

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 2010 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>09/15/2010</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>RETIREMENT PLAN FOR BARG EE OF SAFETRAN SYSTEMS</u>	1b Three-digit plan number (PN) ▶	<u>004</u>	
	1c Effective date of plan	<u>11/11/1951</u>	
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>INVENSYS RAIL CORPORATION</u> <u>C/O INVENSYS INC</u> <u>33 COMMERCIAL STREET B51-2C</u> <u>FOXBORO, MA 02035-2525</u>	2b Employer Identification Number (EIN) <u>61-0720011</u>	2c Sponsor's telephone number <u>508-549-6909</u>	2d Business code (see instructions) <u>336990</u>

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	06/14/2011	ALLYN JEROME
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	06/14/2011	ALLYN JEROME
	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 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")

ADMINISTRATIVE COMMITTEE
C/O INVENSYS INC.
33 COMMERCIAL STREET B51-2C
FOXBORO, MA 02035-2525

3b Administrator's EIN

61-0720011

3c Administrator's telephone number

508-549-6909

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**

360

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**

0

b Retired or separated participants receiving benefits.....**6b**

0

c Other retired or separated participants entitled to future benefits.....**6c**

0

d Subtotal. Add lines **6a**, **6b**, and **6c**.....**6d**

0

e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....**6e**

0

f Total. Add lines **6d** and **6e**.....**6f**

0

g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....**6g****h** Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....**6h**

0

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)**7****8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

1A 1G

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 2010 This Form is Open to Public Inspection
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 09/15/2010

▶ **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>RETIREMENT PLAN FOR BARG EE OF SAFETRAN SYSTEMS</u>	B Three-digit plan number (PN) ▶ <u>004</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>INVENSYS RAIL CORPORATION</u>	D Employer Identification Number (EIN) <u>61-0720011</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>2010</u>
2	Assets:
a	Market value 2a <u>11478043</u>
b	Actuarial value 2b <u>11478043</u>
3	Funding target/participant count breakdown
	(1) Number of participants (2) Funding Target
a	For retired participants and beneficiaries receiving payment 3a <u>54</u> <u>2777213</u>
b	For terminated vested participants 3b <u>131</u> <u>2856240</u>
c	For active participants:
(1)	Non-vested benefits 3c(1) <u>80270</u>
(2)	Vested benefits 3c(2) <u>6242571</u>
(3)	Total active 3c(3) <u>175</u> <u>6322841</u>
d	Total 3d <u>360</u> <u>11956294</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>6.62</u> %
6	Target normal cost 6 <u>349052</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>06/10/2011</u>
Signature of actuary	Date
<u>BERNARD H. FRIEDMAN</u>	<u>11-03237</u>
Type or print name of actuary	Most recent enrollment number
<u>MERCER</u>	<u>617-747-9639</u>
Firm name	Telephone number (including area code)
<u>99 HIGH STREET</u> <u>BOSTON, MA 02110</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) 2010
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)	1362168	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9	Amount remaining (Item 7 minus item 8).....	1362168	0
10	Interest on item 9 using prior year's actual return of <u>-0.47</u> %	-6402	0
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		0
b	Interest on (a) using prior year's effective rate of <u>8.07</u> %		0
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance.....		0
12	Reduction in balances due to elections or deemed elections.....	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	1355766	0

Part III		Funding percentages	
14	Funding target attainment percentage.....	14	84.66 %
15	Adjusted funding target attainment percentage.....	15	96.00 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	113.75 %
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	
04/15/2010	114184		
07/15/2010	114184		
10/15/2010	114184		
05/25/2011	19730		
		Totals ▶	18(b) 362282
			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 349072
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
0	0
(3) 3rd	(4) 4th
0	0

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

21 Discount rate:				
a Segment rates:	1st segment: 4.60 %	2nd segment: 6.65 %	3rd segment: 6.76 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 0
22 Weighted average retirement age				22 64
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	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	349052
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	349052
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	0	0
36 Additional cash requirement (item 34 minus item 35).....	36	349052
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	349072
38 Interest-adjusted excess contributions for current year (see instructions).....	38	20
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

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
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
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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
		2010
		This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 09/15/2010		
A Name of plan RETIREMENT PLAN FOR BARG EE OF SAFETRAN SYSTEMS	B Three-digit plan number (PN)	004
C Plan sponsor's name as shown on line 2a of Form 5500 INVENSYS RAIL CORPORATION	D Employer Identification Number (EIN) 61-0720011	

Part I	Asset and Liability Statement
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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)	1050953	0
(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)	10476129	0
(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	11527082	0

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	11527082	0
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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)	362282	
(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)		362282

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(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)		2103754
(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		2466036

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	210808	
(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)		210808
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	16382	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		16382
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		227190

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		2238846
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		13765928

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: BOIVIN & ASSOC., CPAS, PLLC

(2) EIN: 27-1516157

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		10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....	X		
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
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)
INVENSYS PENSION PLAN	04-3387605	003

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 2010 This Form is Open to Public Inspection.
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 09/15/2010

A Name of plan <u>RETIREMENT PLAN FOR BARG EE OF SAFETRAN SYSTEMS</u>	B Three-digit plan number (PN) ▶ <u>004</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>INVENSYS RAIL CORPORATION</u>	D Employer Identification Number (EIN) <u>61-0720011</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): _____ 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
--	-----------------------------------	--	-------------------------------	-----------------------------

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) 2010
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): _____

FINANCIAL STATEMENTS

**Retirement Plan for Bargaining Employees of
Safetran Systems Corporation**

**Period from January 1, 2010 to September 15, 2010
and Year Ended December 31, 2009**

Retirement Plan for Bargaining Employees
of Safetran Systems Corporation

Financial Statements

Period from January 1, 2010 to September 15, 2010 and
Year Ended December 31, 2009

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Report of Independent Auditors

The Administrative Committee and Participants
Retirement Plan for Bargaining Employees of Safetran Systems Corporation

We were engaged to audit the financial statements of the Retirement Plan for Bargaining Employees of Safetran Systems Corporation as of September 15, 2010 and December 31, 2009 and for the period from January 1, 2010 to September 15, 2010 and the year ended December 31, 2009, as listed in the table of contents. 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, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 3, which was certified by State Street Bank & Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee held the Plan's investment assets and executed investment transactions. The plan administrator has obtained a certification from the trustee as of September 15, 2010 and for the period from January 1, 2010 to September 15, 2010 and as of December 31, 2009 and for the year then ended, that the information provided to the plan administrator by the trustee is complete and accurate.

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 investment 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.

Boivin & Associates, CPAs, PLLC

Boivin & Associates, CPAs, PLLC

Merrimack, New Hampshire

May 25, 2011

Retirement Plan for Bargaining Employees
of Safetran Systems Corporation

Statements of Net Assets Available for Benefits

	September 15 2010	December 31 2009
Assets		
Investments in Invensys Inc. Master Retirement Trust	\$ —	\$ 10,476,129
Employer contribution receivable	—	1,050,953
Net assets available for benefits	<u>\$ —</u>	<u>\$ 11,527,082</u>

See accompanying notes.

Retirement Plan for Bargaining Employees
of Safetran Systems Corporation

Statements of Changes in Net Assets Available for Benefits

	Period from January 1 2010 to September 15 2010	Year Ended December 31 2009
Additions		
Employer contributions	\$ 362,282	\$ 1,460,189
Equity in net investment income (loss) of the Invensys Inc. Master Retirement Trust	2,103,754	(62,367)
Total additions	<u>2,466,036</u>	<u>1,397,822</u>
Deductions		
Benefits paid to participants	210,808	258,503
Administrative expenses	16,382	12,410
Transfer to Invensys Pension Plan	13,765,928	—
Total deductions	<u>13,993,118</u>	<u>270,913</u>
Net increase (decrease)	(11,527,082)	1,126,909
Net assets available for benefits at beginning of period	11,527,082	10,400,173
Net assets available for benefits at end of period	<u>\$ —</u>	<u>\$ 11,527,082</u>

See accompanying notes.

Retirement Plan for Bargaining Employees of Safetran Systems Corporation

Notes to Financial Statements

September 15, 2010

1. Plan Description

The Retirement Plan for Bargaining Employees of Safetran Systems Corporation (the Plan) is a noncontributory defined benefit pension plan. Safetran Systems Corporation (Safetran or the Company) is the Plan Sponsor. Effective January 1, 2010, the plan sponsor's legal name was changed to Invensys Rail Corporation. Employees with five years of vesting service, as defined by the Plan, are entitled to pension benefits upon retirement. The Plan covers bargaining employees of Safetran who have attained the age of 21 and completed one year of service as defined in the Plan. Information concerning the plan agreement is available from the Human Resources Department.

The Plan Sponsor amended the Plan to freeze benefit accruals as of June 30, 2010 with respect to any participant whose benefits are subject to the collective bargaining agreement between the Brotherhood of Railroad Signalman, AFL-CIO Local 234 ("Louisville BRS Union") and the Employer as ratified on April 29, 2010. Participation in the Plan is closed for Louisville BRS Union members who have not met participation requirements in the Plan as of June 30, 2010, and service by participants whose benefits were frozen as of June 30, 2010 shall continue to receive credit for vesting service and early retirement under the Plan. A participant is fully vested after five years of service.

The plan administrator advised the Pension Benefit Guarantee Corporation (the "PBGC") that a reportable event occurred on June 18, 2010, due to a reduction in the number of active participants that exceeds 25% of the number of active participants at the beginning of the prior plan year, January 1, 2009, at which date there were 208 active members. As of June 18, 2010, there were 134 active employees. The event resulted from a reduction in the number of manufacturing employees.

Effective September 15, 2010, the Plan Sponsor agreed to merge the Plan with and become a plan component of the Invensys Pension Plan, such merger to be effected in compliance with Section 414(l) of the Internal Revenue Code of 1986, as amended. The Plan was merged effective September 15, 2010.

Funding Policy

The Plan is funded annually by the Company in an amount based on actuarial determinations. The contributions are at least equal to the minimum funding standards required by the Employee Retirement Income Security Act of 1974 (ERISA). The Plan has met the ERISA minimum funding requirements.

Retirement Plan for Bargaining Employees of Safetran Systems Corporation

Notes to Financial Statements (continued)

1. Plan Description (continued)

Funding Policy (continued)

Contributions made to the Plan by the employer are invested in the Invensys Inc. Master Retirement Trust (Master Trust). The Master Trust pools the Plan's assets with those of other related Company plans, and makes investments in various types of equity and fixed-income securities. The trustee holds the funds to manage, invest, and reinvest in accordance with the provisions of the Master Trust agreement.

2. Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting.

Valuation of Investments and Income Recognition

The Plan's participation in the Master Trust is stated at fair value (based primarily on the quoted market prices on the last business day of the plan year) of the securities owned by the Master Trust, as determined by the trustee, State Street Bank & Trust Company (State Street).

Marketable securities are stated at fair value. Fair value is defined as 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 (an exit price). Securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the plan year; investments traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the average of the last reported bid and ask prices. The shares of registered investment companies are valued at quoted market prices which represent the net asset values of shares held in the Master Trust. The fair value of the participation units owned by the Plan in common collective trust funds are based on quoted redemption values on the last business day of the plan year. Certain U.S. government and sovereign obligations, most government agency securities, investment-grade corporate bonds, certain mortgage products, and municipal obligations are valued based on quoted market prices, dealer quotations or alternative pricing sources.

Retirement Plan for Bargaining Employees
of Safetran Systems Corporation

Notes to Financial Statements (continued)

2. Significant Accounting Policies (continued)

Valuation of Investments and Income Recognition (continued)

Derivative investments (interest rate swaps) are marked-to-market using the derivative trading desk and are priced at the level which, in the desk's judgment, the counterparty would agree to terminate the transaction or at which another party would agree to assume the rights and obligations of the plan under the transaction. The derivatives trading desk verifies prices periodically with the counterparty and/or dealers active in the relevant market.

The fair value of the various limited partnership investments is estimated using various methods. Marketable securities in the partnerships are stated at the quoted market price on the last business day of the Plan year, while non-publicly traded securities are valued at amounts determined by the general partner.

The Plan also invests in certain securities collateralized by residential and commercial mortgages and other assets that may be affected by, among other things, changes in: interest rates, the quality of the underlying assets or the market's assessment thereof, factors concerning interests in and structure of the issuer or the originator of the receivables, or the creditworthiness of the entities that provide credit enhancements.

Plan investments are held in the Master Trust, which was established for the investment of assets of the Plan and other Company-sponsored retirement plans. Each participating retirement plan has an undivided interest in the Master Trust. Investment income and expenses are allocated to the Plan based upon its pro rata share in the net assets of the Master Trust.

The cost of investments sold is determined on the basis of average cost. The gain or loss on securities sold is the difference between average cost and market value at the date of disposal.

The valuation methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while plan management believes the valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Retirement Plan for Bargaining Employees of Safetran Systems Corporation

Notes to Financial Statements (continued)

2. Significant Accounting Policies (continued)

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits (Note 7) are those estimated future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to services rendered by the employees to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries and (b) present employees or their beneficiaries. Benefits for retired or terminated employees or their beneficiaries are based on employee's compensation during their last five years of credited service. The accumulated plan benefits for active employees are based on years of service and the annual earnings factor as described in the Plan Document. Benefits payable under all circumstances—retirement, death, disability, and termination of employment—are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

Administrative Expenses

Administrative expenses are paid by the Plan.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

3. Investments

Certain investment information disclosed in the accompanying financial statements, including investments held at September 15, 2010 and December 31, 2009, equity in net investment income (loss) of the Master Trust and investment management fees for the period January 1, 2010 to September 15, 2010 and for the year ended December 31, 2009, was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by the trustee.

Retirement Plan for Bargaining Employees of Safetran Systems Corporation

Notes to Financial Statements (continued)

4. Invensys Inc. Master Retirement Trust

The participation of the Plan is approximately 1% of the Master Trust as of December 31, 2009. The Master Trust is comprised of the following:

	December 31 2009
Investments, at fair value:	
Money market and interest-bearing cash	\$ 226,052,208
Common stocks	60,797,044
Common collective trust funds	347,804,157
Registered investment companies	277,101,245
New England Life group annuity contract	3,426,630
Corporate obligations	97,661,832
Non-corporate bonds	9,047,881
Government obligations	118,250,410
Open interest rate swap contracts and other	(50,086,773)
Limited liability company – regulated foreign mutual fund	166,986,927
	<u>1,257,041,561</u>
Accrued investment income and pending security transactions	15,377,732
Net payables for pending security transactions and other, including broker owned collateral	(10,297,091)
Non-interest-bearing cash (overdraft)	<u>—</u>
	<u>5,080,641</u>
Net assets of the Master Trust	<u><u>\$ 1,262,122,202</u></u>

Retirement Plan for Bargaining Employees
of Safetran Systems Corporation

Notes to Financial Statements (continued)

4. Invensys Inc. Master Retirement Trust (continued)

During the period January 1, 2010 to September 15, 2010 and the year ended December 31, 2009, the investments of the Master Trust, including investments bought, sold, as well as held during the year, appreciated (depreciated) as follows:

	<u>2010</u>	<u>2009</u>
Government obligations	\$ 27,740,125	\$ (24,295,657)
Corporate obligations	5,702,424	1,252,440
Non-corporate bonds	21,047,080	(180,385)
Common stocks	5,487,243	16,053,393
Common collective trust funds	68,022,067	(36,093,170)
Registered investment companies	23,340,913	33,867,741
Open interest rate swap contracts and other	78,121,429	(41,324,206)
Limited liability company – regulated foreign mutual fund	1,361,958	14,497,006
	<u>230,823,239</u>	<u>(36,222,838)</u>
Interest, dividends and other income	20,354,848	30,926,672
Net appreciation (depreciation) in fair value of investments	<u>\$ 251,178,087</u>	<u>\$ (5,296,166)</u>

Total administrative expenses for the Master Trust during the period January 1, 2010 to September 15, 2010 and the year ended December 31, 2009 were \$6,428,883 and \$8,582,368, respectively.

The Master Trust participated in State Street's securities lending program in 2009 by lending certain securities to borrowers to earn additional income, which is included in equity in net earnings of the Invensys Inc. Master Retirement Trust in the statements of changes in net assets. Loans of securities through State Street are collateralized by cash, letters of credit, or securities issued or guaranteed by the United States government or its agencies, equal to at least 102% of the current market value of the loaned securities. At December 31, 2009, the fair value of the loaned securities and collateral amounted to \$8,706,877 and \$8,999,043, respectively.

Retirement Plan for Bargaining Employees
of Safetran Systems Corporation

Notes to Financial Statements (continued)

5. Interest Rate Swaps

Derivative investments consist of fixed for floating interest rate long maturity swaps (approximately 30 years). The Plan had eighteen separate swap arrangements outstanding at December 31, 2009 with a total net gross notional amount of \$523,750,000. The purpose of this strategy is to economically hedge the change in net funded status for a portion of the liability that can occur due to changes in interest rates. The marked to market value of the swaps, including accrued interest, in the over the counter market was \$(46,264,060) at December 31, 2009. In addition, \$118,212,882 is maintained in a money market account and other short-term investments at December 31, 2009 for collateral needs related to the swap arrangements. At December 31, 2009, approximately \$46,000,000 of this amount was posted as collateral to dealers.

The following interest rate swap contracts were outstanding at December 31, 2009.

December 31, 2009					
Counterparty	Fixed Rate	Spot Rate	Maturity Date	Notional Amount	Unrealized Gain/(Loss)
Barclays	3.275%	4.525%	4/2/2039	\$ 120,000,000	\$ (23,802,763)
Barclays	4.730	4.521	3/31/2038	38,000,000	1,878,253
JP Morgan	4.868	4.521	3/4/2038	(39,900,000)	(2,865,272)
Royal Bank Scotland	4.469	4.523	11/4/2038	(29,500,000)	67,824
Deutsche Bank	4.526	4.529	1/5/2040	(5,300,000)	4,966
Deutsche Bank	4.003	4.526	6/2/2039	22,000,000	(1,761,560)
Barclays	3.300	4.456	4/2/2029	39,700,000	(5,621,998)
Royal Bank Scotland	4.473	4.451	11/4/2028	(28,000,000)	(262,283)
Barclays	3.331	4.456	4/2/2029	50,000,000	(7,085,873)
Barclays	3.250	3.883	4/2/2019	96,000,000	(3,732,768)
Royal Bank Scotland	4.465	3.829	11/4/2018	(31,000,000)	(1,713,566)
Barclays	3.321	3.883	4/2/2019	30,000,000	(1,112,586)
Deutsche Bank	3.655	3.903	6/2/2019	18,000,000	(312,635)
Deutsche Bank	3.610	3.934	9/2/2019	1,500,000	(22,547)
Barclays	2.506	2.688	4/2/2014	115,000,000	103,201
Royal Bank Scotland	3.867	2.508	11/4/2013	(24,000,000)	(1,338,689)
Deutsche Bank	2.860	2.656	9/2/2014	168,750,000	1,572,771
Barclays	2.905	2.826	8/4/2014	(17,500,000)	(258,535)
				\$ 523,750,000	\$ (46,264,060)

Retirement Plan for Bargaining Employees of Safetran Systems Corporation

Notes to Financial Statements (continued)

6. Fair Value Measurements

ASC Topic 820, "Fair Value Measurements" (ASC Topic 820) defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs when measuring fair value.

The standard describes three levels of inputs that may be used to measure fair value:

- Level 1 Inputs are quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2 Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;
- Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Retirement Plan for Bargaining Employees
of Safetran Systems Corporation

Notes to Financial Statements (continued)

6. Fair Value Measurements (continued)

The following table sets forth by level within the fair value hierarchy the Plan's investment assets and liabilities, if any, as of December 31, 2009.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market and interest-bearing cash	\$ 24,432,465	\$ 201,619,743	\$
Common stocks	60,797,044		
Common collective trust funds:			
Fixed income investments		269,348,784	
Equity investments		78,455,373	
		<u>347,804,157</u>	
Registered investment companies:			
Fixed income investment	202,401,481		
International investment	74,699,764		
	<u>277,101,245</u>		
New England Life group annuity contract			3,426,630
Corporate obligations		97,661,832	
Non-corporate bonds		9,047,881	
Government obligations	118,250,410		
Open interest rate swap contracts and other		(50,086,773)	
Limited liability company – regulated foreign mutual fund		166,986,927	

The table below sets forth a summary of changes in fair value of the Plan's level 3 investment assets for the year ended December 31, 2009.

	<u>New England Life group annuity contract</u>
Balance, at beginning of year	\$ 3,259,207
Purchases, sales, issuances and settlements, net	<u>167,423</u>
Balance, at end of year	<u>\$ 3,426,630</u>

Retirement Plan for Bargaining Employees of Safetran Systems Corporation

Notes to Financial Statements (continued)

7. Accumulated Plan Benefits

An actuary from Mercer Human Resource Consulting, Inc. estimates the actuarial present value of accumulated plan benefits, which is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits earned by the participants to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The accumulated plan benefit information as of December 31, 2009 and 2008 is as follows:

	<u>2009</u>	<u>2008</u>
Actuarial present value of accumulated plan benefits:		
Vested benefits:		
Active participants	\$ 5,141,726	\$ 5,049,671
Retired employees and beneficiaries currently receiving benefits	2,563,146	2,378,747
Inactive participants with deferred benefits	2,554,688	1,926,276
	<u>10,259,560</u>	<u>9,354,694</u>
Nonvested benefits	91,542	89,821
	<u>\$ 10,351,102</u>	<u>\$ 9,444,515</u>

The reconciliation of the actuarial present value of accumulated plan benefits from December 31, 2008 to December 31, 2009 is as follows:

Actuarial present value of accumulated plan benefits at December 31, 2008	\$ 9,444,515
Changes during the year:	
Increase due to benefits accumulated and non-investment experience	466,445
Increase for interest due to decrease in the discount period	698,645
Actual benefits paid	(258,503)
Net increase	<u>906,587</u>
Actuarial present value of accumulated plan benefits at December 31, 2009	<u>\$ 10,351,102</u>

Retirement Plan for Bargaining Employees of Safetran Systems Corporation

Notes to Financial Statements (continued)

7. Accumulated Plan Benefits (continued)

Significant assumptions underlying the actuarial computations are:

Interest	—7.5%, compounded annually.
Retirement	—Age-related retirement rates from age 55 to age 65, with terminated vested participants assumed to retire at age 62.
Mortality	—RP2000 Mortality Tables for Males and Females, without adjustment for collar, benefit amount, or employee/annuitant distinction, but projected by Scale AA to 2015.

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

8. Risks and Uncertainties

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

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption processes, it is at least reasonably possible that changes in these estimates and assumptions in the near term could materially affect the amounts reported and disclosed in the financial statements.

Retirement Plan for Bargaining Employees of Safetran Systems Corporation

Notes to Financial Statements (continued)

9. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service (IRS), dated September 1, 1999, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the IRS, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan Sponsor has indicated that it will take the necessary steps, if any, to bring the Plan's operations into compliance with the Code.

Accounting standards require recording uncertain income tax positions that exist in the Plan's financial statements. Plan management has determined there are no uncertain tax positions and believes there is no adjustment or disclosure required in the Plan's financial statements.

10. Subsequent Events

The Company has evaluated all subsequent events through May 25, 2011, the date the financial statements were available to be issued. During this period, there have been no other material events that would require recognition in the financial statements or disclosures to the financial statements.

FINANCIAL STATEMENTS

**Retirement Plan for Bargaining Employees of
Safetran Systems Corporation**

**Period from January 1, 2010 to September 15, 2010
and Year Ended December 31, 2009**

Retirement Plan for Bargaining Employees
of Safetran Systems Corporation

Financial Statements

Period from January 1, 2010 to September 15, 2010 and
Year Ended December 31, 2009

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Report of Independent Auditors

The Administrative Committee and Participants
Retirement Plan for Bargaining Employees of Safetran Systems Corporation

We were engaged to audit the financial statements of the Retirement Plan for Bargaining Employees of Safetran Systems Corporation as of September 15, 2010 and December 31, 2009 and for the period from January 1, 2010 to September 15, 2010 and the year ended December 31, 2009, as listed in the table of contents. 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, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 3, which was certified by State Street Bank & Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee held the Plan's investment assets and executed investment transactions. The plan administrator has obtained a certification from the trustee as of September 15, 2010 and for the period from January 1, 2010 to September 15, 2010 and as of December 31, 2009 and for the year then ended, that the information provided to the plan administrator by the trustee is complete and accurate.

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 investment 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.

Boivin & Associates, CPAs, PLLC

Boivin & Associates, CPAs, PLLC

Merrimack, New Hampshire

May 25, 2011

Retirement Plan for Bargaining Employees
of Safetran Systems Corporation

Statements of Net Assets Available for Benefits

	September 15 2010	December 31 2009
Assets		
Investments in Invensys Inc. Master Retirement Trust	\$ —	\$ 10,476,129
Employer contribution receivable	—	1,050,953
Net assets available for benefits	<u>\$ —</u>	<u>\$ 11,527,082</u>

See accompanying notes.

Retirement Plan for Bargaining Employees
of Safetran Systems Corporation

Statements of Changes in Net Assets Available for Benefits

	Period from January 1 2010 to September 15 2010	Year Ended December 31 2009
Additions		
Employer contributions	\$ 362,282	\$ 1,460,189
Equity in net investment income (loss) of the Invensys Inc. Master Retirement Trust	2,103,754	(62,367)
Total additions	<u>2,466,036</u>	<u>1,397,822</u>
Deductions		
Benefits paid to participants	210,808	258,503
Administrative expenses	16,382	12,410
Transfer to Invensys Pension Plan	13,765,928	—
Total deductions	<u>13,993,118</u>	<u>270,913</u>
Net increase (decrease)	(11,527,082)	1,126,909
Net assets available for benefits at beginning of period	11,527,082	10,400,173
Net assets available for benefits at end of period	<u>\$ —</u>	<u>\$ 11,527,082</u>

See accompanying notes.

Retirement Plan for Bargaining Employees of Safetran Systems Corporation

Notes to Financial Statements

September 15, 2010

1. Plan Description

The Retirement Plan for Bargaining Employees of Safetran Systems Corporation (the Plan) is a noncontributory defined benefit pension plan. Safetran Systems Corporation (Safetran or the Company) is the Plan Sponsor. Effective January 1, 2010, the plan sponsor's legal name was changed to Invensys Rail Corporation. Employees with five years of vesting service, as defined by the Plan, are entitled to pension benefits upon retirement. The Plan covers bargaining employees of Safetran who have attained the age of 21 and completed one year of service as defined in the Plan. Information concerning the plan agreement is available from the Human Resources Department.

The Plan Sponsor amended the Plan to freeze benefit accruals as of June 30, 2010 with respect to any participant whose benefits are subject to the collective bargaining agreement between the Brotherhood of Railroad Signalman, AFL-CIO Local 234 ("Louisville BRS Union") and the Employer as ratified on April 29, 2010. Participation in the Plan is closed for Louisville BRS Union members who have not met participation requirements in the Plan as of June 30, 2010, and service by participants whose benefits were frozen as of June 30, 2010 shall continue to receive credit for vesting service and early retirement under the Plan. A participant is fully vested after five years of service.

The plan administrator advised the Pension Benefit Guarantee Corporation (the "PBGC") that a reportable event occurred on June 18, 2010, due to a reduction in the number of active participants that exceeds 25% of the number of active participants at the beginning of the prior plan year, January 1, 2009, at which date there were 208 active members. As of June 18, 2010, there were 134 active employees. The event resulted from a reduction in the number of manufacturing employees.

Effective September 15, 2010, the Plan Sponsor agreed to merge the Plan with and become a plan component of the Invensys Pension Plan, such merger to be effected in compliance with Section 414(l) of the Internal Revenue Code of 1986, as amended. The Plan was merged effective September 15, 2010.

Funding Policy

The Plan is funded annually by the Company in an amount based on actuarial determinations. The contributions are at least equal to the minimum funding standards required by the Employee Retirement Income Security Act of 1974 (ERISA). The Plan has met the ERISA minimum funding requirements.

Retirement Plan for Bargaining Employees of Safetran Systems Corporation

Notes to Financial Statements (continued)

1. Plan Description (continued)

Funding Policy (continued)

Contributions made to the Plan by the employer are invested in the Invensys Inc. Master Retirement Trust (Master Trust). The Master Trust pools the Plan's assets with those of other related Company plans, and makes investments in various types of equity and fixed-income securities. The trustee holds the funds to manage, invest, and reinvest in accordance with the provisions of the Master Trust agreement.

2. Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting.

Valuation of Investments and Income Recognition

The Plan's participation in the Master Trust is stated at fair value (based primarily on the quoted market prices on the last business day of the plan year) of the securities owned by the Master Trust, as determined by the trustee, State Street Bank & Trust Company (State Street).

Marketable securities are stated at fair value. Fair value is defined as 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 (an exit price). Securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the plan year; investments traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the average of the last reported bid and ask prices. The shares of registered investment companies are valued at quoted market prices which represent the net asset values of shares held in the Master Trust. The fair value of the participation units owned by the Plan in common collective trust funds are based on quoted redemption values on the last business day of the plan year. Certain U.S. government and sovereign obligations, most government agency securities, investment-grade corporate bonds, certain mortgage products, and municipal obligations are valued based on quoted market prices, dealer quotations or alternative pricing sources.

Retirement Plan for Bargaining Employees of Safetran Systems Corporation

Notes to Financial Statements (continued)

2. Significant Accounting Policies (continued)

Valuation of Investments and Income Recognition (continued)

Derivative investments (interest rate swaps) are marked-to-market using the derivative trading desk and are priced at the level which, in the desk's judgment, the counterparty would agree to terminate the transaction or at which another party would agree to assume the rights and obligations of the plan under the transaction. The derivatives trading desk verifies prices periodically with the counterparty and/or dealers active in the relevant market.

The fair value of the various limited partnership investments is estimated using various methods. Marketable securities in the partnerships are stated at the quoted market price on the last business day of the Plan year, while non-publicly traded securities are valued at amounts determined by the general partner.

The Plan also invests in certain securities collateralized by residential and commercial mortgages and other assets that may be affected by, among other things, changes in: interest rates, the quality of the underlying assets or the market's assessment thereof, factors concerning interests in and structure of the issuer or the originator of the receivables, or the creditworthiness of the entities that provide credit enhancements.

Plan investments are held in the Master Trust, which was established for the investment of assets of the Plan and other Company-sponsored retirement plans. Each participating retirement plan has an undivided interest in the Master Trust. Investment income and expenses are allocated to the Plan based upon its pro rata share in the net assets of the Master Trust.

The cost of investments sold is determined on the basis of average cost. The gain or loss on securities sold is the difference between average cost and market value at the date of disposal.

The valuation methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while plan management believes the valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Retirement Plan for Bargaining Employees of Safetran Systems Corporation

Notes to Financial Statements (continued)

2. Significant Accounting Policies (continued)

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits (Note 7) are those estimated future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to services rendered by the employees to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries and (b) present employees or their beneficiaries. Benefits for retired or terminated employees or their beneficiaries are based on employee's compensation during their last five years of credited service. The accumulated plan benefits for active employees are based on years of service and the annual earnings factor as described in the Plan Document. Benefits payable under all circumstances—retirement, death, disability, and termination of employment—are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

Administrative Expenses

Administrative expenses are paid by the Plan.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

3. Investments

Certain investment information disclosed in the accompanying financial statements, including investments held at September 15, 2010 and December 31, 2009, equity in net investment income (loss) of the Master Trust and investment management fees for the period January 1, 2010 to September 15, 2010 and for the year ended December 31, 2009, was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by the trustee.

Retirement Plan for Bargaining Employees of Safetran Systems Corporation

Notes to Financial Statements (continued)

4. Invensys Inc. Master Retirement Trust

The participation of the Plan is approximately 1% of the Master Trust as of December 31, 2009. The Master Trust is comprised of the following:

	December 31 2009
Investments, at fair value:	
Money market and interest-bearing cash	\$ 226,052,208
Common stocks	60,797,044
Common collective trust funds	347,804,157
Registered investment companies	277,101,245
New England Life group annuity contract	3,426,630
Corporate obligations	97,661,832
Non-corporate bonds	9,047,881
Government obligations	118,250,410
Open interest rate swap contracts and other	(50,086,773)
Limited liability company – regulated foreign mutual fund	166,986,927
	<u>1,257,041,561</u>
Accrued investment income and pending security transactions	15,377,732
Net payables for pending security transactions and other, including broker owned collateral	(10,297,091)
Non-interest-bearing cash (overdraft)	<u>—</u>
	<u>5,080,641</u>
Net assets of the Master Trust	<u><u>\$ 1,262,122,202</u></u>

Retirement Plan for Bargaining Employees
of Safetran Systems Corporation

Notes to Financial Statements (continued)

4. Invensys Inc. Master Retirement Trust (continued)

During the period January 1, 2010 to September 15, 2010 and the year ended December 31, 2009, the investments of the Master Trust, including investments bought, sold, as well as held during the year, appreciated (depreciated) as follows:

	2010	2009
Government obligations	\$ 27,740,125	\$ (24,295,657)
Corporate obligations	5,702,424	1,252,440
Non-corporate bonds	21,047,080	(180,385)
Common stocks	5,487,243	16,053,393
Common collective trust funds	68,022,067	(36,093,170)
Registered investment companies	23,340,913	33,867,741
Open interest rate swap contracts and other	78,121,429	(41,324,206)
Limited liability company – regulated foreign mutual fund	1,361,958	14,497,006
	230,823,239	(36,222,838)
Interest, dividends and other income	20,354,848	30,926,672
Net appreciation (depreciation) in fair value of investments	\$ 251,178,087	\$ (5,296,166)

Total administrative expenses for the Master Trust during the period January 1, 2010 to September 15, 2010 and the year ended December 31, 2009 were \$6,428,883 and \$8,582,368, respectively.

The Master Trust participated in State Street's securities lending program in 2009 by lending certain securities to borrowers to earn additional income, which is included in equity in net earnings of the Invensys Inc. Master Retirement Trust in the statements of changes in net assets. Loans of securities through State Street are collateralized by cash, letters of credit, or securities issued or guaranteed by the United States government or its agencies, equal to at least 102% of the current market value of the loaned securities. At December 31, 2009, the fair value of the loaned securities and collateral amounted to \$8,706,877 and \$8,999,043, respectively.

Retirement Plan for Bargaining Employees
of Safetran Systems Corporation

Notes to Financial Statements (continued)

5. Interest Rate Swaps

Derivative investments consist of fixed for floating interest rate long maturity swaps (approximately 30 years). The Plan had eighteen separate swap arrangements outstanding at December 31, 2009 with a total net gross notional amount of \$523,750,000. The purpose of this strategy is to economically hedge the change in net funded status for a portion of the liability that can occur due to changes in interest rates. The marked to market value of the swaps, including accrued interest, in the over the counter market was \$(46,264,060) at December 31, 2009. In addition, \$118,212,882 is maintained in a money market account and other short-term investments at December 31, 2009 for collateral needs related to the swap arrangements. At December 31, 2009, approximately \$46,000,000 of this amount was posted as collateral to dealers.

The following interest rate swap contracts were outstanding at December 31, 2009.

December 31, 2009					
Counterparty	Fixed Rate	Spot Rate	Maturity Date	Notional Amount	Unrealized Gain/(Loss)
Barclays	3.275%	4.525%	4/2/2039	\$ 120,000,000	\$ (23,802,763)
Barclays	4.730	4.521	3/31/2038	38,000,000	1,878,253
JP Morgan	4.868	4.521	3/4/2038	(39,900,000)	(2,865,272)
Royal Bank Scotland	4.469	4.523	11/4/2038	(29,500,000)	67,824
Deutsche Bank	4.526	4.529	1/5/2040	(5,300,000)	4,966
Deutsche Bank	4.003	4.526	6/2/2039	22,000,000	(1,761,560)
Barclays	3.300	4.456	4/2/2029	39,700,000	(5,621,998)
Royal Bank Scotland	4.473	4.451	11/4/2028	(28,000,000)	(262,283)
Barclays	3.331	4.456	4/2/2029	50,000,000	(7,085,873)
Barclays	3.250	3.883	4/2/2019	96,000,000	(3,732,768)
Royal Bank Scotland	4.465	3.829	11/4/2018	(31,000,000)	(1,713,566)
Barclays	3.321	3.883	4/2/2019	30,000,000	(1,112,586)
Deutsche Bank	3.655	3.903	6/2/2019	18,000,000	(312,635)
Deutsche Bank	3.610	3.934	9/2/2019	1,500,000	(22,547)
Barclays	2.506	2.688	4/2/2014	115,000,000	103,201
Royal Bank Scotland	3.867	2.508	11/4/2013	(24,000,000)	(1,338,689)
Deutsche Bank	2.860	2.656	9/2/2014	168,750,000	1,572,771
Barclays	2.905	2.826	8/4/2014	(17,500,000)	(258,535)
				\$ 523,750,000	\$ (46,264,060)

Retirement Plan for Bargaining Employees of Safetran Systems Corporation

Notes to Financial Statements (continued)

6. Fair Value Measurements

ASC Topic 820, "Fair Value Measurements" (ASC Topic 820) defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs when measuring fair value.

The standard describes three levels of inputs that may be used to measure fair value:

- Level 1 Inputs are quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2 Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;
- Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Retirement Plan for Bargaining Employees
of Safetran Systems Corporation

Notes to Financial Statements (continued)

6. Fair Value Measurements (continued)

The following table sets forth by level within the fair value hierarchy the Plan's investment assets and liabilities, if any, as of December 31, 2009.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market and interest-bearing cash	\$ 24,432,465	\$ 201,619,743	\$
Common stocks	60,797,044		
Common collective trust funds:			
Fixed income investments		269,348,784	
Equity investments		78,455,373	
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International investment	74,699,764		
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New England Life group annuity contract			3,426,630
Corporate obligations		97,661,832	
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Government obligations	118,250,410		
Open interest rate swap contracts and other		(50,086,773)	
Limited liability company – regulated foreign mutual fund		166,986,927	

The table below sets forth a summary of changes in fair value of the Plan's level 3 investment assets for the year ended December 31, 2009.

	<u>New England Life group annuity contract</u>
Balance, at beginning of year	\$ 3,259,207
Purchases, sales, issuances and settlements, net	<u>167,423</u>
Balance, at end of year	<u>\$ 3,426,630</u>

Retirement Plan for Bargaining Employees of Safetran Systems Corporation

Notes to Financial Statements (continued)

7. Accumulated Plan Benefits

An actuary from Mercer Human Resource Consulting, Inc. estimates the actuarial present value of accumulated plan benefits, which is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits earned by the participants to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The accumulated plan benefit information as of December 31, 2009 and 2008 is as follows:

	<u>2009</u>	<u>2008</u>
Actuarial present value of accumulated plan benefits:		
Vested benefits:		
Active participants	\$ 5,141,726	\$ 5,049,671
Retired employees and beneficiaries currently receiving benefits	2,563,146	2,378,747
Inactive participants with deferred benefits	2,554,688	1,926,276
	<u>10,259,560</u>	<u>9,354,694</u>
Nonvested benefits	91,542	89,821
	<u>\$ 10,351,102</u>	<u>\$ 9,444,515</u>

The reconciliation of the actuarial present value of accumulated plan benefits from December 31, 2008 to December 31, 2009 is as follows:

Actuarial present value of accumulated plan benefits at December 31, 2008	\$ 9,444,515
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Increase due to benefits accumulated and non-investment experience	466,445
Increase for interest due to decrease in the discount period	698,645
Actual benefits paid	(258,503)
Net increase	<u>906,587</u>
Actuarial present value of accumulated plan benefits at December 31, 2009	<u>\$ 10,351,102</u>

Retirement Plan for Bargaining Employees of Safetran Systems Corporation

Notes to Financial Statements (continued)

7. Accumulated Plan Benefits (continued)

Significant assumptions underlying the actuarial computations are:

Interest	—7.5%, compounded annually.
Retirement	—Age-related retirement rates from age 55 to age 65, with terminated vested participants assumed to retire at age 62.
Mortality	—RP2000 Mortality Tables for Males and Females, without adjustment for collar, benefit amount, or employee/annuitant distinction, but projected by Scale AA to 2015.

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Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption processes, it is at least reasonably possible that changes in these estimates and assumptions in the near term could materially affect the amounts reported and disclosed in the financial statements.

Retirement Plan for Bargaining Employees of Safetran Systems Corporation

Notes to Financial Statements (continued)

9. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service (IRS), dated September 1, 1999, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the IRS, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan Sponsor has indicated that it will take the necessary steps, if any, to bring the Plan's operations into compliance with the Code.

Accounting standards require recording uncertain income tax positions that exist in the Plan's financial statements. Plan management has determined there are no uncertain tax positions and believes there is no adjustment or disclosure required in the Plan's financial statements.

10. Subsequent Events

The Company has evaluated all subsequent events through May 25, 2011, the date the financial statements were available to be issued. During this period, there have been no other material events that would require recognition in the financial statements or disclosures to the financial statements.

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 2010 This Form is Open to Public Inspection
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 09/15/2010

► Round off amounts to nearest dollar.

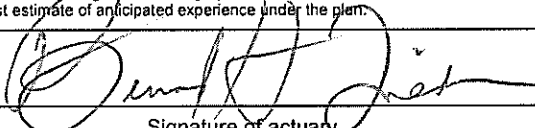
► Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan Ret. Plan for Bargaining Ees of Safetran Systems	B Three-digit plan number (PN) ► <u>004</u>	
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Invensys Rail Corporation	D Employer Identification Number (EIN) 61-0720011	
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>2010</u>			
2 Assets:			
a Market value.....	2a	11,478,043	
b Actuarial value.....	2b	11,478,043	
3 Funding target/participant count breakdown	(1) Number of participants		(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a	54	2,777,213
b For terminated vested participants	3b	131	2,856,240
c For active participants:			
(1) Non-vested benefits.....	3c(1)		80,270
(2) Vested benefits.....	3c(2)		6,242,571
(3) Total active	3c(3)	175	6,322,841
d Total.....	3d	360	11,956,294
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	6.62 %	
6 Target normal cost.....	6	349,052	

Statement by Enrolled Actuary

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

SIGN HERE	 Signature of actuary	<u>June 10, 2011</u> Date
	BERNARD H. FRIEDMAN Type or print name of actuary	11-03237 Most recent enrollment number
	Mercer Firm name	(617) 747-9639 Telephone number (including area code)
	99 High Street Address of the firm	
	Boston MA 02110	

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) 2010 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)	1,362,168	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9	Amount remaining (Item 7 minus item 8).....	1,362,168	0
10	Interest on item 9 using prior year's actual return of <u>0.47</u> %	(6,402)	0
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		0
b	Interest on (a) using prior year's effective rate of <u>8.07</u> %		0
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance.....		0
12	Reduction in balances due to elections or deemed elections.....	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	1,355,766	0

Part III Funding percentages			
14	Funding target attainment percentage.....	14	84.66 %
15	Adjusted funding target attainment percentage.....	15	96.00 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	113.75 %
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
04/15/2010	114,184				
07/15/2010	114,184				
10/15/2010	114,184				
05/25/2011	19,730				
Totals ▶			18(b)	362,282	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	349,072

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

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

21 Discount rate:			
a Segment rates:	1st segment: 4.60 %	2nd segment: 6.65 %	3rd segment: 6.76 %
			☐ N/A, full yield curve used
b Applicable month (enter code).....			21b 0
22 Weighted average retirement age			22 64
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	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	349,052
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33).....	34	349,052
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	0	0
36 Additional cash requirement (item 34 minus item 35).....	36	349,052
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	349,072
38 Interest-adjusted excess contributions for current year (see instructions).....	38	20
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

Attachments to Schedule SB

Schedule SB, Line 22 — Description of weighted average retirement age

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire each potential retirement age is shown below. The average retirement age is 64.

(A) Retirement Age	(B) Rate of Retirement	(C) Probability of Retirement	(D) Average Retirement Age (A) * (C)
55	0.02	0.0200	1.10
56	0.02	0.0196	1.10
57	0.02	0.0192	1.09
58	0.02	0.0188	1.09
59	0.02	0.0184	1.09
60	0.02	0.0181	1.08
61	0.02	0.0177	1.08
62	0.15	0.1302	8.07
63	0.10	0.0738	4.65
64	0.10	0.0664	4.25
65	0.50	0.2989	19.43
66	0.75	0.2241	14.79
67	0.75	0.0560	3.75
68	0.75	0.0140	0.95
69	0.75	0.0035	0.24
70	1.00	0.0012	0.08
Weighted Average Retirement			63.84
Nearest Whole Age			64

Attachments to Schedule SB

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

Discount rate sponsor elections	
Segment rates or full yield curve	Segment
Look-back months	0
1st 5 years	4.60%
Next 15 years	6.65%
Over 20 years	6.76%
Mortality sponsor elections	Section 430(h)(3) prescribed separate static annuitant and nonannuitant mortality tables. These tables are based on the RP-2000 mortality tables projected with mortality improvement to the valuation year plus 7 and 15 years based on Scale AA.
Other economic assumptions	
Salary increases	4.50% per year
Flat-dollar benefit increases	N/A
Social Security wage base	N/A
Inflation	N/A
Expected investment return	N/A
Expenses	\$26,157, the prior year's administrative expenses, were added to current year normal cost on an annualized basis, and pro-rated to \$18,528 for the short plan year triggered by the merger with the Invensys Pension Plan as of September 15, 2010
Other	None

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

Demographic assumptions

Withdrawal	See table of sample rates.
Disability incidence	Sex-Distinct 1985 Pension Disability Table Class 2. See table of sample rates.

Retirement age	Attained age	Rate
	55 – 61	2%
	62	15%
	63 – 64	10%
	65	50%
	66 – 69	75%
	70	100%

Benefit commencement age for

Future vested deferred	62
------------------------	----

Current vested deferred	62
-------------------------	----

Spouse assumptions	<u>Male participants</u>	<u>Female participants</u>
Percentage married	85%	55%
Spouse age difference	3 years younger	3 years older

Form of payment	Life Annuity
------------------------	--------------

Unpredictable contingent event assumptions	N/A
---	-----

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

Table of sample rates

Attained age	Rate			
	Withdrawal		Disability	
	Male	Female	Male	Female
20	22.50%	37.50%	0.064%	0.055%
25	15.00%	22.50%	0.093%	0.096%
30	10.50%	15.00%	0.134%	0.165%
35	7.50%	10.50%	0.199%	0.252%
40	4.50%	7.50%	0.314%	0.357%
45	3.00%	4.50%	0.505%	0.522%
50	1.50%	3.00%	0.830%	0.854%
55	-	1.50%	1.502%	1.490%
60	-	-	2.266%	1.793%
65	-	-		
70	-	-		

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

Asset methods

We used financial data submitted by the trustee as of the valuation date without further audit. Customarily, this information would not be verified by a plan's actuary. We have reviewed the information for internal consistency and we have no reason to doubt its substantial accuracy.

The asset valuation method is the fair market value.

Participant methods

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

- **Participants included:** The plan sponsor provides us with data on all employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Insurance contracts:** The plan does not have any insurance contracts.
- **Transferred participants:** The liabilities for employees who have transferred into another plan of the plan sponsor have been included with the liabilities for terminated vested participants.
- **Disabled participants:** Disabled participants are included in the active employee count since they continue to earn vesting service for early retirement eligibility. We assume they will not earn future pay credits.
- **Compensation history:** 2009 pensionable earnings have been estimated for 32 active participants. It was rolled forward using the salary scale.
- **Estimated benefits:** We estimated benefits for 28 terminated vested participants since exact termination calculations were not provided to us.

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

Plan sponsor elections – effective January 1, 2010

Funding interest rate

- 24 month average segment rates
- No look back

Valuation of lump sums based on IRC Section 417(e) assumptions

Not applicable

Minimum funding method

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

A detailed description of the calculation follows:

- The plan's valuation date is the beginning of the plan year.
- An individual's **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target normal cost for an individual is the sum of the component funding targets and target normal costs associated with the various anticipated separation dates.
- The plan's **target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan.

Maximum deductible contribution method

Calculations of maximum deductible contributions include the excess of the funding target computed using the projected unit credit method over the minimum funding target. The objective of the projected unit credit method is to fund each participant's benefits under the plan as they accrue, taking into consideration expected future compensation increases. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

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

A detailed description of the calculation follows:

- An individual's **projected funding target** is the present value of benefits based on credited service as of the beginning of the plan year and projected compensation that would be used in the calculation of the benefit on each expected separation date. If multiple decrements are used, the projected funding target for an individual is the sum of the component projected funding targets associated with the various anticipated separation dates.
- The plan's **projected funding target** is the sum of the projected funding targets for all participants under the plan. The excess of the plan's projected funding target over the plan's funding target is included in the "cushion amount".

Attachments to Schedule SB

Schedule SB, Part V – Summary of plan provisions

Following is a summary of the major plan provisions used to determine the plan's financial position. It should not be used in determining plan benefits.

Benefits included or excluded

Unless noted below, all benefits provided by the plan are included in this valuation.

- **Plan amendments:** Amendments adopted after the valuation date or effective after the current plan year are excluded from the valuation.
- **IRC Section 436 benefit restrictions:**
 - *Unpredictable contingent event benefits:* This valuation excludes restricted contingent event benefits that occurred before the valuation date but includes contingent event benefits which are expected to occur on or after the valuation date regardless of anticipated funding-based limitations.
 - Plan amendments: See above.
 - *Prohibited payments:* Limitations on prohibited benefits (if any) are reflected for annuity starting dates before the valuation date but are ignored for annuity starting dates on or after the valuation date.
 - *Benefit accruals:* The plan's funding target does not reflect any limitation on benefit accruals. The target normal cost does not reflect any limitation on benefit accruals.
- **Scheduled benefit increases:** Scheduled benefit increases effective after the end of the current plan year are excluded from minimum funding requirements.
- **Late retirement increases:**
 - *Active participants:* The plan provides benefit suspension notices to participants who work beyond normal retirement age; therefore, late retirement actuarial increases only apply to participants who defer retirement beyond age 70½. This valuation includes increases for current participants over age 70.
 - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued including the late retirement actuarial increase.
- **Unpredictable contingent event benefits:** The plan does not have any unpredictable contingent event benefits.
- **IRC Section 415(b) benefit limitations:** The limitations of Internal Revenue Code Section 415(b) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60 percent of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.

Schedule SB, Part V – Summary of plan provisions *(continued)*

<i>Sponsoring Employer</i>	Safetran Systems Corporation
<i>Administration</i>	61072011/004
<i>Effective Date</i>	November 1, 1951
<i>Most Recent Amendment</i>	January 1, 2010
<i>Eligibility</i>	All collectively bargained employees of Safetran Systems Corporation become participants on the first day of the month coincident with or next following the completion of one year of Vesting Service and the attainment of age 21. Leased employees are not eligible to participate under the Plan.
<i>Credited Service</i>	One year of Credited Service means the number of calendar years, determined to the nearest month, before a participant's Normal Retirement Date during which the employee has service as an eligible employee. A month of service for this purpose is defined as a calendar month in which the employee is in service for fifteen or more days.
<i>Vesting Service</i>	One year of Vesting Service is earned in each calendar year in which the participant is credited with 1,000 or more hours of service.
<i>Base Earnings</i>	Base Earnings generally include all wages paid while an active participant by the company excluding bonuses and commissions. Base Earnings include amounts deferred on a pre-tax basis under a 401(k) plan or a Section 125 cafeteria plan of the company.

Schedule SB, Part V – Summary of plan provisions *(continued)*

Normal Retirement

Eligibility

Age 65

Benefit

For non-Cucamonga Bargaining Employees, and Cucamonga Bargaining Employees for periods prior to January 27, 1989, the monthly benefit payable upon retirement is equal to one-twelfth of the greater of (a) plus (b), or (c) as follows:

- (a) 0.75% times the participant's first \$6,600 of Base Earnings plus 1.5% times the Base Earnings in excess of \$6,600 for each year of service after January 1, 1968
- (b) 1% times the first \$6,000 of the participant's 1967 Base Earnings plus 1.5% times the participant's 1967 Base Earnings in excess of \$6,600, the sum multiplied by whole years of active contributory service from the later of age 25 and 2 years of service to December 31, 1967
- (c) minimum benefit of \$30 times years of Credited Service not in excess of 30 plus 15% of total employee contributions, if any.

For Cucamonga Bargaining Employees, for periods after January 27, 1989, the monthly benefit payable upon retirement is equal to one-twelfth of the greater of (a) plus (b), or (c) as follows:

- (a) 1.8% times the participant's Base Earnings for each year of service after January 27, 1990
- (b) 1.25% times the first \$6,600 of the participant's Base Earnings plus 2% times the participant's Base Earnings in excess of \$6,600, for the period beginning January 27, 1989 and ending January 27, 1990
- (c) minimum benefit of \$30 times years of Credited Service not in excess of 30 plus 15% of total employee contributions, if any.

Commencement

Payments commence on the later of the first day of the month following an employee's retirement or the date the participant applies for the benefit.

Form of Payment

Benefits are normally payable in an unreduced amount as a life annuity for unmarried participants and in a reduced amount on a 50% Joint and Survivor basis for married participants.

Schedule SB, Part V – Summary of plan provisions *(continued)*

Late Retirement

Each employee who continues to be an employee after attaining his/her Normal Retirement Age shall be entitled upon actual retirement to receive a monthly benefit determined in the same manner as for Normal Retirement as of his/her Late Retirement Date.

Early Retirement

Eligibility

Age 55 provided that the sum of attained age and completed years of Vesting Service is greater than or equal to 64 (with minimum of at least 4 years of Vesting Service).

Benefit

The amount of benefit is computed as for Normal Retirement. The benefit is payable in full at age 62, or multiplied by the appropriate early retirement factor as follows:

Age	Early Retirement Factor
55	57.90%
56	63.50%
57	69.40%
58	75.20%
59	80.80%
60	86.70%
61	93.30%

Commencement

Anytime between early retirement date and normal retirement date, at the employee's election.

Form of Payment

Same as Normal Retirement

Deferred Vested Benefit

Eligibility

Termination of employment prior to Normal Retirement with at least 5 years of Vesting Service.

Benefit

The amount of benefit should be calculated as for Normal Retirement.

Commencement

An employee's deferred vested benefit shall commence in full on his or her Normal Retirement Date, or at the participant's option, in a reduced amount prior to Normal Retirement any time after attaining age 55, provided the employee has four or more years of Vesting Service and provided that the sum of attained age and completed years of Vesting Service is greater than or equal to 64. Reduction factors are the same as for Early Retirement.

Form of Payment

Same as Normal Retirement

Schedule SB, Part V – Summary of plan provisions *(continued)*

Disability Benefit

Eligibility

If a participant incurs a total and permanent disability, attained age 50 and completed 8 years of participation, he or she shall be entitled to receive a disability benefit.

Benefit

Monthly annuity is the greater of (a) or (b) as follows:

(a) \$70

(b) \$5 times years of continuous service ending on date of disability

Commencement

The first day of the month coincident with or next following six months after disability provided the participant has applied for a disability benefit. Payments will be payable until the earlier of the following:

(a) the participant's early retirement date,

(b) the date of his/her death, or

(c) the date as of which it was determined that the participant is no longer disabled.

Form of Payment

Temporary single life annuity

Death Benefit

Before Retirement

Upon the death of a vested participant who has been married for at least one year, his or her surviving spouse shall be eligible to receive a pre-retirement surviving spouse annuity. The pre-retirement surviving spouse annuity provides a reduced benefit equal to the benefit the spouse would have received had the participant retired on the day preceding his or her date of death (or had survived until his or her earliest retirement date, if death occurs prior to such date, and retired on such date) and elected to receive benefits in the 50% Joint and Survivor Annuity form.

After Retirement

Death benefits payable after retirement, if any, are payable in accordance with whichever option the retiree elected.

Schedule SB, Part V – Summary of plan provisions (continued)

<i>Options Forms of Payment</i>	<p>The forms of benefit payment available to each participant shall be the Actuarial Equivalent of his/her normal retirement benefit on a single life annuity basis. The forms of benefits are as follows:</p> <ul style="list-style-type: none">▪ 5-year and 10-year certain and life▪ 50%, 75% and 100% Joint and Survivor Annuity▪ Social Security adjustment
<i>Actuarial Equivalent Except as Noted Below</i>	<p>For determination dates occurring on or after July 1, 1996, means an amount having equal value when computed on the basis of 7.00% interest rate compounded annually and a blend of 50% of the male mortality rates and 50% of the female mortality rates from the 1983 Group Annuity Mortality Table.</p>
<i>Actuarial Equivalent for Lump Sums</i>	<p>For payments occurring on or after January 1, 2008, an interest rate equal to the annual rate structure based on the Pension Protection Act of 2006 (PPA) rates for the month of October immediately preceding the plan year during which the payment occurs and mortality rates based on PPA rates for the applicable year.</p>
<i>Maximum compensation</i>	<p>Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2010, the limit is \$245,000.</p>
<i>Maximum benefits</i>	<p>Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2010, the limit is \$195,000</p>

Plan provision changes since prior valuation

- Maximum compensation and maximum benefits were updated from 2009 to 2010.

Attachments to Schedule SB

Schedule SB, Line 25 – Change in method

The funding interest rate method was changed from the full yield curve with a two month look back to segment rates with no look back month. This change qualifies for automatic IRS approval.

Attachments to Schedule SB

Schedule SB, Line 26 – Schedule of active participant data

Age	Years of Credited Service as of January 1, 2010									
	< 1	1 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40 +
< 25		1								
25 - 29		1	1	1						
30 - 34		1	13	7						
35 - 39		1	11	4	2	1				
40 - 44		2	8	2	4	6				
45 - 49		1	10	1	6	4				
50 - 54		1	5	9	9	2	3			
55 - 59		1	5	6	12	1	4	1		
60 - 64			2	7	7		2	3	1	
65 - 69			3		1			1		
70 +					1					

Average Age: 48.6

Average Credited Service: 14.1

In each cell, the number is the count of active participants for each age/service combination. Average pay is not shown for plans with fewer than 1,000 active participants.