

# KRATOS DEFENSE & SECURITY SOLUTIONS, INC.

Reported by  
**LUND DEANNA H**

## **FORM 4**

(Statement of Changes in Beneficial Ownership)

Filed 06/29/17 for the Period Ending 06/27/17

|             |  |
|-------------|--|
| Address     | 4820 EASTGATE MALL<br>SUITE 200<br>SAN DIEGO, CA 92121 |
| Telephone   | 858-812-7300   |
| CIK         | 0001069258   |
| Symbol      | KTOS   |
| SIC Code    | 3760 - Guided Missiles And Space Vehicles And Parts    |
| Industry    | Aerospace & Defense                                    |
| Sector      | Industrials  |
| Fiscal Year | 12/25  |

# FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL  
OMB Number: 3235-0287  
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hours per response... 0.5

[ ] Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

## STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

|  |  |  |  |   |  |
|--|--|--|--|---|--|
| 1. Name and Address of Reporting Person -*           |  | 2. Issuer Name and Ticker or Trading Symbol                      |  | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable)   |  |
| <b>Lund Deanna H</b>                                 |  | <b>KRATOS DEFENSE &amp; SECURITY SOLUTIONS, INC. [ KTOS ]</b>    |  | <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner<br><input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below)<br><b>EVP &amp; CFO</b> |  |
| (Last) (First) (Middle)<br><b>4820 EASTGATE MALL</b> |  | 3. Date of Earliest Transaction (MM/DD/YYYY)<br><b>6/27/2017</b> |  |   |  |
| (Street)<br><b>SAN DIEGO, CA 92121</b>               |  | 4. If Amendment, Date Original Filed (MM/DD/YYYY)                |  | 6. Individual or Joint/Group Filing (Check Applicable Line)   |  |
| (City) (State) (Zip)                                 |  |  |  | <input checked="" type="checkbox"/> Form filed by One Reporting Person<br><input type="checkbox"/> Form filed by More than One Reporting Person   |  |

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Trans. Date | 2A. Deemed Execution Date, if any | 3. Trans. Code (Instr. 8) |   | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) |            |         | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|----------------|-----------------------------------|---------------------------|---|---|------------|---------|---|--|---|
|                                 |                |                                   | Code                      | V | Amount  | (A) or (D) | Price   |   |  |   |
| Common Stock                    | 6/27/2017      |                                   | M                         |   | 12500<br>(2)  | A          | \$0     | 217656 (5)  | D  |   |
| Common Stock                    | 6/27/2017      |                                   | F                         |   | 4697 (4)  | D          | \$10.82 | 212959 (5)  | D  |   |
| Common Stock                    | 6/27/2017      |                                   | M                         |   | 12500<br>(2)  | A          | \$0     | 225459 (5)  | D  |   |
| Common Stock                    | 6/27/2017      |                                   | F                         |   | 4697 (4)  | D          | \$11.16 | 220762 (5)  | D  |   |
| Common Stock                    | 6/27/2017      |                                   | M                         |   | 6000 (3)  | A          | \$0     | 226762 (5)  | D  |   |
| Common Stock                    | 6/27/2017      |                                   | F                         |   | 2254 (4)  | D          | \$11.21 | 224508 (5)  | D  |   |

**Table II - Derivative Securities Beneficially Owned ( e.g. , puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivate Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Trans. Date | 3A. Deemed Execution Date, if any | 4. Trans. Code (Instr. 8) |   | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) |     | 6. Date Exercisable and Expiration Date |                 | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) |                            | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|----------------|-----------------------------------|---------------------------|---|--|-----|---|-----------------|---|----------------------------|--|--|--|--|
|  |  |                |                                   | Code                      | V | (A)  | (D) | Date Exercisable                        | Expiration Date | Title   | Amount or Number of Shares |  |  |  |  |
| Restricted Stock Units                   | (1)  | 6/27/2017      |                                   | M                         |   | 12500  |     | (2)                                     | (2)             | Common Stock  | 12500                      | \$0  | 87500  | D  |  |
| Restricted Stock Units                   | (1)  | 6/27/2017      |                                   | M                         |   | 12500  |     | (2)                                     | (2)             | Common Stock  | 12500                      | \$0  | 75000  | D  |  |
| Restricted Stock Units                   | (1)  | 6/27/2017      |                                   | M                         |   | 6000   |     | (3)                                     | (3)             | Common Stock  | 6000                       | \$0  | 36000  | D  |  |

### Explanation of Responses:

- Each Restricted Stock Unit (RSU) represents a contingent right to receive one share of Issuer's common stock.
- RSUs were granted and previously reported on a Form 4 filed January 5, 2017. Of these RSUs, two tranches of 12,500 shares each were released on June 27, 2017.
- RSUs were granted and previously reported on a Form 4 filed January 7, 2014. Of these RSUs, one tranche of 6,000 shares was released on June 27, 2017.
- Shares withheld in a net transaction to satisfy the minimum tax liability, in accordance with Issuer's trading policies, in connection with shares released as reported in this Form 4.
- Includes 16,626 shares purchased through Issuer's Employee Stock Purchase Plan and approximately 14,857 shares held in Issuer's 401(k) Plan.

### Reporting Owners

| Reporting Owner Name / Address                    | Relationships |           |                      |       |
|---|---------------|-----------|----------------------|-------|
|   | Director      | 10% Owner | Officer              | Other |
| <b>Lund Deanna H</b><br><b>4820 EASTGATE MALL</b> |               |           | <b>EVP &amp; CFO</b> |       |

|                     |  |  |  |  |
|---------------------|--|--|--|--|
| SAN DIEGO, CA 92121 |  |  |  |  |
|---------------------|--|--|--|--|

**Signatures**

**Deanna H. Lund, by Eva Yee, Attorney-In-Fact**

**6/29/2017**

—Signature of Reporting Person

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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