Average Monthly Compensation plus an additional 1.30% of their Average Monthly Compensation in excess of their covered compensation multiplied by the number of years of service up to 35 years. Average Monthly Compensation is calculated by dividing total compensation (as defined) during the highest five consecutive calendar years out of the last ten consecutive calendar years by 60. Benefits vest 100% after five years of service and are payable at age 65.

The Plan permits early retirement at ages 55 to 64 for participants with at least 10 years of service. The early retirement benefit will be determined by reducing the normal retirement benefit by the predetermined early retirement factors. The early retirement factors used are based on the benefit commencement date. Participants who do not complete 5 years of service forfeit the right to receive their accumulated benefits. Participants may choose to receive the value of their accumulated plan benefits as a joint and survivor annuity or a life income annuity with 120 months certain. Under the joint and survivor annuity, if a vested participant dies prior to the date pension benefits commence, the surviving spouse of the deceased vested participant receives benefits equal to 50% of the amount which would have been payable to the retiree under a joint and survivor annuity. Under the life income annuity with 120 months certain, there are no continuing payments after the death of the retiree after 120 months.

Effective September 1, 2017, the Plan was amended to allow a one-time lump sum distribution capped at \$100 to eligible terminated vested participants. The lump sum distributions were paid on December 31, 2017.

MARINE AND POWER SYSTEMS RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS - continued
(Dollars in thousands)

Former SPD Technologies Retirement Plan

The Plan provides an annual benefit for each year of service, which ranges from 1% to 2% of compensation based on length of service, compensation levels and division of SPD. Benefits vest 100% after five years of service and are payable at age 65.

The Plan permits early retirement for participants at age 55 with at least 10 years of service. The benefit may begin at the date of early retirement, reduced by up to 6% for each year prior to age 65 depending on length of service and division of SPD. Retirees may elect to receive their pension benefits in the form of a joint and survivor annuity or a life annuity payable monthly from the date of retirement. Under the joint and survivor annuity, if a vested participant dies prior to the date pension benefits commence, the surviving spouse of the deceased vested participant receives benefits equal to 50% of the amount which would have been payable to the retiree under a joint and survivor annuity. Under the life annuity, there are no continuing payments after the death of the retiree. If participants are terminated before completing five years of service, they forfeit the right to receive their accumulated benefits.

On April 24, 2017, the Benefit Committee approved a one-time lump sum distribution capped at \$100 to eligible terminated vested participants. The lump sum distributions were payable on December 31, 2017.

The actuarial present value of the accumulated plan benefits is determined by an independent actuary and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations as of December 31, 2016 and 2015 were:

Mortality basis	Total Collar RP-2014 Mortality Table (adjusted back to 2006), projected generationally with the 2014 SSA Intermediate – Cost Projections Scale.
Retirement	Retirement at ages 55 through 70, at varying rates, with 100% by age 70.
Discount Rate	8%

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors may be applicable in determining the actuarial present value of accumulated plan benefits. The computation of the actuarial present value of accumulated plan benefits was made as of January 1, 2017 and 2016. Had valuations been performed as of December 31, 2016 and 2015 there would be no material differences.

MARINE AND POWER SYSTEMS RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS - continued
(Dollars in thousands)

5. Master Trust Investments

The fair value of the assets and liabilities of the Master Trust at December 31, 2017 and 2016 is presented in the table below. The Plan's percentage interest in the Master Trust was approximately 4.5% at December 31, 2017 and 4.7% at December 31, 2016.

	Master Trust		Plan's Interest in Master Trust	
	2017	2016	2017	2016
Equity securities	\$ 1,605,719	\$ 1,634,993	\$ 72,660	\$ 76,849
Fixed income securities and mutual funds				
Fixed income securities	497,590	348,830	22,516	16,396
Mutual fund	268,314	210,252	12,142	9,883
Total fixed income securities and mutual funds	765,904	559,082	34,658	26,279
Commingled trust fund	205,984	173,517	9,321	8,156
Short term investments	200,709	116,048	9,082	5,455
Total investments at fair value	2,778,316	2,483,640	125,721	116,739
Accrued income, cash and net unsettled trades				
Cash	—	228	—	11
Other liabilities	(560)	—	(25)	—
Accrued income	8,809	6,451	399	303
Receivable for unsettled trades	1,018	4,867	46	229
Payable for unsettled trades	(39,916)	(34,752)	(1,806)	(1,633)
Total accrued income, cash and net unsettled trades	(30,649)	(23,206)	(1,386)	(1,090)
	<u>\$ 2,747,667</u>	<u>\$ 2,460,434</u>	<u>\$ 124,335</u>	<u>\$ 115,649</u>

The following presents the investment income (loss) of the Master Trust for the years ended December 31, 2017 and 2016.

	2017	2016
Net appreciation of investments	\$ 325,939	\$ 135,603
Interest	18,138	15,138
Dividends	44,873	46,069
Other	(454)	1,958
	<u>\$ 388,496</u>	<u>\$ 198,768</u>

MARINE AND POWER SYSTEMS RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS - continued
(Dollars in thousands)

The Plan, through the Master Trust, may enter into foreign currency forward exchange contracts primarily to hedge against foreign currency exchange rate risks on its non-U.S dollar denominated investment securities. When entering into a foreign currency forward contract, the Plan agrees to receive or deliver a fixed quantity of foreign currency for an agreed-upon price on an agreed future date. The Plan's net equity therein, representing unrealized gain or loss on the contracts, as measured by the difference between the forward foreign exchange rates at the dates of entry in the contracts and the forward foreign exchange rates at the reporting date is included in Plan's statement of net assets available for benefits. Realized and unrealized gains and losses are included in the Plan's statement of changes in net assets available for benefits. These instruments involve market and/or credit risks. The Plan, through the Master Trust, manages exposure to credit risk by entering into foreign currency forward exchange contracts only with major institutions that are expected to fully perform under the terms of such contracts. The average notional amounts for the years ended December 31, 2017 and 2016 were \$134 and \$4,642, respectively.

At December 31, 2017 and 2016, the Plan had no foreign currency forward exchange contracts.

MARINE AND POWER SYSTEMS RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS - continued
(Dollars in thousands)

6. Fair Value Measurements

The Plan's assets and liabilities are measured and recorded at fair value. The Benefit Plan Committee determines the Plan's valuation policies utilizing information provided by the investment advisors and trustee. The standards establish a framework for measuring fair value and expand related disclosures. The standards define fair value 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. It establishes a fair value hierarchy that gives the highest priority to observable inputs and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are described below.

Level 1: Quoted market prices available in active markets for identical assets or liabilities as of the reporting date. The Plan's Level 1 assets primarily include equity securities, a mutual fund classified under Fixed Income – Investment Grade and Real Estate Investment Trusts ("REITs"), all of which fair value is derived from quoted market prices.

Level 2: Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date. The fair value is determined using a valuation model based on observable market inputs. The Plan's Level 2 assets primarily include money market accounts and both investment grade and high-yield fixed income securities.

Level 3: Pricing inputs that are generally unobservable inputs and not corroborated by market data. The Plan has no Level 3 assets.

The table below reports by level, within the fair value hierarchy, the assets held in the Master Trust at fair value as of December 31, 2017 and 2016, including a description of the valuation methodologies. As required by the standards, each asset is classified based on the lowest level of input that is significant to the fair value measurement. There have been no changes in the methodologies used at December 31, 2017 and 2016. There were no transfers between Levels 1, 2 or 3 during the years ended December 31, 2017 and 2016.

MARINE AND POWER SYSTEMS RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS - continued
(Dollars in thousands)

Asset Category	Fair Value Measured at December 31, 2017				Fair Value Measured at December 31, 2016			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Equity securities ⁽¹⁾ :								
U.S. Equity	\$ 1,318,240	\$ —	\$ —	\$ 1,318,240	\$ 1,352,478	\$ —	\$ —	\$ 1,352,478
International Equity	88,575	—	—	88,575	86,515	—	—	86,515
REITS ⁽²⁾	198,904	—	—	198,904	196,000	—	—	196,000
Total equity securities	1,605,719	—	—	1,605,719	1,634,993	—	—	1,634,993
Fixed income securities and mutual funds								
Investment Grade ⁽³⁾	334,469	208,802	—	543,271	259,589	161,832	—	421,421
High Yield ⁽⁴⁾	—	222,633	—	222,633	—	137,661	—	137,661
Total fixed income securities and mutual funds	334,469	431,435	—	765,904	259,589	299,493	—	559,082
Short term investments ⁽⁵⁾	—	200,709	—	200,709	—	116,048	—	116,048
Total	<u>\$ 1,940,188</u>	<u>\$ 632,144</u>	<u>\$ —</u>	<u>2,572,332</u>	<u>\$ 1,894,582</u>	<u>\$ 415,541</u>	<u>\$ —</u>	<u>2,310,123</u>
Commingled trust fund ⁽⁶⁾⁽⁷⁾⁽⁸⁾				205,984				173,517
Total investments at fair value				<u>\$ 2,778,316</u>				<u>\$ 2,483,640</u>

⁽¹⁾ Equity securities consist of investments in common stock of U.S. and international companies. The fair value of equity securities is based on quoted market prices available in active markets at the close of a trading day, primarily the New York Stock Exchange (NYSE), National Association of Securities Dealers Automated Quotations (NASDAQ), and various international exchanges.

⁽²⁾ Real Estate Investment Trusts (REITs) consist of securities that trade on the major exchanges and invest directly in real estate, either through properties or mortgages.

⁽³⁾ Approximately 62% at December 31, 2017 and 2016 of plan assets that are invested in the Fixed Income — Investment Grade asset category consist of a mutual fund offered by a registered investment company (the Fund) and fixed income securities. The Fund invests in investment grade fixed income securities, mortgaged-backed securities, U.S. treasury and agency bonds and corporate bonds. These investments are classified by the Company as a Level 1 measurement within the fair value hierarchy, as mutual funds are required to publish their NAV daily and transact at that price, they are deemed to be actively traded. The remaining 38% at December 31, 2017 and 2016 of plan assets are fixed income securities, primarily investment grade corporate bonds from various industries held directly by the Master Trust. The fair values of these investments are based on yields currently available on comparable bonds of issuers with similar credit ratings, quoted prices of similar bonds in an active market, or cash flows based on observable inputs and are classified as Level 2. The breakout of mutual funds into types is no longer required.

⁽⁴⁾ Fixed Income — High Yield consists of investments in corporate high-yield bonds from various industries. The fair values of these investments are based on yields currently available on comparable bonds of issuers with similar credit ratings, quoted prices of similar bonds in an active market, or cash flows based on observable inputs.

⁽⁵⁾ Short term investments consist primarily of money market accounts, which invest primarily in short-term, high quality money market securities such as government obligations, commercial paper, time deposits and certificates of deposit.

⁽⁶⁾ In accordance with ASU 2015-07, certain investments that are measured at fair value using the net asset value (NAV) 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 Note 5.

⁽⁷⁾ All of the plan's other investments measured using NAV as a practical expedient at December 31, 2017 and 2016 consist of a regulated commingled equity trust fund, for which fair value is based on the NAV at the end of each month. The NAV is calculated by the fund manager based on the fair value of the fund's holdings, primarily equity securities traded in active markets, determined as of the end of each month as a practical expedient to estimating fair value. This practical expedient is not used when it is determined to be probable that the Plan will sell the investment for an amount different than the reported NAV. Withdrawals are permitted, with notice by the 20th day of each month, based on NAV.

⁽⁸⁾ There were no restrictions on redemption or unfunded commitments at December 31, 2017 and 2016.

MARINE AND POWER SYSTEMS RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS - continued
(Dollars in thousands)

7. Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated October 26, 2017, that the Plan is designed in accordance with the applicable sections of the IRC. The Plan has been amended since receiving the determination letter. The Plan administrator and the Plan's counsel believe that the Plan is designed and is currently being operated in compliance with the applicable regulations of the IRC; therefore, no provision for income taxes has been included in the Plan's financial statements.

U.S. GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan administrator has analyzed the tax positions by the Plan and has concluded that as of December 31, 2017 and 2016, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

The Plan recognizes accrued interest and penalties related to unrecognized tax benefits in tax expense. There were no interest and penalties included in the Plan's financial statements.

8. Plan Interest in Master Trust Certified By Trustee

The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Investments held at December 31, 2017, and investment income for the year then ended, that is disclosed in the accompanying financial statements, was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by the trustee of the Plan.

9. Parties-in-Interest and Related Party Transactions

Certain plan investments held in the Master Trust are units of a commingled trust fund managed by BNY Mellon, the Plan's trustee. As described in Note 2, the Plan paid certain expenses related to plan operations and investment activity to various related party service providers. These transactions are exempt party in interest transactions under ERISA.

10. Termination Priorities

While the Company has not expressed any intention to do so, it is free to discontinue its contributions at any time and to terminate the Plan, subject to collective bargaining and the provisions set forth in ERISA.

In the event the Plan terminates, the net assets of the Plan will be allocated as specified by the Plan in accordance with ERISA, generally to provide the following benefits in the order indicated:

- a. Benefits attributable to employee contributions, taking into account those paid out before termination.

MARINE AND POWER SYSTEMS RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS - continued
(Dollars in thousands)

- b. Benefits attributable to participants who have retired at least three years before the termination date of the Plan or those participants who were eligible to retire and receive pension benefits at least three years before, but who did not elect to retire at that time.
- c. Benefits commencing at retirement age to participants who are eligible to receive guaranteed benefits under ERISA.
- d. All vested and non-vested benefits.

Whether participants receive all benefits to which they are entitled under the terms of the Plan 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 Company and the level of benefits guaranteed by the Pension Benefit Guaranty Corporation, up to specified limits.

Attachment to 2017 Schedule SB of Form 5500
Schedule SB, Line 26 – Schedule of Active Participant Data
The Marine & Power Systems Retirement Plan
EIN 13-3937436 PN 012

Participants in Active Service by Age and Years of Benefit Service as of January 1, 2017

[illegible]

Attachment to 2017 Schedule SB of Form 5500
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
The Marine & Power Systems Retirement Plan
EIN 13-3937436 PN 012

Actuarial Assumptions and Methodologies (Funding)

Certain assumptions are prescribed as described below. The other assumptions are estimates derived from historical and recent experience as well as market observations, combined with professional judgment about future expectations. Sibson Consulting's reports as of November 29, 2011 and January 12, 2015 show a recent analysis upon which these assumptions are based.

Interest:

The interest rates used for the 2017 plan year are the 24-month average corporate bond segment rates for September 2016 (a 4-month lookback) subject to funding stabilization. Under stabilization, the interest rates used for funding purposes are calculated in the usual manner (24-month average corporate bond rates) but are then constrained to be within a corridor around a 25-year average of those same bond rates. For 2017, the stabilization corridor is 10%. Under current law, it is scheduled to remain at 10% through 2020, then increase by 5% per year until it reaches 30% for 2024. The rates are as follows:

	Payments in the First 5 Years	Payments in Years 6 – 20	Payments Thereafter	Effective Interest Rate
Current Year, reflecting stabilization	4.16%	5.72%	6.48%	5.82%
Current Year, without stabilization	1.52%	3.80%	4.79%	4.00%
Prior Year, reflecting stabilization	4.43%	5.91%	6.65%	6.01%
Prior Year, without stabilization	1.34%	4.03%	5.06%	4.21%

The segment rates used to determine the PBGC variable rate premium are the standard PBGC premium rates. These rates are 2.04% for payments in the first 5 years, 4.03% for payments in years 6-20, and 4.82% for payments thereafter.

These interest rates are based on the plan sponsor's election (an election that can next be changed for the 2019 plan year) and are subject to the constraints established by law.

Attachment to 2017 Schedule SB of Form 5500
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
The Marine & Power Systems Retirement Plan
EIN 13-3937436 PN 012

Actuarial Assumptions and Methodologies (Funding) *continued*

Mortality rates:	RP2000 separate annuitant and non-annuitant healthy mortality tables (sex-specific) with static projection using scale AA and no collar-adjustment. Mortality is projected from 2000 through the valuation date plus another 7 years for annuitants, and through the valuation date plus another 15 years for non-annuitants. This assumption is one of the choices allowed by the regulations.
Salary increases:	3.50%. This assumption is based on historical and current data, adjusted to reflect estimated future experience and professional judgment.
Benefit election:	SPD Technologies: For unmarried participants – Straight Life Annuity For married participants – Qualified 50% Joint and Survivor Annuity
	Power Paragon: For unmarried participants – Life Annuity with 120 months certain For married participants – Qualified 50% Joint and Survivor Annuity
	This assumption is based on historical and current data, adjusted to reflect estimated future experience and professional judgment.

Attachment to 2017 Schedule SB of Form 5500
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
The Marine & Power Systems Retirement Plan
EIN 13-3937436 PN 012

Actuarial Assumptions and Methodologies (Funding) *continued*

Sample termination rates:																								
SPD Technologies:		<table><tr><th colspan="2">Sarason T-6 Table</th></tr><tr><th>Age</th><th>Rate</th></tr><tr><td>20</td><td>7.95%</td></tr><tr><td>25</td><td>7.75</td></tr><tr><td>30</td><td>7.44</td></tr><tr><td>35</td><td>6.90</td></tr><tr><td>40</td><td>6.18</td></tr><tr><td>45</td><td>5.30</td></tr><tr><td>50</td><td>3.87</td></tr><tr><td>55</td><td>1.67</td></tr><tr><td>60</td><td>0.23</td></tr></table>	Sarason T-6 Table		Age	Rate	20	7.95%	25	7.75	30	7.44	35	6.90	40	6.18	45	5.30	50	3.87	55	1.67	60	0.23
		Sarason T-6 Table																						
		Age	Rate																					
		20	7.95%																					
		25	7.75																					
		30	7.44																					
		35	6.90																					
		40	6.18																					
		45	5.30																					
		50	3.87																					
		55	1.67																					
60	0.23																							
Power Paragon:		<table><tr><th>Age</th><th>Rate</th></tr><tr><td>20</td><td>15%</td></tr><tr><td>25</td><td>13</td></tr><tr><td>30</td><td>11</td></tr><tr><td>35</td><td>9</td></tr><tr><td>40</td><td>7</td></tr><tr><td>45</td><td>6</td></tr><tr><td>50</td><td>5</td></tr><tr><td>55</td><td>0</td></tr></table>	Age	Rate	20	15%	25	13	30	11	35	9	40	7	45	6	50	5	55	0				
		Age	Rate																					
		20	15%																					
		25	13																					
		30	11																					
		35	9																					
		40	7																					
		45	6																					
		50	5																					
55	0																							
Based on a review of the assumed rates compared to historical experience, in light of the plan provisions and professional judgment, these assumed rates reflect a reasonable expectation for the future.																								

Attachment to 2017 Schedule SB of Form 5500
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
The Marine & Power Systems Retirement Plan
EIN 13-3937436 PN 012

Actuarial Assumptions and Methodologies (Funding) *continued*

Sample disability rates:																						
SPD Technologies:		<table><tr><th>Age</th><th>Rate</th></tr><tr><td>20</td><td>0.03%</td></tr><tr><td>25</td><td>0.03</td></tr><tr><td>30</td><td>0.03</td></tr><tr><td>35</td><td>0.03</td></tr><tr><td>40</td><td>0.05</td></tr><tr><td>45</td><td>0.09</td></tr><tr><td>50</td><td>0.20</td></tr><tr><td>55</td><td>0.43</td></tr><tr><td>60</td><td>0.87</td></tr></table>	Age	Rate	20	0.03%	25	0.03	30	0.03	35	0.03	40	0.05	45	0.09	50	0.20	55	0.43	60	0.87
	Age	Rate																				
	20	0.03%																				
	25	0.03																				
	30	0.03																				
	35	0.03																				
	40	0.05																				
	45	0.09																				
	50	0.20																				
	55	0.43																				
60	0.87																					
Power Paragon:	None																					
Based on a review of the assumed rates compared to historical experience, in light of the plan provisions and professional judgment, these assumed rates reflect a reasonable expectation for the future.																						

Attachment to 2017 Schedule SB of Form 5500
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
The Marine & Power Systems Retirement Plan
EIN 13-3937436 PN 012

Actuarial Assumptions and Methodologies (Funding) *continued*

Retirement (from active status) rates:																
SPD Technologies:		<table><tr><th>Age</th><th>Rate</th></tr><tr><td>55</td><td>13%</td></tr><tr><td>56 - 59</td><td>8</td></tr><tr><td>60 - 61</td><td>18</td></tr><tr><td>62 - 65</td><td>35</td></tr><tr><td>66 - 69</td><td>20</td></tr><tr><td>70</td><td>100</td></tr></table>	Age	Rate	55	13%	56 - 59	8	60 - 61	18	62 - 65	35	66 - 69	20	70	100
	Age	Rate														
	55	13%														
	56 - 59	8														
	60 - 61	18														
	62 - 65	35														
	66 - 69	20														
70	100															
Power Paragon:		<table><tr><th>Age</th><th>Rate</th></tr><tr><td>55 - 59</td><td>2%</td></tr><tr><td>60 - 61</td><td>5</td></tr><tr><td>62 - 64</td><td>10</td></tr><tr><td>65</td><td>35</td></tr><tr><td>66 - 69</td><td>20</td></tr><tr><td>70</td><td>100</td></tr></table>	Age	Rate	55 - 59	2%	60 - 61	5	62 - 64	10	65	35	66 - 69	20	70	100
	Age	Rate														
	55 - 59	2%														
	60 - 61	5														
	62 - 64	10														
	65	35														
	66 - 69	20														
70	100															
Based on a review of the assumed rates compared to historical experience, in light of the plan provisions and professional judgment, these assumed rates reflect a reasonable expectation for the future.																
Description of Weighted Average Retirement Age:	Age 63, determined as follows: The weighted-average retirement age is calculated as the sum of the product of each potential past or future retirement age times the probability of surviving to that age and then retiring at that age, assuming no other decrements.															
Retirement from inactive status:	Age 65															
Percent married:	70% for males, 55% for females. Spouse is assumed to be the opposite gender.															
Age difference:	For inactive participants for whom a spouse's date of birth was not provided, and for active participants, it was assumed that male spouses are three years older than female spouses.															

Attachment to 2017 Schedule SB of Form 5500
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
The Marine & Power Systems Retirement Plan
EIN 13-3937436 PN 012

Actuarial Assumptions and Methodologies (Funding) *continued*

Social Security benefits:	<p>Increase in Social Security Taxable Wage Base of 3.00% per annum</p> <p>Increase in Consumer Price Index of 2.5% per annum</p>
Administrative expenses:	<p>An expense assumption is required under the funding rules. Plan-related expenses of \$620,000 (\$330,000 for SPD Technologies and \$290,000 for Power Paragon) are expected to be paid by the plan during the year.</p> <p>This assumption is based on recent historical data, adjusted to reflect PBGC variable-rate premium changes, advice from the plan sponsor, and estimated future experience and professional judgment.</p>
Asset method:	<p>As selected by the plan sponsor, assets are determined by averaging the market value as of the valuation date and the adjusted market values as of the preceding two years. The resulting value is limited to between 90% to 110% of market value of assets. The adjusted market values reflect cash flow and expected earnings to the valuation date. The expected earnings are based on an assumed rate of return of 7.50%, not to exceed the applicable third segment rate of 6.81% for 2015 and 6.65% for 2016.</p>
Funding method:	<p>Funding method is unit credit actuarial cost method, as prescribed by law. The liability is measured on an accrual-to-date basis using mandated mortality tables and interest rates with no salary projection past the end of the year.</p> <p>If all assumptions are met (including the investment earnings implicitly assumed by the interest rate), funding the plan at the minimum required contribution level is generally designed to achieve a 100% funded status within seven years. Once that is achieved, or for overfunded plans, the required contribution will generally equal the target normal cost reduced by any overfunding.</p>
Assumption changes since prior valuation:	<p><u>Assumption Type</u></p> <p>None</p>

Form 5500Department of the Treasury
Internal Revenue ServiceDepartment 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 4085 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**2017****This Form is Open to Public Inspection****Part I Annual Report Identification Information**

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

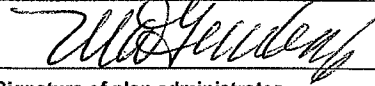
- A** This return/report is for: ☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
☒ a single-employer plan ☐ a DFE (specify) _____
- B** This return/report is: ☐ the first return/report ☐ the final return/report
☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
- C** If the plan is a collectively-bargained plan, check here. ☒
- D** Check box if filing under: ☒ Form 5558 ☐ automatic extension ☐ the DFVC program
☐ special extension (enter description) _____

Part II Basic Plan Information—enter all requested information

1a Name of plan MARINE & POWER SYSTEMS RETIREMENT PLAN	1b Three-digit plan number (PN) ▶ 012
	1c Effective date of plan 05/01/1987
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) L3 TECHNOLOGIES, INC. 600 THIRD AVENUE NEW YORK NY 10016-1901 PHILADELPHIA PA 19116-4299	2b Employer Identification Number (EIN) 13-3937436 2c Plan Sponsor's telephone number 212-697-1111 2d Business code (see instructions) 336990

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

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

SIGN HERE		10-11-2018	Melinda D. Grosskopf
	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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2017)
v. 170203

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 1,601
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) 302
a(2) Total number of active participants at the end of the plan year	6a(2) 278
b Retired or separated participants receiving benefits.....	6b 738
c Other retired or separated participants entitled to future benefits	6c 221
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 1,237
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 251
f Total. Add lines 6d and 6e	6f 1,488
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 who terminated employment during the plan year with accrued benefits that were less than 100% vested	6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
 1A 3F 3H

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

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

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

a Pension Schedules

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

b General Schedules

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☐ **A** (Insurance Information)
- (4) ☒ **C** (Service Provider Information)
- (5) ☒ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

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 2017 This Form is Open to Public Inspection
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For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

▶ **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 The Marine and Power Systems Retirement Plan	B Three-digit plan number (PN) ▶ 012
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF L3 Technologies, Inc.	D Employer Identification Number (EIN) 13-3937436
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month 01 Day 01 Year 2017	
2 Assets:	
a Market value.....	2a 116,956,712
b Actuarial value	2b 117,941,710
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment	(1) Number of participants 1,006 (2) Vested Funding Target 67,859,516 (3) Total Funding Target 67,859,516
b For terminated vested participants	293 11,584,508 11,584,508
c For active participants	302 26,538,375 26,873,979
d Total	1,601 105,982,399 106,318,003
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 5.82%
6 Target normal cost	6 2,314,197

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	Patrick Grigsby 	09/17/2018
	Signature of actuary	Date
PATRICK GRIGSBY, EA, MAAA		1707173
	Type or print name of actuary	Most recent enrollment number
SIBSON CONSULTING		212-251-5000
	Firm name	Telephone number (including area code)
333 W 34TH STREET		
NEW YORK NY 10001-2402		
	Address of the firm	

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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2017

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	7,280,695
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	7,280,695
10 Interest on line 9 using prior year's actual return of <u>8.30</u> %	0	604,298
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year).....		1,233,196
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.01</u> %.....		74,115
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.....		1,307,311
d Portion of (c) to be added to prefunding balance.....		1,307,311
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	9,192,304

Part III Funding Percentages

14 Funding target attainment percentage	14	102.28%
15 Adjusted funding target attainment percentage.....	15	110.93%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	106.36%
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
09/14/2018	188,000				
Totals ▶			18(b)	188,000	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	170,723

20 Quarterly contributions and liquidity shortfalls:

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

Liquidity shortfall as of end of quarter of this plan year

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

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

21 Discount rate:				
a Segment rates:	1st segment: 4.16 %	2nd segment: 5.72 %	3rd segment: 6.48 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	2,314,197	
b Excess assets, if applicable, but not greater than line 31a	31b	2,314,197	
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment	0		0
b Waiver amortization installment			
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	170,723	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	170,723	
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		

Attachment to 2017 Schedule SB of Form 5500
Schedule SB, Line 22 – Description of Weighted Average Retirement Age
The Marine & Power Systems Retirement Plan
EIN 13-3937436 PN 012

SPD Technologies

<u>Age</u>	<u>Rate</u>	<u>Probability of Retiring</u>	<u>Age x Probability</u>
55	13.00%	13.00%	7.15
56	8.00%	6.96%	3.90
57	8.00%	6.40%	3.65
58	8.00%	5.89%	3.42
59	8.00%	5.42%	3.20
60	18.00%	11.22%	6.73
61	18.00%	9.20%	5.61
62	35.00%	14.67%	9.09
63	35.00%	9.53%	6.01
64	35.00%	6.20%	3.97
65	35.00%	4.03%	2.62
66	20.00%	1.50%	0.99
67	20.00%	1.20%	0.80
68	20.00%	0.96%	0.65
69	20.00%	0.77%	0.53
70	100.00%	3.06%	2.14
			60.46

Power Paragon, Inc.

<u>Age</u>	<u>Rate</u>	<u>Probability of Retiring</u>	<u>Age x Probability</u>
55	2.00%	2.00%	1.10
56	2.00%	1.96%	1.10
57	2.00%	1.92%	1.09
58	2.00%	1.88%	1.09
59	2.00%	1.84%	1.09
60	5.00%	4.52%	2.71
61	5.00%	4.29%	2.62
62	10.00%	8.16%	5.06
63	10.00%	7.34%	4.63
64	10.00%	6.61%	4.23
65	35.00%	20.81%	13.53
66	20.00%	7.73%	5.10
67	20.00%	6.18%	4.14
68	20.00%	4.95%	3.36
69	20.00%	3.96%	2.73
70	100.00%	15.83%	11.08
			64.66

Headcount

SPD	93
Power Paragon	<u>209</u>
	302

Weighted Average

$$(60.46 * 93 + 64.66 * 209) / 302 = 63.37$$

Attachment to 2017 Schedule SB of Form 5500
Schedule SB, Part V – Summary of Plan Provisions
The Marine & Power Systems Retirement Plan
EIN 13-3937436 PN 012

Summary of Plan Provisions – *SPD Technologies*

This subsection summarizes the major provisions of the Marine and Power Systems Retirement Plan applicable to employees of SPD Technologies, as included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Plan Status: Closed to New Hires	
Normal retirement:	
Age requirement:	65
Service requirement:	5 years of participation service; None if participation commenced prior to January 1, 1988.
Amount:	A certain percentage of earnings up to a breakpoint each year plus a different percentage of earnings in excess of the breakpoint. The percentages and the associated breakpoints are listed in the following Chart of Plan Provisions. A flat rate minimum benefit for each year of service is also listed in the following Chart of Plan Provisions.
Compensation:	For any Plan Year, but only during the time he or she was a participant, the total taxable earnings, including overtime, bonuses and severance pay and suggestion or scientific awards reported to a participant in Box 1 on Form W-2, but excluding any reimbursements, expenses, losses, or employer contributions under any employee stock purchase plan or deferred compensation plan. The amount of any elective deferrals the participant has authorized the employer to make in accordance with IRC Sections 125 and 401(k) shall be included.
Early retirement:	
Age requirement:	55
Service requirement:	10 years of vesting service; for Henschel hourly employees and Henschel non-highly compensated salaried employees hired prior to June 2, 1989, 5 years of vesting service.
Amount:	Normal retirement accrued benefit, reduced by the early retirement factors as listed in the following Chart of Plan Provisions.
Temporary early retirement supplement:	
Amount:	A participant who retires after Early Retirement Date with at least 30 years of service and satisfies certain age and date of retirement requirements, is entitled to the monthly amount listed in the following Chart of Plan Provisions. This temporary supplement is payable until the earlier of age 62 or death.

Attachment to 2017 Schedule SB of Form 5500
Schedule SB, Part V – Summary of Plan Provisions
The Marine & Power Systems Retirement Plan
EIN 13-3937436 PN 012

Summary of Plan Provisions – SPD Technologies continued

Late retirement:	
Amount:	Additional accruals to actual retirement
Disability:	
Requirement:	Ten years of Vesting Service and must qualify for Social Security disability. For SPD and Switchgear UAW-hourly participants with seniority, the eligibility requirement is five years of Vesting Service.
Amount:	Either an immediate benefit equal to the unreduced accrual benefit, or a benefit deferred to normal retirement date including additional accruals from date of disability to Normal Retirement based on the earnings rate in effect immediately prior to the occurrence of the disability. (See the following Chart of Plan Provisions.)
Vesting:	
Age requirement:	None
Service requirement:	5 years
Amount:	Regular pension accrued payable at age 65. The vested benefit is also payable as early as age 55 for participants meeting service requirements.
Vesting percentage:	Based on early retirement reduction factors as listed in the following Chart of Plan Provisions.
Additional Retirement Benefit:	
Eligibility:	SPD and Switchgear UAW-hourly participants with seniority who retire from active status on or after February 1, 1993.
Amount:	\$2 per month per year of Vesting Service on the first anniversary of retirement. An additional \$6 per month per year of Vesting Service on the second anniversary of retirement and an additional \$4 per month per year of Vesting Service on the third anniversary of retirement.
Special Medicare Part B Reimbursement Benefit:	
Eligibility:	Retired participant who is either over age 65, or disabled and enrolled in the voluntary Medicare Part B coverage under Social Security.
Amount:	Monthly amount as listed in the following Chart of Plan Provisions.

Attachment to 2017 Schedule SB of Form 5500
Schedule SB, Part V – Summary of Plan Provisions
The Marine & Power Systems Retirement Plan
EIN 13-3937436 PN 012

Summary of Plan Provisions – SPD Technologies continued

Pre-retirement death benefits:	
Age requirement:	None
Service requirement:	5 years of participation service
Amount:	Percentage of benefit employee would have received had he/she retired the day before he/she died and elected the joint and survivor option. Commences immediately if employee was eligible for early retirement at time of death. Otherwise, commences no earlier than the participant's first eligibility for early retirement. Benefit percentages are listed in the following Chart of Plan Provisions.
Special spouse's death benefit:	
	For those eligible groups indicated in the following Chart of Plan Provisions, a return of any contributions with interest made under the prior plan, in addition to the regular benefit they receive.
Post-retirement death benefits:	
Amount:	If married, pension benefits are paid in the form of a 50% joint and survivor annuity unless this form is waived by employee and spouse. If not waived, the benefit amount otherwise payable is reduced to reflect the joint and survivor coverage. If waived by employee and spouse, or if not married, benefits are payable for the life of the employee without reduction or in any other available optional form elected by the employee in an actuarially equivalent amount.
Participation:	
Requirement:	Certain employees of Henschel, PacOrd, SPD and Switchgear are participating in the Plan. The Plan is closed to all new hires. Effective June 30, 2007, benefit accruals under the Plan are frozen for UAW represented employees of SPD Electrical System, Inc. and SPD Switchgear, Inc.
Service:	
Benefit credit:	From date of participation.
Vesting credit:	All years of employment are credited.

Attachment to 2017 Schedule SB of Form 5500
Schedule SB, Part V – Summary of Plan Provisions
The Marine & Power Systems Retirement Plan
EIN 13-3937436 PN 012

Summary of Plan Provisions – *SPD Technologies continued*

Forms of Benefit:	
Normal Form:	Life annuity for unmarried participants. For married participants, a joint and 50% survivor annuity, which is actuarially equivalent to a life annuity.
Optional Forms:	<ol style="list-style-type: none"> 1. Life Annuity with guaranteed payments: <ol style="list-style-type: none"> a. 10 or 15 years for group benefit group B b. 10 years for benefit groups E and F c. 5, 10, or 15 years for all other groups 2. Life Annuity: All benefit groups 3. Joint and Survivor Annuity: <ol style="list-style-type: none"> a. 100%, 75%, 60%, or 50% surviving spouse option for benefit groups E and F. b. 100%, 75%, 50%, or 25% surviving spouse option for all other benefit groups.
Lump sum benefit:	Benefits with a present value less than \$5,000 are automatically cashed out. An optional lump sum payment is available to participants not covered by collective bargaining if the present value of benefit is less than or equal to \$20,000.
Actuarial Equivalence:	<p>For benefits payable under optional forms of payment, the following shall be used for determining actuarial equivalence.</p> <ol style="list-style-type: none"> 4. For Non-Union Hourly Employees at Henschel Corporation: <ol style="list-style-type: none"> a. Interest at 7% b. For Participants – The 1971 Group Annuity Mortality Table for Males c. For Beneficiaries – The 1971 Group Annuity Mortality Table for Females 5. All other benefit groups: <ol style="list-style-type: none"> a. The following factors shall be multiplied by the benefits payable on a life-only annuity basis, and the resulting benefit amount represents the actuarial equivalent benefit payable on the specified form of payment.

Attachment to 2017 Schedule SB of Form 5500
Schedule SB, Part V – Summary of Plan Provisions
The Marine & Power Systems Retirement Plan
EIN 13-3937436 PN 012

Summary of Plan Provisions – *SPD Technologies continued*

Actuarial Equivalence <i>continued:</i>	Adjustments to Base Factor For Each Year Participant's Age:				
	Form of Payment	Factor	Is Less Than 65	Is More Than 65	Is Less Than Beneficiary's Age
	Certain and Continuous Annuity, with certain period of:				
	5 years	.980	+.002	-.002	None
	10 years	.930	+.005	-.005	None
	15 years	.860	+.009	-.009	None
	Joint and Survivor Annuity, with the following percentage continued to the beneficiary:				
	25%	.950	+.002	-.002	+.002
	50%	.905	+.003	-.003	+.004
	75%	.865	+.004	-.004	+.006
	100%	.830	+.005	-.005	+.007
	<i>If required, factors for certain period or contingent benefit percentages other than those shown above may be determined by interpolating between the factors shown. In no case may any factor exceed .999.</i>				
	For lump sum benefits, actuarial equivalence is based on 417(e) assumptions.				
	Statutory Limits:				
	Section 415 limit:	\$215,000 (previously \$210,000)			
	Section 401(a)(17) limit:	\$270,000 (previously \$265,000)			

Attachment to 2017 Schedule SB of Form 5500
Schedule SB, Part V – Summary of Plan Provisions
The Marine & Power Systems Retirement Plan
EIN 13-3937436 PN 012

Summary of Plan Provisions – SPD Technologies continued – Chart of Plan Provisions

Description	SPD – UAW and Switchgear – UAW with Seniority	Henschel Non-highly Compensated Salaried Employees Hired Before June 2, 1989	Henschel Hourly	SPD, PacOrd, Switchgear and Remaining Henschel Salaried Employees	SPD – UAW and Switchgear – UAW without seniority
Plan Document Supplement	A & D	F	E	B	C
Plan Benefit Accruals	Frozen, effective June 30, 2007	Ongoing	Ongoing	Ongoing	Frozen, effective June 30, 2007
<u>Accrued Benefit</u>					
Earnings Percentage	2%	1.4%, of final five-year average earnings less 1.4% of the primary Social Security benefit times years of service. For service after age 45, both percentages become 1.8%.	1%, 1.5%	2%	1%, 2%
Annual Breakpoint	No breakpoint	No breakpoint	Social Security Wage Base	No breakpoint	50% of the 2004 Social Security Wage Base
Annual Minimum Rate	\$216 times service; \$300 times years of service for employees with 10 or more years of service	\$114 times service, not greater than 85% of final average earnings less 60% of Social Security benefit	\$114 times service, not greater than 85% of final average earnings less 60% of Social Security benefit	Not applicable	Not applicable

Attachment to 2017 Schedule SB of Form 5500
Schedule SB, Part V – Summary of Plan Provisions
The Marine & Power Systems Retirement Plan
EIN 13-3937436 PN 012

Summary of Plan Provisions – SPD Technologies continued – Chart of Plan Provisions

Description	SPD – UAW and Switchgear – UAW with Seniority	Henschel Non-highly Compensated Salaried Employees Hired Before June 2, 1989	Henschel Hourly	SPD, PacOrd, Switchgear and Remaining Henschel Salaried Employees	SPD – UAW and Switchgear – UAW without seniority
Plan Document Supplement	A & D	F	E	B	C
Early Retirement Reduction Factors	No reduction after age 62; reduction factors ranging from 6.7% at age 61 to 42.1% at age 55; no reduction with 30 years of service. Same reduction factors apply to terminated vesteds.	3% per year for each year prior to age 65; reduction is from age 62 if employee retires with at least 30 years of service. Same reduction factors apply to terminated vesteds.	3% per year for each year prior to age 65; no reduction if employee retires on or after age 62 with at least 30 years of service. Same reduction factors apply to terminated vesteds.	3% per year for each year prior to age 65. Same reduction factors apply to terminated vesteds.	6% per year for each year prior to age 65. Same reduction factors apply to terminated vesteds.
<u>Temporary Supplement</u>					
Required Retirement Age	Retire between ages 56 and 62 with at least 30 years of service	Not applicable	Not applicable	Not applicable	Not applicable
Annual Amount	\$3,600	Not applicable	Not applicable	Not applicable	Not applicable
Special Medicare Part B Reimbursement Monthly Amount	\$45.50	Not applicable	Not applicable	Not applicable	Not applicable
Disability	Immediate	Deferred	Immediate	Deferred	Immediate
Special Spouse's Death Benefit	Yes	No	No	Yes for employees of SPD Technologies only	No
Pre-retirement Spouse's Death Benefit Percentage	70%	60%	60%	60%	50%

Attachment to 2017 Schedule SB of Form 5500
Schedule SB, Part V – Summary of Plan Provisions
The Marine & Power Systems Retirement Plan
EIN 13-3937436 PN 012

Summary of Plan Provisions – *Power Paragon*

This subsection summarizes the major provisions of the Marine and Power Systems Retirement Plan applicable to employees of Power Paragon, Inc., as included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions

Plan Status:		Closed to new hires effective January 1, 2007 Ongoing accruals for employees hired prior to January 1, 2007
Normal retirement:		
Age requirement:	65	
Service requirement:	1 year of vesting service	
Amount:	0.65% multiplied by Credited Service (not to exceed 35 years) times the lesser of the participant's Average Monthly Compensation and Monthly Covered Compensation, plus 1.30% multiplied by Credited Service (not to exceed 35 years) times the participant's Average Monthly Compensation in excess of Monthly Covered Compensation.	
Compensation:	Defined as total annual compensation actually paid by employer, including elective contributions or deferrals made by the employer on behalf of the employee that are not includible in gross income. Annual compensation is capped at \$265,000 (adjusted for cost of living, as provided by Code Section 401(a)(17)). Average Monthly Compensation is attained by dividing total compensation during the highest five consecutive calendar years out of the last ten consecutive calendar years by 60.	
Minimum amount:	<p>For Grandfathered Participants a minimum benefit equal to (1.) – (2.), as defined below. For purposes of computing the Grandfather Minimum Benefit, Credited Service includes service under the current plan as well as Teledyne and MagneTek Plans.</p> <ol style="list-style-type: none"> 1. 1.00% multiplied by Credited Service (not to exceed 30 years) times the lesser of the participant's Average Monthly Compensation and Monthly Covered Compensation, plus 1.65% multiplied by Credited Service (not to exceed 30 years) and the participant's Average Monthly Compensation in excess of Monthly Covered Compensation. 2. MagneTek Plan accrued benefit plus any transition credits at Severance from Service Date converted to a life annuity with 120 months certain benefit. <p>Grandfathered Participants are employees covered by the Teledyne Plan on October 30, 1992, who were age 45 with 5 years of vesting service, and age plus service at least equal to 60 on October 30, 1992, who became participants in the MagneTek Plan on October 31, 1992, and who commenced participation in the plan on January 1, 1995.</p>	

Attachment to 2017 Schedule SB of Form 5500
Schedule SB, Part V – Summary of Plan Provisions
The Marine & Power Systems Retirement Plan
EIN 13-3937436 PN 012

Summary of Plan Provisions – *Power Paragon continued*

Early retirement:	
Age requirement:	55
Service requirement:	10 years of vesting service
Amount:	Accrued normal retirement benefit, reduced by actuarial equivalent factors for early commencement.
Early commencement reduction:	Based on actuarial equivalence using 1984 Unisex Pension Mortality Table with an interest rate of 7-1/2%.
Late retirement:	
	Additional accruals to actual retirement date.
Disability:	
Service requirement:	5 years of vesting service
Benefit:	Accrued Benefit calculated using level Compensation from disability until age 65 or benefit commencement date, and Credited Service from employment commencement date to age 65 or benefit commencement date. If benefits commence before age 65, an actuarial equivalent reduction will be applied for early commencement.
Termination Benefit:	
Age requirement:	None
Service requirement:	5 years of vesting service
Amount:	Accrued benefit payable at age 65, reduced by actuarial equivalent factors at benefit commencement if benefit commencement is prior to age 65 (requires 10 years of service for early commencement).
Vesting percentage:	100% after 5 years of Vesting Service.
Pre-retirement death benefits:	
Age:	None
Service requirement:	5 years of vesting service
Amount:	50% of the benefit the employee would have received had retired the day before died and elected the 50% joint and survivor option, payable at the earliest retirement date of the employee.

Attachment to 2017 Schedule SB of Form 5500
Schedule SB, Part V – Summary of Plan Provisions
The Marine & Power Systems Retirement Plan
EIN 13-3937436 PN 012

Summary of Plan Provisions – *Power Paragon continued*

Participation:	
Age requirement:	None
Service requirement:	1 year of vesting service. Participation begins on the January 1 or July 1 following one year of vesting service.
Service:	
Vesting credit:	Service from the later of date of hire or November 23, 1994.
Credited service:	Service from the later of date of hire or November 23, 1994. Credited Service is given from October 30, 1992 if the employee was a participant in the Teledyne Plan as of October 30, 1992 and at least 45 years of age. Additionally, employee must have at least 5 years of Vesting Service with age and service greater than or equal to 60, and then became a participant in the MagneTek Plan on October 31, 1992 prior to becoming a participant in this Plan on January , 1995.
Forms of Benefit:	
Normal Form:	Life annuity with 120 months certain for unmarried participants. For married participants, a joint and 50% survivor annuity, which is actuarially equivalent to a life annuity.
Optional Forms:	<ol style="list-style-type: none"> 1. Life Annuity 2. Life Annuity with 120 months certain 3. Joint and 50% survivor annuity 4. Joint and 66-2/3% survivor annuity 5. Joint and 75% survivor annuity
Lump sum benefit:	Benefits with a present value of less than \$5,000 are automatically cashed out. If present value of benefit is over \$5,000 but less than or equal to \$20,000, the participant can elect the lump sum payment.
Actuarial Equivalence:	Benefits paid under an optional form of payment shall equal the Actuarial Equivalent of the normal form of benefit, determined on the basis a 7.5% interest rate and the 1984 Unisex Pension Mortality Table. For lump sum benefits, actuarial equivalence is based on 417(e) assumptions.
Statutory Limits:	
Section 415 limit:	\$215,000 (previously \$210,000)
Section 401(a)(17) limit:	\$270,000 (previously \$265,000)

Attachment to 2017 Schedule SB of Form 5500
Schedule SB, Part V – Summary of Plan Provisions
The Marine & Power Systems Retirement Plan
EIN 13-3937436 PN 012

Summary of Plan Provisions *continued*

Most Recent Plan Amendments

Plan Amendment	Effective Date	Reflected in 2017 Actuarial Valuation
None		N/A

The Plan has been restated as of January 1, 2017.