

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 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 2009 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning <u>01/01/2009</u> and ending <u>12/31/2009</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☒
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>U.S. BORAX INC. RETIREMENT PLAN FOR BORON HOURLY EMPLOYEES</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>002</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>10/01/1963</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>002</u>	1c Effective date of plan <u>10/01/1963</u>	
1b Three-digit plan number (PN) ▶	<u>002</u>				
1c Effective date of plan <u>10/01/1963</u>					
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>USB - BORON RETIREMENT PLAN/ HR EES U.S. BORAX INC.</u> <u>RIO TINTO AMERICA INC.</u> <u>4700 DAYBREAK PARKWAY</u> <u>SOUTH JORDAN, UT 84095</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>98-0047580</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>801-204-2573</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>325600</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>98-0047580</u>	2c Sponsor's telephone number <u>801-204-2573</u>	2d Business code (see instructions) <u>325600</u>	
2b Employer Identification Number (EIN) <u>98-0047580</u>					
2c Sponsor's telephone number <u>801-204-2573</u>					
2d Business code (see instructions) <u>325600</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.	10/15/2010	KATHLEEN PIKE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2010	KATHLEEN PIKE
	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 and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2009)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") USB - BORON RETIREMENT PLAN/ HR EES U.S. BORAX INC. RIO TINTO AMERICA INC. 4700 DAYBREAK PARKWAY SOUTH JORDAN, UT 84095	3b Administrator's EIN 98-0047580 3c Administrator's telephone number 801-204-2573
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 1210
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).	
a Active participants.....	6a 678
b Retired or separated participants receiving benefits.....	6b 319
c Other retired or separated participants entitled to future benefits.....	6c 210
d Subtotal. Add lines 6a , 6b , and 6c	6d 1207
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e 49
f Total. Add lines 6d and 6e	6f 1256
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h 5
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 Characteristic Codes in the instructions: 1B 1G 3H	
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic 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 2009 This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ **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>U.S. BORAX INC. RETIREMENT PLAN FOR BORON HOURLY EMPLOYEES</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>USB - BORON RETIREMENT PLAN/ HR EES U.S. BORAX INC.</u>	D Employer Identification Number (EIN) <u>98-0047580</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>2009</u>
2	Assets:
a	Market value 2a <u>68611054</u>
b	Actuarial value 2b <u>75472159</u>
3	Funding target/participant count breakdown
	(1) Number of participants (2) Funding Target
a	For retired participants and beneficiaries receiving payment 3a <u>315</u> <u>35713559</u>
b	For terminated vested participants 3b <u>199</u> <u>3901601</u>
c	For active participants:
(1)	Non-vested benefits 3c(1) <u>3869162</u>
(2)	Vested benefits 3c(2) <u>43406426</u>
(3)	Total active 3c(3) <u>696</u> <u>47275588</u>
d	Total 3d <u>1210</u> <u>86890748</u>
4	If the plan is at-risk, check the box and complete items (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 at-risk for fewer than five consecutive years and disregarding loading factor 4b
5	Effective interest rate 5 <u>8.17</u> %
6	Target normal cost 6 <u>1996753</u>

Statement by Enrolled Actuary

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

SIGN HERE	<u>09/30/2010</u>
Signature of actuary	Date
<u>CARLOS DIAZ</u>	<u>08-05725</u>
Type or print name of actuary	Most recent enrollment number
<u>BUCK CONSULTANTS, LLC</u>	<u>310-282-8232</u>
Firm name	Telephone number (including area code)
<u>1801 CENTURY PARK EAST, STE 500</u> <u>LOS ANGELES, CA 90067</u>	
Address of the firm	

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

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

Schedule SB (Form 5500) 2009
v.092308.1

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 (Item 13 from prior year)	128150	
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	128150	
9	Amount remaining (Item 7 minus item 8).....		
10	Interest on item 9 using prior year's actual return of _____%		
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		9794
b	Interest on (a) using prior year's effective rate of <u>6.33</u> %		620
c	Total available at beginning of current plan year to add to prefunding balance		10414
d	Portion of (c) to be added to prefunding balance.....		
12	Reduction in balances due to elections or deemed elections.....		
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	0	

Part III Funding percentages			
14	Funding target attainment percentage.....	14	86.86 %
15	Adjusted funding target attainment percentage.....	15	86.86 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	95.72 %
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
04/08/2009	635000				
06/25/2009	600000				
09/30/2009	600000				
01/13/2010	600000				
03/23/2010	1300000				
09/15/2010	11800000				
			Totals ►	18(b)	15535000
				18(c)	

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 contribution from prior years.....	19a	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	13821819
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No	
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No	
c If 20a is "Yes," see instructions and complete the following table as applicable:		

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

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)				21b
22 Weighted average retirement age				22 62
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 eligible for (and is using) 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 contribution for all prior years	28
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30 0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	1996753
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	6202324	1100594
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 (item 31 + item 32a + item 32b – item 33)	34	3097347
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement		Total balance
36 Additional cash requirement (item 34 minus item 35).....	36	3097347
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	13821819
38 Interest-adjusted excess contributions for current year (see instructions).....	38	10724472
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	
40 Unpaid minimum required contribution for all years	40	

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
		2009
		This Form is Open to Public Inspection.
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan U.S. BORAX INC. RETIREMENT PLAN FOR BORON HOURLY EMPLOYEES	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 USB - BORON RETIREMENT PLAN/ HR EES U.S. BORAX INC.	D Employer Identification Number (EIN) 98-0047580	

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)

BUCK CONSULTANTS

13-3954297

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11	NONE	144587	Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

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

TANNER LC

20-2253063

(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	ACCOUNTANT	51563	Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

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

NORTHERN TRUST

36-1561860

(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?
26	NONE	8444	Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service	(c) Describe the information that the service provider failed or refused to provide
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Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

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:

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

Explanation:

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

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

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

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

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009	
A Name of plan U.S. BORAX INC. RETIREMENT PLAN FOR BORON HOURLY EMPLOYEES	B Three-digit plan number (PN) ► 002
C Plan sponsor's name as shown on line 2a of Form 5500 USB - BORON RETIREMENT PLAN/ HR EES U.S. BORAX INC.	D Employer Identification Number (EIN) 98-0047580

Part I	Asset and Liability Statement
---------------	--------------------------------------

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	1250000	13700000
(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)	67418112	81298308
(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	68668112	94998308

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	17723	26721
k Total liabilities (add all amounts in lines 1g through 1j)	1k	17723	26721

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	68650389	94971587
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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 Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	15535000	
(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)		15535000

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)		

(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)		

(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)		

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)	8092345	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		8092345
(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)		7538972
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		31166317

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	4468575	
(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)		4468575
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)	52863	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	8444	
(4) Other	2i(4)	315237	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		376544
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		4845119

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		26321198
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: TANNER LLC

(2) EIN: 20-2253063

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 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
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		5000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		X	

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection.
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan <u>U.S. BORAX INC. RETIREMENT PLAN FOR BORON HOURLY EMPLOYEES</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>USB - BORON RETIREMENT PLAN/ HR EES U.S. BORAX INC.</u>	D Employer Identification Number (EIN) <u>98-0047580</u>

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

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>36-1561860</u>	
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3 <u>0</u>

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	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 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(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

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

Schedule R (Form 5500) 2009
v.092308.1

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 items 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 items 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 items 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 items 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 items 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 items 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 item 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 items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

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 item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

**U.S. BORAX INC. RETIREMENT PLAN
FOR BORON HOURLY EMPLOYEES**

Financial Statements

**As of December 31, 2009 and 2008
and for the Years Then Ended**

Together with Independent Auditors' Report

**U.S. BORAX INC. RETIREMENT PLAN
FOR BORON HOURLY EMPLOYEES**
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Supplemental schedules required by Section 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 have been omitted because they are not required.



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TANNER
BUSINESS ADVISORS AND CERTIFIED
PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

The Plan Administrator U.S. Borax Inc. Retirement Plan for Boron Hourly Employees

We were engaged to audit the accompanying statements of net assets available for benefits of the U.S. Borax Inc. Retirement Plan for Boron Hourly Employees (the Plan) as of December 31, 2009 and 2008, the related statements of changes in net assets available for benefits for the years then ended, the statement of accumulated plan benefits as of December 31, 2008, and the related statement of changes in accumulated plan benefits for the year then ended. These financial statements are the responsibility of the Plan's management.

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, as amended, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information described in Note 9, which was certified by The Northern Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the Plan Administrator that the trustee holds all of the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained certifications from the trustee as of December 31, 2009 and 2008, and for the years then ended, that the information provided to the Plan Administrator by the trustee is complete and accurate. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements taken as a whole. The form and content of the information included in the financial statements, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Tanner LLC

October 14, 2010



**U.S. BORAX INC. RETIREMENT PLAN
FOR BORON HOURLY EMPLOYEES**
Statements of Net Assets Available for Benefits

As of December 31

	<u>2009</u>	<u>2008</u>
<u>Assets</u>		
Plan interest in the Rio Tinto America Master Retirement Trust, at fair value	\$ 81,298,308	\$ 67,418,112
Contribution receivable from Employer	13,700,000	1,250,000
	<u>94,998,308</u>	<u>68,668,112</u>
<u>Liabilities</u>		
Accrued administrative expenses	26,721	17,723
Net assets available for benefits	<u>\$ 94,971,587</u>	<u>\$ 68,650,389</u>



**U.S. BORAX INC. RETIREMENT PLAN
FOR BORON HOURLY EMPLOYEES**
Statements of Changes in Net Assets Available for Benefits

For the Years Ended December 31

	2009	2008
Additions to (deductions from) net assets attributed to:		
Plan interest in the Rio Tinto America Master Retirement Trust income (loss)	\$ 15,631,317	\$ (31,309,950)
Employer contributions	15,535,000	2,460,000
Total additions (deductions)	31,166,317	(28,849,950)
Deductions from net assets attributed to:		
Benefits paid to participants	4,468,575	3,915,311
Administrative expenses	376,544	215,936
Total deductions	4,845,119	4,131,247
Increase (decrease) in net assets available for benefits	26,321,198	(32,981,197)
Net assets available for benefits, beginning of the year	68,650,389	101,631,586
Net assets available for benefits, end of the year	\$ 94,971,587	\$ 68,650,389



**U.S. BORAX INC. RETIREMENT PLAN
FOR BORON HOURLY EMPLOYEES**
Statement of Accumulated Plan Benefits

As of December 31, 2008

Vested benefits:

Participants currently receiving benefits	\$ 46,026,490
Other participants	<u>78,089,852</u>

Total vested benefits 124,116,342

Nonvested benefits 7,876,539

Total actuarial present value of
accumulated Plan benefits \$ 131,992,881



**U.S. BORAX INC. RETIREMENT PLAN
FOR BORON HOURLY EMPLOYEES**
Statement of Changes in Accumulated Plan Benefits

For the Year Ended December 31, 2008

Actuarial present value of accumulated Plan benefits, beginning of the year	<u>\$ 101,872,462</u>
Increase (decrease) during the year attributable to:	
Benefits accumulated including the effects of non-investment gains and losses	14,078,218
Increase due to passage of time	6,796,396
Change in actuarial assumptions	13,161,116
Benefits paid	<u>(3,915,311)</u>
Net increase	<u>30,120,419</u>
Actuarial present value of accumulated Plan benefits, end of the year	<u>\$ 131,992,881</u>



U.S. BORAX INC. RETIREMENT PLAN FOR BORON HOURLY EMPLOYEES

Notes to Financial Statements

December 31, 2009 and 2008

1. Description of the Plan

The following brief description of the U.S. Borax Inc. Retirement Plan for Boron Hourly Employees (the Plan) provides only general information. Participants should refer to the Plan document for a complete description of the Plan's provisions.

General

The Plan is a defined benefit pension plan covering all eligible hourly represented employees of the U.S. Borax Inc. (the Company or the Employer) site in Boron, California, who have completed at least one year of service (1,000 hours in a twelve month period). The Plan was established effective October 1, 1963 to supplement retirement income for eligible employees. The Plan is intended to be a qualified retirement plan under the Internal Revenue Code (IRC) and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Pension Benefits

Generally, participants with five years of eligible service, as defined by the Plan, or who have attained age 55, whichever occurs first, are entitled to pension benefits upon retirement. Pension benefits are provided to participants based on years of eligible service at a monthly benefit per year that is collectively bargained with the Mine, Mineral and Processing Workers, Local 30, International Longshore and Warehouse Union, as follows (monthly benefits for periods prior to November 4, 2003 are not included in the table):

<u>Date of Retirement or Vested Termination</u>	<u>Monthly Benefit Per Year of Pensionable Service, As Defined in the Plan Document</u>
November 4, 2003 through November 3, 2004	\$ 60.00
November 4, 2004 through November 3, 2005	72.00
November 4, 2005 through November 3, 2006	74.00
After November 3, 2006	75.00

The Plan permits early retirement beginning at age 55, which reduces the amount of monthly pension benefits the participant is entitled to receive, as defined in the Plan document. Participants who elect to retire directly from active service after attaining age 62 that have five years of eligible service may do so with no reduction in their benefit for early retirement. The normal form of benefit for a married participant is a reduced 50% joint and survivor annuity. The normal form of benefit for a single participant is a single life annuity. Upon retirement, participants may elect to receive their pension benefits in the form of a reduced joint and survivor annuity option (100%, 75%, 66-2/3%, or 50%), a reduced certain period and life option (5, 10 or 15 years), a reduced level income option, or a single life annuity.



**U.S. BORAX INC. RETIREMENT PLAN
FOR BORON HOURLY EMPLOYEES**
Notes to Financial Statements
Continued

**1. Description of
the Plan**
Continued

Death and Disability Benefits

Generally, once the participant has completed five years of vesting service, death benefits are available to the surviving spouse. Active participants who become totally disabled and receive benefits under the Company's long-term disability plan continue to be credited with pensionable service during the disability period. If a participant becomes disabled after completing ten years of eligible service, the participant may elect to retire and receive a benefit as defined in the Plan.

Master Trust

The Plan's investments are held by The Northern Trust Company (the trustee) in the Rio Tinto America Master Retirement Trust (the Master Trust), which includes the assets of the Plan and the following other defined benefit pension plans:

- Kennecott Corporation Pension Plan for Hourly Employees
- Luzenac America, Inc. Retirement Plan for Windsor Hourly Employees
- Luzenac America, Inc. Retirement Plan for Three Forks Hourly Employees
- Rio Tinto America, Inc. Retirement Plan
- U.S. Borax Inc. Retirement Plan for Wilmington Hourly Employees

The Plan and each of the above-referenced plans have an undivided interest in the assets of the Master Trust as of December 31, 2009. As of December 31, 2008, the Plan and each of the above-referenced plans also had an undivided interest in the assets of the Master Trust, except for certain annuity contracts, which belonged specifically to the U.S. Borax Inc. Retirement Plan for Boron Hourly Employees, the U.S. Borax Inc. Retirement Plan for Wilmington Hourly Employees, and the Rio Tinto America, Inc. Retirement Plan. The annuity contracts were considered "allocated contracts" and were excluded from the net assets of the Master Trust as of December 31, 2008, as the insurer of the annuity contracts had assumed the liability to satisfy the benefits based on the annuity premiums paid by the Plan. The fair market value of the annuity contracts of the Master Trust totaled \$65,918,177, of which \$7,049,923 was allocated to the Plan, as of December 31, 2008. In December 2009, the Plan Administrator terminated the Plan's annuity contract. The assets of the Master Trust are pooled and invested in specific investments permitted under the Master Trust Agreement, as determined by the Rio Tinto Master Trust Pension Investment Committee.



**2. Summary of
Significant
Accounting
Policies**

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

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

Risks and Uncertainties

The Plan utilizes various securities including U.S. government securities, corporate debt instruments, registered funds, common/collective trusts, and corporate stocks. Investment securities, in general, are exposed to various risks, such as interest rate risk, credit risk, liquidity, overall market volatility, and changes in economic conditions. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of net assets available for benefits.

Employer contributions are made and the actuarial present value of accumulated Plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in the estimates and assumptions in the near term would be material to the financial statements.

Investments

The Plan's interest in the Master Trust is carried at the fair value of the Plan's pro-rata share of net assets, based on the beginning of year value of the Plan's interest plus actual contributions (if any) and allocated investment income (loss), less actual distributions, actual administrative expenses, and allocated administrative expenses.



**U.S. BORAX INC. RETIREMENT PLAN
FOR BORON HOURLY EMPLOYEES**
Notes to Financial Statements
Continued

**2. Summary of
Significant
Accounting
Policies**
Continued

Investments - Continued

Investment income (loss), net appreciation (depreciation) in the fair value of investments, and administrative expenses are allocated based upon the Plan's pro-rata share of net assets to total net assets of the Master Trust at the date of allocation. The allocations are performed on a monthly basis. The Master Trust's investments in securities, which include debt and equity securities, are valued at quoted market prices from national securities exchanges on the last business day of the Plan year, if available. Common/collective trusts and real estate partnership investments do not have quoted market prices and, therefore, the values were provided by the trustee.

Investment Valuation and Income Recognition

Purchases and sales of securities by the Master Trust are reflected on a trade-date basis. Gains or losses on sales of securities are based on average cost. Dividend income is recorded on the ex-dividend date. Income from investments is recorded as earned on an accrual basis.

Funding Policy

Plan participants are not allowed to make contributions to the Plan. The Company contributes annually such amounts as are necessary, subject to ERISA's minimum funding requirements, to meet the actuarial projected benefits to be paid to Plan participants at retirement. For the year ended December 31, 2009, the Company contributed \$15,535,000, of which, \$13,700,000 is included as a contribution receivable from Employer on the statement of net assets available for benefits as of December 31, 2009. A minimum contribution of \$3,097,347 was required for the year ended December 31, 2009. The Company made a contribution of \$2,460,000, for the year ended December 31, 2008. A minimum contribution of \$2,251,152 was required for the year ended December 31, 2008.

Accumulated Plan Benefits

Accumulated Plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions for service rendered by employees as of the valuation date. Accumulated Plan benefits include benefits expected to be paid to retired or terminated employees or their beneficiaries, beneficiaries of employees who have died, and present employees or their beneficiaries. Generally, benefits under the Plan are based on employees' years of pensionable service and a defined dollar multiplier. The actuarial present value of accumulated Plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.



**U.S. BORAX INC. RETIREMENT PLAN
FOR BORON HOURLY EMPLOYEES**
Notes to Financial Statements
Continued

**2. Summary of
Significant
Accounting
Policies**
Continued

Accumulated Plan Benefits - Continued

The actuarial present value of accumulated Plan benefits as of December 31, 2008 and changes in accumulated Plan benefits reported for the year ended December 31, 2008, are based on a beginning of year valuation performed as of and for the year ended January 1, 2009.

The following are the more significant assumptions underlying the actuarial computations at December 31, 2008:

	<u>Active Lives</u>	<u>Retired Lives</u>
Assumed rate of return on investments	6.00%	6.00%
Mortality basis	RP-2000 Employees Table projected to 2024	RP-2000 Healthy Annuitant Table projected to 2016
Retirement age	Earlier of age 62 and 5 years of vesting service or age 65	Not applicable

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

Expenses

Administrative expenses of the Plan are paid by the Plan, as provided in the Plan document. The Plan sponsor provides accounting and other administrative services to the Plan without charge. Administrative expenses charged to the Plan totaled \$376,544 and \$215,936 for the years ended December 31, 2009 and 2008, respectively.

Payment of Benefits

Benefit payments to participants are recorded when paid by the Plan.

Recent Accounting Pronouncements

In May 2009, the Financial Accounting Standards Board (FASB) issued Accounting Standards Codification (ASC) 855, *Subsequent Events*, which establishes general accounting standards and disclosure requirements for events that occur after the balance sheet date but before the financial statements are issued or are available to be issued. The Plan adopted ASC 855 upon its issuance and the application had no impact on the Plan's financial statements.



**U.S. BORAX INC. RETIREMENT PLAN
FOR BORON HOURLY EMPLOYEES**
Notes to Financial Statements
Continued

**2. Summary of
Significant
Accounting
Policies**
Continued

Recent Accounting Pronouncements - Continued

In June 2009, the FASB issued ASC 105, *Generally Accepted Accounting Principles*, which establishes the "FASB Accounting Standards Codification™" as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with US GAAP. ASC 105 became effective for annual financial periods ended after September 15, 2009. The Plan adopted ASC 105 during the year ended December 31, 2009. The adoption had no impact on the Plan's financial statements.

In September 2009, the FASB issued Accounting Standards Update (ASU) No. 2009-12, *Fair Value Measurements and Disclosures (Topic 820): Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, which provides guidance regarding fair value measurement of investments in certain entities that calculate net asset value per share (or equivalent). This update applies to investments that do not have a readily determinable fair value and are held by an entity that is required to report investment assets at fair value. This update creates a practical expedient to measure the fair value of such investments on the basis of the net asset value per share (or its equivalent) and requires disclosures by major category of the investments about the attributes of investments, such as the nature of any restrictions on the investor's ability to redeem its investments at the measurement date, any unfunded commitments, and the investment strategies of the investees. Although the adoption of this update did not materially impact the Plan's financial statements, the Plan is now required to provide additional disclosures with respect to its investments in the Master Trust.

In January 2010, the FASB issued ASU No. 2010-06, *Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements*. ASU 2010-06 amends Subtopic 820-10 to require disclosure of the transfers in and out of Levels 1 and 2. The update also requires additional information for Level 3 related to purchases, sales, issuances and settlements, and requires more detailed disclosure regarding valuation techniques and inputs. ASU 2010-06 as it relates to Levels 1 and 2 is effective for fiscal years and interim periods beginning after December 15, 2009. Requirements relating to Level 3 are effective for fiscal years and interim periods beginning after December 15, 2010. The Plan adopted the currently effective provisions of ASU 2010-06 during January 2010, and its application is not expected to have a material impact on the Plan's financial statements.



**U.S. BORAX INC. RETIREMENT PLAN
FOR BORON HOURLY EMPLOYEES**
Notes to Financial Statements
Continued

**3. Interest in
Master Trust**

As of December 31, 2009 and 2008, the Plan's interest in the Master Trust, excluding allocated contracts, was approximately 13.7% and 13.8%, respectively. Investment income and administrative expenses relating to the Master Trust are allocated by the trustee to each participating plan based on the relationship of the interest of each plan to the total of the interests of all participating plans.

The following table presents the fair value of investments in the Master Trust as of December 31:

	2009	2008
Cash and cash equivalents	\$ 19,695,539	\$ 20,179,227
Investments at fair value:		
Common stocks	216,440,588	207,221,571
Preferred stocks	1,079,641	491,758
Corporate bonds	50,334,480	36,381,391
Government bonds	76,218,233	62,468,240
Registered funds	-	32,417,746
Interest in registered investment companies (mutual funds)	139,543	873,521
Assets under securities lending arrangement	66,555,335	45,337,209
Common/collective trusts	179,114,108	102,635,278
Real estate partnerships	48,418,216	23,331,945
	<u>638,300,144</u>	<u>511,158,659</u>
Other receivables	<u>1,352,972</u>	<u>1,079,257</u>
Total investments	659,348,655	532,417,143
Obligation under securities lending arrangement	<u>(66,555,335)</u>	<u>(45,337,209)</u>
Net Investments of the Master Trust	<u>\$ 592,793,320</u>	<u>\$ 487,079,934</u>



**U.S. BORAX INC. RETIREMENT PLAN
FOR BORON HOURLY EMPLOYEES**
Notes to Financial Statements
Continued

**3. Interest in
Master Trust**
Continued

Following are the components of the Master Trust investment income (loss) for the years ended December 31:

	2009	2008
Investment Income:		
Interest income	\$ 10,697,941	\$ 10,872,123
Dividend income	5,628,450	8,665,947
	<u>16,326,391</u>	<u>19,538,070</u>
Net appreciation (depreciation) in the fair value of investments:		
Common stocks	71,870,680	(176,006,944)
Preferred stocks	451,394	(462,464)
Corporate bonds	7,820,652	(8,673,866)
Government bonds	6,827,368	(11,562,550)
Registered funds	6,423,053	(15,566,367)
Interest in registered investment companies (mutual funds)	202,277	(519,889)
Common/collective trusts	(9,397,550)	(13,820,253)
Real estate partnerships	26,037,951	(20,333,845)
	<u>110,235,825</u>	<u>(246,946,178)</u>
Other income	<u>3,287,209</u>	<u>2,029,529</u>
Total Investment income (loss), net of appreciation (depreciation), and other income	<u>\$ 129,849,425</u>	<u>\$ (225,378,579)</u>

**4. Securities
Lending**

The Master Trust participated in a securities lending program with the trustee, The Northern Trust Company. The program allowed the trustee to loan securities, which are assets of the Master Trust, to approved borrowers. The trustee required borrowers, pursuant to a security loan agreement, to deliver collateral to secure each loan. The collateral must have been between 100 percent to 105 percent of the fair value of the securities borrowed. The Master Trust had the risk of loss with respect to the unfavorable change in fair value of the invested cash collateral. However, the borrowers had the risk of loss related to the decrease in the fair value of the securities collateral and, therefore, were required to deliver additional securities to maintain the required collateral.



**U.S. BORAX INC. RETIREMENT PLAN
FOR BORON HOURLY EMPLOYEES**
Notes to Financial Statements
Continued

**4. Securities
Lending**
Continued

In the event of default by the borrowers, the trustee was required to indemnify the Master Trust by purchasing replacement securities equal to the number of unreturned loaned securities or, if replacement securities were not able to be purchased, the trustee credited the Master Trust for the market value of the unreturned securities. In each case, the trustee applied the proceeds from the collateral for such a loan to make the Master Trust whole.

The fair value of securities on loan to the borrowers as of December 31, 2009 and 2008 was \$66,555,335 and \$45,337,209, respectively. Cash collateral of \$68,879,003 and \$46,163,328 was received for securities on loan as of December 31, 2009 and 2008, respectively. Securities collateral of \$0 and \$0 was received for securities on loan as of December 31, 2009 and 2008, respectively. A portion of the income generated from the cash collateral was remitted to the borrowers, and the remainder was allocated between the Master Trust and the trustee in its capacity as a security agent. Securities lending income allocated to the Master Trust amounted to \$224,767 and \$483,765 for the years ended December 31, 2009 and 2008, respectively. Securities lending income allocated to the trustee amounted to \$56,150 and \$405,592 for the years ended December 31, 2009 and 2008, respectively. On May 1, 2010, the Plan terminated the Securities Lending arrangement with The Northern Trust Company.

**5. Fair Value
Measurements**

Fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, the fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three broad levels. These levels, in order of highest priority to lowest priority, are described as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets that are accessible at the measurement date for assets and liabilities.

Level 2: Observable prices other than Level 1 that are based on inputs quoted in less active markets or other observable inputs that can be corroborated by observable market data.

Level 3: Unobservable inputs supported by little or no market data for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

5. Fair Value

The assets of the Plan are held in the Master Trust as disclosed in Note 3



**U.S. BORAX INC. RETIREMENT PLAN
FOR BORON HOURLY EMPLOYEES**
Notes to Financial Statements
Continued

Measurements
Continued

above. The following tables summarize the assets of the Master Trust, excluding allocated contracts, measured at fair value as follows:

December 31, 2009	Level 1	Level 2	Level 3	Total
Equity instruments	\$ 244,063,606	\$ 126,528,126	\$ 18,777,061	\$ 389,368,793
Debt instruments	15,728,133	127,762,271	-	143,490,404
Real estate and other	12,782,166	40,772,931	6,379,026	59,934,123
	<u>\$ 272,573,905</u>	<u>\$ 295,063,328</u>	<u>\$ 25,156,087</u>	<u>\$ 592,793,320</u>

December 31, 2008	Level 1	Level 2	Level 3	Total
Equity instruments	\$ 191,215,919	\$ 73,438,854	\$ -	\$ 264,654,773
Debt instruments	-	68,971,956	31,279,265	100,251,221
Real estate and other	63,604,509	58,569,431	-	122,173,940
	<u>\$ 254,820,428</u>	<u>\$ 200,980,241</u>	<u>\$ 31,279,265</u>	<u>\$ 487,079,934</u>

The following is a reconciliation of the investments of the Master Trust in which significant unobservable inputs (Level 3) were used in determining fair value:

Beginning balance as of January 1, 2009	\$	31,279,265
Additions		244,464
Realized loss		(1,627,665)
Unrealized gain		2,167,371
Deductions		<u>(6,907,348)</u>
Ending balance as of December 31, 2009	\$	<u>25,156,087</u>



**5. Fair Value
Measurements**
Continued

The following is a description of the valuation methodologies used for assets measured at fair value.

- Cash equivalents: Short-term investment funds composed of high-grade money market instruments with maturities of less than ninety days.
- Common stocks: Valued at the closing price reported on the active market where the securities are traded.
- Preferred stocks: Valued at the closing price reported on the active market where the securities are traded.
- Corporate bonds: Stated at fair value based on a bid evaluation process using observable, market based inputs on the valuation date.
- Government bonds: Stated at fair value based on a bid evaluation process using observable, market based inputs on the valuation date.
- Mutual funds: Valued at quoted market prices at year-end.
- Assets under securities lending arrangement: Assets are valued as noted for the individual asset class and are daily market priced to ensure collateral is sufficient for securities lent out.

The following is a description of the valuation methodologies used for comingled funds which consist of common/collective trusts, real estate partnerships, and registered funds. These funds are held by the Master Trust and are measured at net asset value:

Common/Collective Trusts

In 2009 and 2008, the comingled funds held common/collective trusts through benefit-responsive investment contracts with The Northern Trust Company. Contributions are maintained in a general account which is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses.

Because the common/collective trust is fully benefit-responsive, net asset value is the relevant measurement attribute for that portion of the assets available for benefits attributable to the common/collective trust. Net asset value, as reported to the comingled funds by The Northern Trust Company, represents contributions made, plus earnings, less participant benefit payments and administrative expenses.



**U.S. BORAX INC. RETIREMENT PLAN
FOR BORON HOURLY EMPLOYEES**
Notes to Financial Statements
Continued

**5. Fair Value
Measurements**
Continued

Certain events may limit the ability of the comingled funds to transact at net asset value with the issuer. Such events include termination of the contract, spin-offs, divestitures, and the liberalization of plan withdrawal or transfer rules. Upon occurrence of any of these events, a market value adjustment may apply. The Plan Administrator does not believe that the occurrence of any such event, which would limit the comingled fund's ability to transact at net asset value, is probable.

Real Estate Partnerships

There are no readily available market quotations for the real estate partnerships. The real estate partnerships are valued at the net asset value as determined by using estimated fair value of the underlying assets held in the real estate partnerships. Net asset value is used as a practical expedient for fair value.

Registered Funds

Registered fund are valued at the net asset value of shares held by the Plan at year-end, based on published market quotations on active markets.

**6. Party-in-
Interest**

The trustee is a party-in-interest to the Plan. Fees paid by the Master Trust to the trustee for investment management services qualify as party-in-interest transactions for which a statutory exemption exists. Fees paid by the Plan for party-in-interest actuarial and administrative services were \$205,894 and \$178,403 for the years ended December 31, 2009 and 2008, respectively. In addition, certain employees of the Company provide administrative services for the Plan for which the Plan is not charged.

**7. Federal
Income Taxes**

The Internal Revenue Service has issued a favorable determination letter, dated August 27, 2003, stating that the Plan, as then designed, constitutes a qualified plan under Section 401(a) of the IRC, as amended. Although the Plan has been amended subsequent to the receipt of the favorable determination letter, the Company and its legal counsel believe that the Plan is designed and is currently being operated in compliance with applicable provisions of the IRC and, therefore, is exempt from federal income taxes.



**8. Plan
Termination**

Although it has not expressed any intent to do so, the Company has the right under the Plan document, in certain circumstances, to discontinue its contributions and to terminate the Plan subject to the provisions set forth in ERISA. In the event that the Plan is terminated, the net assets available for benefits of the Plan will be allocated for payment of Plan benefits to the participants in an order of priority determined in accordance with ERISA, applicable regulations thereunder, and the Plan document.

Certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC) if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination, subject to a statutory ceiling on the amount of an individual's monthly benefit.

Whether all participants receive their benefits should the Plan be terminated at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits, the priority of those benefits to be paid, and the level and type of benefits guaranteed by the PBGC at that time. Some benefits may be fully or partially provided for by the then existing assets and the PBGC guaranty, while other benefits may not be provided for at all.

**9. Certification
of Information
Provided**

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. As permitted under that election, the Plan Administrator has obtained certifications from The Northern Trust Company, the trustee of the Plan, as of and for the years ended December 31, 2009 and 2008, that all of the information provided by the trustee is complete and accurate. The Plan Administrator instructed the independent auditors not to perform any auditing procedures with respect to the following information certified by the Plan trustee, except for comparing such information certified by the trustee to information included in the Plan's financial statements:

- The investment assets of the Plan
- The recording of Plan investment transactions and investment income



**10. Subsequent
Events**

The Plan Administrator has evaluated events occurring subsequent to year end through October 14, 2010, the date the financial statements were available to be issued.

Subsequent to year end, Plan management elected to change trustees from The Northern Trust Company to State Street Bank and Trust Company. As of May 1, 2010, all Plan assets were transferred to the new trustee.

In May 2010, a new union agreement was signed by U.S. Borax Inc., and the Mine, Mineral, and Processing Workers, Local 30, International Longshore and Warehouse Union. Significant changes in this agreement affecting the Plan are as follows:

- Effective May 17, 2010, the Plan was closed to new participants; therefore, all represented employees that are hired or rehired by the Company (or otherwise would have been eligible under the Plan) on or after May 17, 2010 are not eligible for participation in the Plan. Existing participants can elect to continue to participate in the plan or to move into the Company sponsored defined contribution plan during an election period.
- Employees disabled after May 17, 2010, employees are no longer allowed to receive benefits from both the Plan and the long-term disability plan for the same time period.

U.S. BORAX INC.
Retirement Plan for Boron Hourly Employees
EIN/PN: 98-0047580/002

Schedule SB, Line 26 Schedule of Active Participant Data

As of January 1, 2009

Attained Age	YEARS OF CREDITED SERVICE										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	
	Avg No. Comp	Avg No. Comp	Avg No. Comp	Avg No. Comp	Avg No. Comp	Avg No. Comp	Avg No. Comp	Avg No. Comp	Avg No. Comp	Avg No. Comp	
Under 25	11	15									26
25 to 29	3	32	8								43
30 to 34	8	23	27	3							61
35 to 39	4	18	19	16	4						61
40 to 44	1	20	18	8	7	6					60
45 to 49	2	12	24	17	10	15	14	2			96
50 to 54	3	18	20	15	3	7	48	42	5		161
55 to 59	2	3	9	10	7	7	22	35	25		120
60 to 64		4	12	4	2	1	8	14	16	2	63
65 to 69			1	1		1					3
70 & up							1		1		2
Total	34	145	138	74	33	37	93	93	47	2	696

Average Age: 47.0 years

Average Service: 16.7 years

U.S. BORAX INC.
Retirement Plan for Boron Hourly Employees
EIN: 98-0047580 PN: 002

Schedule SB, Line 32 – Schedule of Amortization Bases

Date Established	Initial Amount	Remaining Installments	Shortfall Amortization Installment	Present Value of Remaining Installments as of January 1, 2009
January 1, 2008	\$ 0	6	\$ 0	\$ 0
January 1, 2009	<u>\$ 6,202,324</u>	7	<u>\$ 1,100,594</u>	<u>\$ 6,202,324</u>
Total charge	\$ 6,202,324		\$ 1,100,594	\$ 6,202,324

U.S. BORAX INC.
Retirement Plan for Boron Hourly Employees
EIN: 98-0047580 PN: 002

Schedule SB, Line 25 – Change in Method

Asset valuation method

For the 2009 plan year, the Valuation Assets are determined using a method that spreads asset gains/(losses) over 2 years. The gain/(loss) for each period is determined as the actual return during the period less the expected return based on an assumed earnings rate chosen by the actuary but required by PPA to be not greater than the applicable third segment rate. The resulting value is constrained to be within a corridor of 90% to 110% of market value. The discounted value of accrued contributions, if any, is included in the Valuation Assets.

The expected return on plan assets is 8.00% per annum, limited by PPA to the third segment rate permitted under IRS guidance.

For the 2008 plan year, the valuation assets were based on Market Value.

Change in discount rates

Discount rates to value funding liabilities were changed from the full yield curve with no lookback to the full yield curve with a two-month lookback.

U.S. BORAX INC.
Retirement Plan for Boron Hourly Employees
EIN: 98-0047580 PN: 002

Schedule SB, Line 24 – Change in Actuarial Assumptions

Expected plan expenses are added to the Target Normal Cost.

U.S. BORAX INC.
Retirement Plan for Boron Hourly Employees
EIN: 98-0047580 PN: 002

Schedule SB, Line 22 – Description of Weighted Average Retirement Age

This age is derived by applying, for an employee with the characteristics of an average new entrant to the plan, the following formula, modified so that the "½" is not used for $t = \text{FRA} - \text{ERA}$.

$$\sum_{t=0}^{\text{FRA}-\text{ERA}} ({}_t p_{\text{ERA}}) * ({}_t q_{\text{ERA}+t}^r) * (\text{ERA} + t + \frac{1}{2})$$

$$\sum_{t=0}^{\text{FRA}-\text{ERA}} ({}_t p_{\text{ERA}}) * ({}_t q_{\text{ERA}+t}^r)$$

where

- FRA = age by which everyone is assumed to retire
- ERA = age before which nobody is assumed to retire
- ${}_t p_{\text{ERA}}$ = probability of surviving at work to age $\text{ERA} + t$
- ${}_t q_{\text{ERA}+t}^r$ = probability of retiring at age $\text{ERA} + t$

Retirement Age: Age 65 or, if earlier, age 62 and 5 years of vesting service

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment 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

2009**This Form is Open to Public
Inspection**

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ 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.

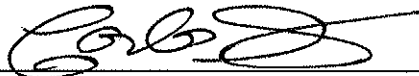
A Name of plan U.S. Borax Inc. Retirement Plan for Boron Hourly Employees		B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF U.S. Borax Inc.		D Employer Identification Number (EIN) 98-0047580
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B ☐ F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500		

Part I Basic Information

1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2009</u>			
2 Assets:			
a Market value	2a	68,611,054	
b Actuarial value	2b	75,472,159	
3 Funding target/participant count breakdown			
		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a	315	35,713,559
b For terminated vested participants	3b	199	3,901,601
c For active participants:			
(1) Non-vested benefits	3c(1)		3,869,162
(2) Vested benefits	3c(2)		43,403,426
(3) Total active	3c(3)	696	47,272,588
d Total	3d	1,210	86,887,748
4 If the plan is at-risk, check the box and complete items (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 at-risk for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5	8.17 %	
6 Target normal cost	6	1,996,753	

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

Carlos Diaz

Type or print name of actuary

Buck Consultants, LLC

1801 Century Park East, Suite 500

Los Angeles

CA 90067

Address of the firm

09/30/10

Date

08-05725

Most recent enrollment number

(310) 282-8232

Telephone number (including area code)

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

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

Schedule SB (Form 5500) 2009
v.092308.1

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 (Item 13 from prior year)	128,150	0
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	128,150	0
9 Amount remaining (Item 7 minus item 8).....	0	0
10 Interest on item 9 using prior year's actual return of _____%		
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		9,794
b Interest on (a) using prior year's effective rate of <u>6.33</u> %		620
c Total available at beginning of current plan year to add to prefunding balance		10,414
d Portion of (c) to be added to prefunding balance.....		0
12 Reduction in balances due to elections or deemed elections.....		
13 Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	0	0

Part III Funding percentages

14 Funding target attainment percentage.....	14	86.86 %
15 Adjusted funding target attainment percentage	15	86.86 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	95.72 %
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
04/08/2009	635,000				
06/25/2009	600,000				
09/30/2009	600,000				
01/13/2010	600,000				
03/23/2010	1,300,000				
09/15/2010	11,800,000				
Totals ▶			18(b)	15,535,000	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 contribution 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 13,821,819

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

Liquidity shortfall as of end of Quarter of this plan year

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

Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)				21b
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

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 eligible for (and is using) 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 contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	31	1,996,753
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	6,202,324	1,100,594
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)	34	3,097,347
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	0	0
36 Additional cash requirement (item 34 minus item 35)	36	3,097,347
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (item 19c)	37	13,821,819
38 Interest-adjusted excess contributions for current year (see instructions)	38	10,724,472
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	39	0
40 Unpaid minimum required contribution for all years	40	0

U.S. BORAX INC.
Retirement Plan for Boron Hourly Employees
EIN: 98-0047580 PN: 002

Schedule SB, Line 21b – Applicable month

The discount rate is full yield curve with a 2 month lookback. Line 21b is left blank because EFAST2 generates an error when 2 appears in line 21b and Full Yield Curve is checked in 21a.

U.S. BORAX INC.
Retirement Plan for Boron Hourly Employees
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Schedule SB – Notes for 2009 Plan Year

In preparing Schedule SB, the actuary relied on the following information, which was provided by other parties:

- (a) Contribution information, as provided by the trustee.
- (b) Financial information, as provided by the trustee.
- (c) Data on Participants^{*} covered by the Plan, as provided by the Company. While not verifying the data at source, the actuary performed tests for consistency and reasonability.
- (d) Information on the Plan provisions, as provided by the Company.

^{*} Annuities were purchased for Participants who retired before January 1, 1994; accordingly these Participants are excluded.

U.S. BORAX INC.
Retirement Plan for Boron Hourly Employees
EIN: 98-0047580 PN: 002

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

Funding

Full Yield Curve as of October 2008.

Sample Rates:

Year	Interest Rate	Year	Interest Rate
1	5.45%	45	7.09%
2	6.83%	50	7.00%
3	7.64%	55	6.94%
4	7.95%	60	6.88%
5	8.11%	65	6.83%
10	8.81%	70	6.79%
15	8.74%	75	6.76%
20	8.22%	80	6.73%
25	7.77%	85	6.70%
30	7.50%	90	6.67%
35	7.32%	95	6.65%
40	7.19%	100	6.63%

Current Year Effective Interest Rate: 8.17%

Prior Year: 6.33%

Expenses

Expected administrative and investment expenses of \$227,000 were added to the Target Normal Cost.

Frequency of optional payment forms

Based on experience.

Benefit Form	Assumption
Single Life Annuity	45%
Joint and 50% Survivor Annuity	30%
Joint and 100% Survivor Annuity	15%
10 Year Certain and Life Annuity	5%
Level Income Annuity	5%

Marital percentage

80% of participants are assumed to be married. Husbands are assumed to be 3 years older than their wives.

U.S. BORAX INC.
Retirement Plan for Boron Hourly Employees
EIN: 98-0047580 PN: 002

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods *(Continued)*

Mortality

Funding:

	Current Year	Prior Year
Annuitant	RP-2000 Healthy Annuitant Table projected to 2016	RP-2000 Healthy Annuitant Table projected to 2015
Non-annuitant	RP-2000 Employees Table projected to 2024	RP-2000 Employees Table projected to 2023

Retirement assumption

Age 65 or, if earlier, age 62 and 5 years of vesting service.

Withdrawal rates

Sample rates as follows:

Age	Withdrawal Rate
20	10.5%
30	5.8%
40	2.7%
50	1.2%
60	0.0%

Actuarial cost method

For minimum required and maximum contribution purposes:

The Funding Target is the present value of accrued benefits and based on service to date.

The Target Normal Cost is the present value of benefits expected to be accrued during the current plan year, including the expected plan expenses during the year.

The cushion amount is 50% of the Funding Target plus the increase in the Funding Target due to future increases in benefit levels.

U.S. BORAX INC.
Retirement Plan for Boron Hourly Employees
EIN: 98-0047580 PN: 002

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods *(Continued)*

Asset valuation method

The Valuation Assets are determined using a method that spreads asset gains/(losses) over 2 years. The gain/(loss) for each period is determined as the actual return during the period less the expected return based on an assumed earnings rate chosen by the actuary but required by PPA to be not greater than the applicable third segment rate. The resulting value is constrained to be within a corridor of 90% to 110% of market value. The discounted value of accrued contributions, if any, is included in the Valuation Assets.

The expected return on plan assets is 8.00% per annum, limited by PPA to the third segment rate permitted under IRS guidance.

U.S. BORAX INC.
Retirement Plan for Boron Hourly Employees
EIN: 98-0047580 PN: 002

Schedule SB, Part V – Summary of Plan Provisions

Effective date October 1, 1963; last amended effective January 1, 1999.

Covered employees Regular, full-time Boron hourly employees, excluding union members who have not accepted the plan.

Participation date First day of month after completing one year of service.

Pensionable service All service after one year of service, or from date of hire after five years of service. Also, service after January 1, 1968 for contributory benefit not counted.

Eligibility for retirement:

(a) Normal (unreduced) Age 65.

(b) Early Age 55.

Benefits at early retirement are determined in accordance with the following schedule:

Age at early retirement	Percentage of normal retirement benefit Payable
62	100%
61	96%
60	92%
59	88%
58	84%
57	80%
56	76%
55	72%

U.S. BORAX INC.
Retirement Plan for Boron Hourly Employees
EIN: 98-0047580 PN: 002

Schedule SB, Part V – Summary of Plan Provisions (*continued*)

Normal retirement benefit

Date of termination	Monthly benefit per year of pensionable service
November 4, 1980 to November 3, 1981	\$16
November 4, 1981 to August 31, 1983	17
September 1, 1983 to August 31, 1984	19
September 1, 1984 to November 3, 1986	21
November 4, 1986 to November 3, 1987	24
November 4, 1987 to November 3, 1988	26
November 4, 1988 to November 3, 1989	27
November 4, 1989 to November 3, 1992	29
November 4, 1992 to November 3, 1995	32
November 4, 1995 to November 3, 1997	37
November 4, 1997 to November 3, 1998	38
November 4, 1998 to November 3, 2001	45
November 4, 2001 to November 3, 2002	55
November 4, 2002 to November 3, 2003	58
November 4, 2003 to November 3, 2004	60
November 4, 2004 to November 3, 2005	72
November 4, 2005 to November 3, 2006	74
November 4, 2006 and thereafter	75

Death benefit

Return of accumulated employee contributions with credited interest to date of death.

Pre-retirement spouse benefit

If a participant dies (i) after attainment of age 55 and he is actively employed on his 55th birthday, or (ii) while actively employed after completing at least 25 years of pensionable service, a benefit is payable to his surviving spouse for life equal to 50% of his accrued pension at date of death.

If a vested participant dies prior to meeting the requirements described above, his spouse will receive a reduced benefit equal to the survivor portion of the 50% joint and survivor annuity.

A death benefit is payable to the dependent children of a single participant who has at least 15 years of service at date of death.

U.S. BORAX INC.
Retirement Plan for Boron Hourly Employees
EIN: 98-0047580 PN: 002

Schedule SB, Part V – Summary of Plan Provisions (*continued*)

Termination benefit

- (i) Vesting is 100% after the earlier of attaining age 55 or completing five years of vesting service.
- (ii) Prior to vesting: Benefit is return of employee contributions, if any, with credited interest to date of termination.
- (iii) After vesting: Accrued vested benefit deferred to age 65. Vested terminatees may receive benefits as early as age 55 with actuarial reduction.
- (iv) Vested terminatee with deferred benefits may withdraw his contributions, if any, with credited interest at termination or during deferred period in lieu of deferred contributory benefits.

Disability income benefit

Eligibility: 10 years of pensionable service.

Benefit:

<u>Years of Service</u>	<u>Percentage of Final-Average Earnings</u>
10-15	15%
15-25	15%-25%
Over 25	25%

Reduced by workers' compensation and 50% of Social Security benefit. Not payable while participant receives benefits from LTD Plan.

Forms of payment

The normal form of benefit is a life annuity. The automatic form of payment for a participant married as of retirement date is a 50% joint and survivor annuity. Other forms available are:

- (i) Joint and survivor.
- (ii) Guaranteed period and life.
- (iii) Social Security level income.

Maximum on benefits

All benefits are subject to limitations as defined in the Plan.

Changes since the prior valuation

None.