

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). ► Complete all entries in accordance with the instructions to the Form 5500.	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>12/31/2010</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>COGNIS CORPORATION RETIREMENT PLAN</u>	1b Three-digit plan number (PN) ►	<u>001</u>	
	1c Effective date of plan	<u>10/01/1999</u>	
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>COGNIS CORPORATION</u> <u>5051 ESTECREEK</u> <u>CINCINNATI, OH 45323</u>	2b Employer Identification Number (EIN) <u>31-1667081</u>		
	2c Sponsor's telephone number		
	2d Business code (see instructions) <u>325100</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	<u>Filed with authorized/valid electronic signature.</u>	<u>09/22/2011</u>	<u>KIM ADKINS</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice 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") COGNIS CORPORATION 5051 ESTECREEK CINCINNATI, OH 45323	3b Administrator's EIN 31-1667081 3c Administrator's telephone number
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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
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5 Total number of participants at the beginning of the plan year	5	3144
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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	31

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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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
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

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

b General Schedules

- (1) ☒ **H** (Financial Information)
 (2) ☐ **I** (Financial Information – Small Plan)
 (3) ☐ **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 12/31/2010

▶ **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>COGNIS CORPORATION RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>COGNIS CORPORATION</u>	D Employer Identification Number (EIN) <u>31-1667081</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>192386277</u>
b Actuarial value	2b <u>197348868</u>
3 Funding target/participant count breakdown	
	(1) Number of participants (2) Funding Target
a For retired participants and beneficiaries receiving payment	3a <u>1509</u> <u>161460090</u>
b For terminated vested participants	3b <u>981</u> <u>39606630</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>3973347</u>
(2) Vested benefits	3c(2) <u>41646018</u>
(3) Total active	3c(3) <u>662</u> <u>45619365</u>
d Total	3d <u>3152</u> <u>246686085</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>6.65</u> %
6 Target normal cost	6 <u>2901304</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>06/30/2011</u>
Signature of actuary	Date
<u>SHEILA A. PERSALL</u>	<u>11-06388</u>
Type or print name of actuary	Most recent enrollment number
<u>MERCER</u>	<u>614-227-5500</u>
Firm name	Telephone number (including area code)
<u>325 JOHN H MCCONNELL BLVD. STE. 350</u> <u>COLUMBUS, OH 43215-2671</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)		
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)		
9	Amount remaining (Item 7 minus item 8).....		
10	Interest on item 9 using prior year's actual return of _____ %		
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		5397793
b	Interest on (a) using prior year's effective rate of <u>0.08</u> %		442079
c	Total available at beginning of current plan year to add to prefunding balance		5839872
d	Portion of (c) to be added to prefunding balance.....		
12	Reduction in balances due to elections or deemed elections.....		
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....		

Part III	Funding percentages		
14	Funding target attainment percentage.....	14	80.00 %
15	Adjusted funding target attainment percentage.....	15	80.00 %
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	80.02 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	0.00 %

Part IV	Contributions and liquidity shortfalls																																																							
18	Contributions made to the plan for the plan year by employer(s) and employees:																																																							
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">(a) Date (MM-DD-YYYY)</th> <th style="width: 20%;">(b) Amount paid by employer(s)</th> <th style="width: 20%;">(c) Amount paid by employees</th> <th style="width: 15%;">(a) Date (MM-DD-YYYY)</th> <th style="width: 20%;">(b) Amount paid by employer(s)</th> <th style="width: 20%;">(c) Amount paid by employees</th> </tr> </thead> <tbody> <tr> <td>04/15/2010</td> <td style="text-align: right;">2564885</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>07/15/2010</td> <td style="text-align: right;">2564885</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>10/14/2010</td> <td style="text-align: right;">2564885</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>01/14/2011</td> <td style="text-align: right;">2564885</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>06/27/2011</td> <td style="text-align: right;">2790679</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="2"></td> <td></td> <td colspan="2"></td> <td></td> </tr> <tr> <td colspan="3"></td> <td style="text-align: right;">Totals ►</td> <td style="text-align: right;">18(b)</td> <td style="text-align: right;">13050219</td> </tr> <tr> <td colspan="3"></td> <td></td> <td style="text-align: right;">18(c)</td> <td></td> </tr> </tbody> </table>	(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	2564885					07/15/2010	2564885					10/14/2010	2564885					01/14/2011	2564885					06/27/2011	2790679														Totals ►	18(b)	13050219					18(c)		
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				18(c)																																																				

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a	Contributions allocated toward unpaid minimum required contribution from prior years.....	19a
b	Contributions made to avoid restrictions adjusted to valuation date	19b
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c
		12370813
20	Quarterly contributions and liquidity shortfalls:	
a	Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b	If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c	If 20a is "Yes," see instructions and complete the following table as applicable:	

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

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

21 Discount rate:				
a Segment rates:	1st segment: 5.03 %	2nd segment: 6.73 %	3rd segment: 6.82 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 0
22 Weighted average retirement age				22 63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

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

Part VII Reconciliation of unpaid minimum required contributions for prior years

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

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	2901304
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	49337217	9468614
b Waiver amortization installment		
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month <u>01</u> Day <u>01</u> Year <u>2010</u>) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33)	34	12369918
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement		Total balance
36 Additional cash requirement (item 34 minus item 35).....	36	12369918
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	12370813
38 Interest-adjusted excess contributions for current year (see instructions).....	38	
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	
40 Unpaid minimum required contribution for all years	40	

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection.
For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan COGNIS CORPORATION RETIREMENT PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 COGNIS CORPORATION	D Employer Identification Number (EIN) 31-1667081	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

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

PRINCIPAL FINANCIAL GROUP

2000 RIVERS EDGE PARKWAY SUITE 955
ATLANTA, GA 30328

58-2592859

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15		8643	Yes ☐ No ☒	Yes ☐ No ☒		Yes ☐ No ☒

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

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name: LISA O. ELLIOT, MAAA	b EIN: 13-2834414
c Position: MERCER	
d Address: 155 NORTH WACKER DRIVE 15TH FLOOR CHICAGO, IL 60606	e Telephone: 312-917-9900

Explanation: ACTUARIAL WORK TRANSFERRED TO DIFFERENT OFFICE

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration		DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.		OMB No. 1210-0110 2010 This Form is Open to Public Inspection.	
For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010					
A Name of plan COGNIS CORPORATION RETIREMENT PLAN				B Three-digit plan number (PN) ▶ 001	
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 COGNIS CORPORATION				D Employer Identification Number (EIN) 31-1667081	
Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)					
a Name of MTIA, CCT, PSA, or 103-12 IE: COGNIS CORPORATION MASTER RETIREMEN					
b Name of sponsor of entity listed in (a): COGNIS CORPORATION					
c EIN-PN 36-7367087-001		d Entity code M		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 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 code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
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b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
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b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
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b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
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a Name of MTIA, CCT, PSA, or 103-12 IE:					
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c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
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b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	

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

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2010 This Form is Open to Public Inspection
For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan COGNIS CORPORATION RETIREMENT PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 COGNIS CORPORATION	D Employer Identification Number (EIN) 31-1667081	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.				
	Assets			
a	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	10172818	
	(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)	182644456	
	(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	192817274	

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	254793	
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	254793	

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	192562481	
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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) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	13050219	
(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)		13050219
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	2302	
(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)		2302
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		
(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)		25232622
(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		38285143

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	16309616	
(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)		16309616
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)	991364	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		991364
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		17300980

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		20984163
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		213546645

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: BARNES DENNIG & CO. LTD

(2) EIN: 31-1119890

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		2000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		X	

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

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

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)
BASF CORPORATION SALARIED EMPLOYEES RETIREMENT PLAN	16-1090809	001
IGM RESINS CHARLOTTE INC. RETIREMENT PLAN	98-0662756	001

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 12/31/2010

A Name of plan <u>COGNIS CORPORATION RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>COGNIS CORPORATION</u>	D Employer Identification Number (EIN) <u>31-1667081</u>

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>36-7367087</u> Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3 <u>0</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
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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
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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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: 59.0% Investment-Grade Debt: 30.0% High-Yield Debt: 10.0% Real Estate: 0.0% Other: 1.0%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☒ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate item 19(b)?

☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Cognis Corporation Retirement Plan

Financial Statements

Years Ended December 31, 2010 and 2009

With Report of Independent Certified Public Accountants



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Report of Independent Certified Public Accountants

To the Plan Administrator of
Cognis Corporation Retirement Plan
Cincinnati, Ohio

We were engaged to audit the accompanying Statements of Net Assets Available for Benefits of the Cognis Corporation Retirement Plan as of December 31, 2010 and 2009, and the related Statements of Changes in Net Assets Available for Benefits for the years then ended. These financial statements are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 9, which was certified by The Northern Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2010 and 2009, 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 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.

Cincinnati, Ohio
September 26, 2011

COGNIS CORPORATION RETIREMENT PLAN

Statements of Net Assets Available for Benefits December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Assets		
Investment in Cognis Corporation Retirement Trust at fair value	\$ 202,230,575	\$ 182,644,456
Employer contributions receivable	<u>5,355,564</u>	<u>10,172,818</u>
Total assets	<u>207,586,139</u>	<u>192,817,274</u>
Liabilities		
Accrued administrative fees and expenses	-	8,881
Accrued investment fees	<u>243,748</u>	<u>245,912</u>
Total liabilities	<u>243,748</u>	<u>254,793</u>
Net assets available for benefits	<u>\$ 207,342,391</u>	<u>\$ 192,562,481</u>

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

COGNIS CORPORATION RETIREMENT PLAN

Statements of Changes in Net Assets Available for Benefits Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Additions		
Investment income		
Net appreciation in fair value of investment in master trust	\$ 25,232,622	\$ 41,557,863
Interest and dividend income	2,303	6,192
Employer contributions	<u>13,050,219</u>	<u>17,102,466</u>
 Total additions	 <u>38,285,144</u>	 <u>58,666,521</u>
 Deductions		
Benefits paid to participants	16,309,616	15,975,383
Transfers to other plans	6,204,254	-
Investment fees	991,364	900,260
Administrative fees and expenses	<u>-</u>	<u>718,879</u>
 Total deductions	 <u>23,505,234</u>	 <u>17,594,522</u>
 Net increase	 14,779,910	 41,071,999
 Net assets available for benefits		
Beginning of year	<u>192,562,481</u>	<u>151,490,482</u>
 End of year	 <u><u>\$ 207,342,391</u></u>	 <u><u>\$ 192,562,481</u></u>

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

COGNIS CORPORATION RETIREMENT PLAN

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements of the Cognis Corporation Retirement Plan (the Plan) have been prepared on the accrual basis.

Investment Valuation

Investments are reported at fair value. Fair value is 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. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the plan's gains and losses on investments bought and sold as well as held during the year.

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

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Expenses

In 2010 and 2009, certain expenses and costs of administering the Plan were paid by Cognis Corporation (the Plan sponsor) and accordingly, are not reflected in the Plan's financial statements. During 2010, the Plan sponsor elected to pay all administrative fees and expenses of the Plan and only investment fees were paid by the Plan.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires the plan and actuary to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Related Party Transactions

Certain Plan investments are invested in accounts managed by The Northern Trust Company (the Trustee). The Northern Trust Company is the Trustee as defined by the Plan and therefore, these transactions qualify as parties-in-interest.

Several employees of the Plan sponsor provide administrative services to the Plan. These services include Plan oversight and day-to-day Plan administration. The Plan is not charged by the Plan sponsor for the services its employees provide to the Plan. On December 9, 2010, the Plan sponsor was acquired by BASF.

COGNIS CORPORATION RETIREMENT PLAN

Notes to Financial Statements (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

The Plan has evaluated subsequent events through September 26, 2011, which is the date these financial statements were available to be issued, and have determined that there are no subsequent events that require disclosure under applicable GAAP for subsequent events other than described in Note 12.

NOTE 2 DESCRIPTION OF THE PLAN

The following description of the Cognis Corporation Retirement Plan provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined benefit pension plan covering non-represented eligible employees of the Plan sponsor. The Plan sponsor contributes such amounts as are necessary on an actuarial basis to provide the Plan with assets sufficient to meet the benefits to be paid to Plan members. The contributions are designed to fund the Plan's normal service costs on a current basis. The Northern Trust Company is the Plan's asset custodian. Mercer is the Plan's actuary. The Plan is administered by the Plan sponsor. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and the Internal Revenue Code.

Benefits under the Plan are funded by the Plan sponsor. Contributions are made based on recommendations by the Actuary, who performs annual valuations of the Plan. The funds are held, invested and disbursed by the asset custodian.

Employees with five or more years of services are fully vested and entitled to pension benefits beginning at normal retirement age, which is 65. Benefits for those retiring by December 31, 2003 are equal to 1.15% of their average monthly earnings for the highest four consecutive calendar years during the last ten calendar years of service up to the Social Security Earnings Base, plus 1.55% of such average monthly earnings in excess of the Social Security Earnings Base, multiplied by the number of years of credited benefit service (maximum 30 years). Benefits for those retiring beginning January 1, 2004 are equal to the benefit calculated in the previously discussed manner for service prior to January 1, 2004 plus an additional future service benefit amount for service after December 31, 2003. The future service benefit is equal to the sum of 1% of compensation for each plan year beginning on and after January 1, 2004, divided by 12. Reduced early retirement benefits may be elected by a participant who reaches age 55 and has at least five years of credited service. Former participants of certain predecessor plans shall have their benefit calculated under this Plan offset by their benefit under the predecessor plan.

If an employee transfers from employment, the terms and conditions of which were subject to a collective bargaining agreement, to recognized employment and becomes a participant in this Plan, any benefit accrued with respect to the prior employment of such employee under another defined benefit plan of the employer shall be transferred to this Plan. In such event, the accrued benefit of such participant shall be the sum of the transferred accrued benefit and the benefit accrued under this Plan.

COGNIS CORPORATION RETIREMENT PLAN

Notes to Financial Statements (Continued)

NOTE 2 DESCRIPTION OF THE PLAN (CONTINUED)

Generally, payment of benefits will be in the form of a single life annuity for unmarried participants and a joint and survivor annuity for married participants, unless the employee, with spousal consent, elects another form of benefit permitted by the Plan. Other optional forms of pension benefit are available at the participant's option.

Death and Disability Benefits

A participant who becomes disabled while an employee of the Plan sponsor is eligible to receive a benefit commencing at normal retirement based on continuous service, determined as though the participant had continued in active employment to age 65.

If an active employee or a vested participant dies, then the employee's pension is payable to the surviving spouse. If the participant dies after age 55, then the surviving spouse would receive the same benefit that would have been payable to the spouse had the participant retired on the day before his or her death. If the participant dies before age 55, then the surviving spouse would receive the same benefit that would be payable to the spouse had the participant survived to age 55.

Vesting Provisions

An employee is not vested in the Plan until completion of five years of service with the Plan sponsor or attainment of age 65 while still employed by Cognis. After five years of service, a participant is fully vested in the Plan.

NOTE 3 INVESTMENT IN MASTER TRUST

At December 31, 2010 and 2009, the Plan had an approximately 91% undivided beneficial interest in the Cognis Corporation Retirement Trust (the Cognis Master Trust).

At December 31, 2010 and 2009, the composition of the assets of the Cognis Master Trust included:

	<u>2010</u>	<u>2009</u>
Fund name:		
Common collective trusts	\$ 224,071,994	\$ 199,419,245
Cash and cash equivalents	<u>-</u>	<u>1,500,000</u>
	<u>\$ 224,071,994</u>	<u>\$ 200,919,245</u>

COGNIS CORPORATION RETIREMENT PLAN

Notes to Financial Statements (Continued)

NOTE 3 INVESTMENT IN MASTER TRUST (CONTINUED)

Investments in the common collective trust funds in the Cognis Master Trust consisted of the following as of December 31, 2010 and 2009:

	2010	2009
Money Market Fund	\$ 2,378,777	\$ 423,719
Daily Aggregate Bond Index Fund	66,198,786	48,349,935
Northern Trust High Yield Bond Fund	22,684,568	20,532,465
Northern Trust International Equity Fund	44,460,671	29,738,914
Northern Trust Large Cap Fund	55,947,049	70,091,471
Northern Trust Mid Cap Fund	14,989,599	20,194,956
Northern Trust Small Cap Fund	6,064,476	10,087,785
Northern Trust Emerging Markets Index Fund	11,348,068	-
Cash and cash equivalents	-	1,500,000
	<u>\$ 224,071,994</u>	<u>\$ 200,919,245</u>

Investment income of the Cognis Master Trust for the years ended December 31, 2010 and 2009 was as follows:

	2010	2009
Interest and other income	\$ 2,547	\$ 6,800
Net appreciation in fair value of investment in master trust:		
Common collective trusts	<u>27,873,376</u>	<u>45,664,898</u>
Total appreciation	<u>27,873,376</u>	<u>45,664,898</u>
Investment fees	<u>(1,097,617)</u>	<u>(989,521)</u>
	<u>\$ 26,778,306</u>	<u>\$ 44,682,177</u>

Contributions to the plans, payments of retirement benefits, and certain administrative expenses paid by the plans are accounted for specifically by each plan. Net income (investment income, realized gains and losses, unrealized increases and decreases in the fair value of investments, and investment advisory services) of the Cognis Master Trust is allocated to the participating plans based on the plans' proportionate beneficial interest in the Trust during the year. Certain investments within the Cognis Master Trust participate in securities lending.

COGNIS CORPORATION RETIREMENT PLAN

Notes to Financial Statements (Continued)

NOTE 4 FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) *Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

The hierarchy is broken down into three levels based on the ability to observe inputs as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2010 and 2009.

Cash and cash equivalents: Valued at the net asset value ("NAV") of shares held by the Plan at year end.

Common collective trusts: Valued at fair value of the collective trust's underlying investments based on information reported by the investment advisor using the audited financial statements of the collective trust at year-end. The collective trust's fair value for U.S. and foreign securities listed or traded on any generally recognized securities exchange or quoted in the NASDAQ National Market System are valued at the regular trading session closing price on the exchange or system in which such securities are principally traded. Securities traded in the over-the-counter market that are not reported in the NASDAQ National Market System or on any generally recognized securities exchange are valued at the closing representative bid price. Other investments are valued on quotations from independent brokers. Shares of open-end investment companies are valued at net asset value. Fixed income securities may be valued on the basis of evaluated prices provided by independent pricing services when such prices are believed to reflect the fair value of such securities. Any securities for which no current quotations are readily available are valued at fair value as determined in good faith by the trustee.

COGNIS CORPORATION RETIREMENT PLAN

Notes to Financial Statements (Continued)

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

The 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 the Plan believes its 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.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2010:

	Level 1	Level 2	Level 3	Total
Common collective trust	\$ -	\$ 202,230,575	\$ -	\$ 202,230,575
Total assets at fair value	<u>\$ -</u>	<u>\$ 202,230,575</u>	<u>\$ -</u>	<u>\$ 202,230,575</u>

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2009:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 1,363,566	\$ -	\$ -	\$ 1,363,566
Common collective trust	-	181,280,890	-	181,280,890
Total assets at fair value	<u>\$ 1,363,566</u>	<u>\$ 181,280,890</u>	<u>\$ -</u>	<u>\$ 182,644,456</u>

NOTE 5 ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those future periodic payments including lump-sum distributions that are attributable under the Plan's provisions to the service that employees have rendered to date and that are expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) present employees or their beneficiaries, and (c) beneficiaries of employees who have died. Benefits for retired or terminated employees or their beneficiaries are based on actual benefits earned during their term of employment. The accumulated plan benefits for active employees are based on their actual compensation over their respective years of service, utilizing various benefit formulas as specified by the Plan. 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.

COGNIS CORPORATION RETIREMENT PLAN

Notes to Financial Statements (Continued)

NOTE 5 ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS (CONTINUED)

The actuarial present value of accumulated Plan benefits is that 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 payments (by means of decrements such as for death, disability, withdrawal, retirement, or termination of employment) between the valuation date and the expected dates of payment. The actuarial assumptions below are based on the assumption 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.

The components of the actuarial present value of accumulated Plan benefits as of January 1, 2010 and 2009 are:

	<u>2010</u>	<u>2009</u>
Vested benefits:		
Participants currently receiving payments	\$ 150,412,620	\$ 139,109,625
Other participants	<u>70,761,906</u>	<u>62,688,651</u>
	221,174,526	201,798,276
Nonvested benefits	<u>2,360,586</u>	<u>2,426,328</u>
Total actuarial present value of accumulated plan benefits	<u><u>\$ 223,535,112</u></u>	<u><u>\$ 204,224,604</u></u>

The actuarial value of Plan assets was \$197,348,868 and \$166,805,691 as of January 1, 2010 and 2009, respectively.

COGNIS CORPORATION RETIREMENT PLAN

Notes to Financial Statements (Continued)

NOTE 5 ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS (CONTINUED)

The components of the changes in accumulated Plan benefits for the years ended January 1, 2010 and 2009 are:

	<u>2010</u>	<u>2009</u>
Actuarial present value of accumulated plan benefits as of January 1, 2009 and 2008, respectively.	<u>\$ 204,224,604</u>	<u>\$ 200,868,733</u>
Increase (decrease) during the year attributable to:		
Additional benefits accumulated	3,905,860	3,222,444
Interest due to decrease in the discount period	16,189,546	15,919,408
Benefits paid	(15,975,383)	(15,812,432)
Assumption changes	<u>15,190,485</u>	<u>26,451</u>
Net increase	<u>19,310,508</u>	<u>3,355,871</u>
Actuarial present value of accumulated plan benefits as of January 1, 2010 and 2009, respectively.	<u><u>\$ 223,535,112</u></u>	<u><u>\$ 204,224,604</u></u>

Due to inherent uncertainties in actuarial estimates, it is reasonably possible that actuarial estimates could change in the near term.

COGNIS CORPORATION RETIREMENT PLAN

Notes to Financial Statements (Continued)

NOTE 6 GENERAL ACTUARIAL DATA

The more significant assumptions underlying the actuarial computations for the 2010 and 2009 valuations were as follows:

Plan's Actuary	Mercer																																
Assumed Rate of Return on Investments	7.50% and 8.25% per annum, compounded annually, for 2010 and 2009 valuations, respectively.																																
Salary Increases	0% for 2009, 4.5% for 2010, 4.5% thereafter.																																
Mortality	For 2010, PPA prescribed separate static annuitant and nonannuitant tables																																
Termination of Employment	Sample probabilities of withdrawal areas follow: <table><tr><td><u>Years of Service</u></td><td><u>Percent Terminating Per Year</u></td></tr><tr><td>< 1</td><td>20.0%</td></tr><tr><td>1 < 2</td><td>17.5%</td></tr><tr><td>2 < 3</td><td>15.0%</td></tr></table>	<u>Years of Service</u>	<u>Percent Terminating Per Year</u>	< 1	20.0%	1 < 2	17.5%	2 < 3	15.0%																								
<u>Years of Service</u>	<u>Percent Terminating Per Year</u>																																
< 1	20.0%																																
1 < 2	17.5%																																
2 < 3	15.0%																																
Assumed Retirement Age	For the 2010 and 2009 valuations: <table><tr><td><u>Attained Age</u></td><td><u>Grandfathered Salaried</u></td><td><u>Non-Grandfathered Salaried</u></td><td><u>Hourly</u></td></tr><tr><td>55</td><td>15.0%</td><td>5.0%</td><td>5.0%</td></tr><tr><td>56 - 58</td><td>10.0%</td><td>3.0%</td><td>3.0%</td></tr><tr><td>59 - 61</td><td>15.0%</td><td>5.0%</td><td>10.0%</td></tr><tr><td>62</td><td>30.0%</td><td>20.0%</td><td>25.0%</td></tr><tr><td>63 - 64</td><td>10.0%</td><td>10.0%</td><td>10.0%</td></tr><tr><td>65 - 66</td><td>50.0%</td><td>50.0%</td><td>50.0%</td></tr><tr><td>67 and above</td><td>100.0%</td><td>100.0%</td><td>100.0%</td></tr></table> Current and future vested terminated participants are assumed to commence benefits at age 62 if an hourly employee and terminated on or after 12/1/2003, otherwise age 65.	<u>Attained Age</u>	<u>Grandfathered Salaried</u>	<u>Non-Grandfathered Salaried</u>	<u>Hourly</u>	55	15.0%	5.0%	5.0%	56 - 58	10.0%	3.0%	3.0%	59 - 61	15.0%	5.0%	10.0%	62	30.0%	20.0%	25.0%	63 - 64	10.0%	10.0%	10.0%	65 - 66	50.0%	50.0%	50.0%	67 and above	100.0%	100.0%	100.0%
<u>Attained Age</u>	<u>Grandfathered Salaried</u>	<u>Non-Grandfathered Salaried</u>	<u>Hourly</u>																														
55	15.0%	5.0%	5.0%																														
56 - 58	10.0%	3.0%	3.0%																														
59 - 61	15.0%	5.0%	10.0%																														
62	30.0%	20.0%	25.0%																														
63 - 64	10.0%	10.0%	10.0%																														
65 - 66	50.0%	50.0%	50.0%																														
67 and above	100.0%	100.0%	100.0%																														
Assumptions Made In Valuing Spouse's Benefit	80% of male participants assumed to be married and 50% of female participants assumed to be married with wives three years younger than husbands.																																

COGNIS CORPORATION RETIREMENT PLAN

Notes to Financial Statements (Continued)

NOTE 6 GENERAL ACTUARIAL DATA (CONTINUED)

Form of Payment	All participants are assumed to elect payment in the form of a single life annuity except for former Quantum participants for whom the 12/31/1988 Quantum accrued benefit is assumed to be paid as a lump sum if the participant terminates or retires on or after age 50.
Actuarial Method of Calculation	Traditional Unit Credit for the minimum funding method Projected Unit Credit for the maximum funding method
Assumed Expense	For funding purposes, \$500,000 added to current year normal cost. For the acculturated benefit obligation, assumed discount rate for contributions and return on assets for pension costs are net of any expenses paid from the Trust, including 0.20% and 0.11% for administrative expenses during 2010 and 2009, respectively.
Disability Incidence	1985 Pension Disability Table Class 1 for salaried 1985 Pension Disability Table Class 2 for hourly participants

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.

As of January 1, 2010, the funding interest rate election was changed from full yield curve with two look-back months, with an effective interest rate of 8.19% at January 1, 2009, to segment rates with a four month look-back, with an effective interest rate of 6.65%. The mortality elections were updated from 2009 to 2010 PPA prescribed separate annuitant and nonannuitant mortality tables in accordance with PPA. In addition, the adjustment in the assumed discount rate for administrative expenses changed from 0.11% in 2009 to 0.20% in 2010, and assumed salary increases changed from 0% for 2009 and 5% for all years thereafter to 4.5% for 2010 and 4.5% for all years thereafter.

As of January 1, 2009, the funding interest rate election was changed from full yield curve, with an effective interest rate of 6.28% at January 1, 2008, to full yield curve with two look-back months, with an effective interest rate of 8.19%. The mortality elections were changed from RP 2000 combined healthy projected to 2012 with blue collar for hourly and white collar for salaried in 2008 to white collar for all in 2009. In addition, the adjustment in the assumed discount rate for administrative expenses changed from 0.31% to 0.11% in 2009, and assumed salary increases changed from 5% for all years to 0% for 2009 and 5% for years thereafter. Finally, the asset method was changed from fair value to an averaging method.

COGNIS CORPORATION RETIREMENT PLAN

Notes to Financial Statements (Continued)

NOTE 7 FUNDING POLICY

For the years ended December 31, 2010 and 2009, the funding policy was to contribute at least the minimum amount required under ERISA, as calculated by the Plan's actuary. During 2010 and 2009, contributions were made to meet the minimum funding requirements of ERISA.

NOTE 8 TAX STATUS

The Plan obtained its latest determination letter on August 5, 2008, in which the Internal Revenue Service stated that the Plan qualifies under the applicable provisions of the Internal Revenue Code and therefore, is exempt from federal income taxes. The Plan has been amended since receiving the determination letter. The plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

NOTE 9 INFORMATION CERTIFIED BY THE TRUSTEE (UNAUDITED)

The following information provided by The Northern Trust Company was certified to be accurate and complete with respect to the following:

- (a) The assets held by The Northern Trust Company at December 31, 2010 and 2009, as well as the transactions involving these assets for the years ended December 31, 2010 and 2009.
- (b) The amount of investment income for the years ended December 31, 2010 and 2009.

NOTE 10 PLAN TERMINATION

The Company expects the Plan to be continued indefinitely, but reserves the right to terminate the Plan and contributions thereunder, in whole or in part, at any time by action of its Trustees. If the Plan is terminated or partially terminated, benefits will be distributed pursuant to the terms of the Plan. Its net assets generally will not be available on a pro-rata basis to provide participants' benefits. Generally, the Plan provides the following priorities:

1. Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired when benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under Plan provisions in effect at any time during the five years preceding Plan termination.
2. Other vested benefits insured by the Pension Benefit Guarantee Corporation (PBGC) up to the applicable limitations (discussed below).
3. All other noninsured vested benefits.
4. All nonvested benefits.

COGNIS CORPORATION RETIREMENT PLAN

Notes to Financial Statements (Continued)

NOTE 10 PLAN TERMINATION (CONTINUED)

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees. For plan terminations occurring during 2010 and 2009, that ceiling is \$4,500 per month. That ceiling applies to those pensioners who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or plan termination (whichever comes later). For younger annuitants or for those who elect to receive their benefits in some form more valuable than a single-life annuity, the corresponding ceilings are actuarially adjusted downward.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial conditions of the plan sponsor and the level of benefits guaranteed by the PBGC. PBGC insurance guarantees are backed by the solvency of the PBGC – a U.S. Government agency. Should the PBGC become insolvent, additional appropriations to the agency would need to be authorized by the U.S. Government in order to pay guaranteed benefits.

NOTE 11 PLAN TRANSFER

On August 1, 2010, the Company sold its Charlotte Manufacturing Plant to another company. During 2010, the Plan recognized transfers out to the IGM Resins Charlotte Inc. Retirement Plan in the amount of \$6,204,254. These investments represent assets related to employees who transferred employment to the other company from Cognis Corporation during the year.

NOTE 12 SUBSEQUENT EVENTS

On January 1, 2011, the Plan was merged into the BASF Corporation Salaried Employees' Pension Plan (the BASF Plan). Participants of the Cognis Corporation Retirement Plan continued accruing benefits through June 30, 2011. The BASF Plan is a frozen plan. Upon the assets of the Plan transferring to the BASF Plan on June 30, 2011, the benefits of the Plan also became frozen. A summary of the transferred net assets follows:

Investments, at fair value	\$ 202,230,575
Contribution receivable	5,355,564
Accrued investment fees	<u>(243,748)</u>
	<u>\$ 207,342,391</u>

COGNIS CORPORATION RETIREMENT PLAN

Notes to Financial Statements (Continued)

NOTE 13 FORM 5500 RECONCILIATION

The following is a reconciliation of investments at December 31, 2010 per the financial statements to Schedule H of Form 5500:

	<u>2010</u>
Ending investments per financial statements	\$ 202,230,575
Adjustment for transfer of plan assets due to plan merger (Note 12)	<u>(202,230,575)</u>
Ending investments per Form 5500	<u>\$ -</u>

The following is a reconciliation of receivables at December 31, 2010 per the financial statements to Schedule H of Form 5500:

	<u>2010</u>
Ending contribution receivable per financial statements	\$ 5,355,564
Adjustment for transfer of plan assets due to plan merger (Note 12)	<u>(5,355,564)</u>
Ending contribution receivable per Form 5500	<u>\$ -</u>

The following is a reconciliation of accrued investment fees at December 31, 2010 per the financial statements to Schedule H of Form 5500:

	<u>2010</u>
Ending accrued investment fees per financial statements	\$ 243,748
Adjustment for transfer of plan assets due to plan merger (Note 12)	<u>(243,748)</u>
Ending accrued investment fees per Form 5500	<u>\$ -</u>

COGNIS CORPORATION RETIREMENT PLAN

Notes to Financial Statements (Continued)

NOTE 13 FORM 5500 RECONCILIATION (CONTINUED)

The following is a reconciliation of accrued transfer at December 31, 2010 per the financial statements to Schedule H of Form 5500:

	<u>2010</u>
Ending net assets per financial statements	\$ 207,342,391
Adjustment for transfer of plan assets due to plan merger (Note 12)	<u>(207,342,391)</u>
Ending net assets per Form 5500	<u>\$ -</u>

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2010**This Form is Open to Public
Inspection**

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

▶ **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 Cognis Corporation Retirement Plan		B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Cognis Corporation		D Employer Identification Number (EIN) 31-1667081
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	192,386,277
b Actuarial value		2b	197,348,868
3 Funding target/participant count breakdown		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment		3a	1,509
b For terminated vested participants		3b	981
c For active participants:			
(1) Non-vested benefits		3c(1)	3,973,347
(2) Vested benefits		3c(2)	41,646,018
(3) Total active		3c(3)	662
d Total		3d	3,152
			246,686,085
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	6.65 %
6 Target normal cost		6	2,901,304

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>Sheila M. Persall</u> Signature of actuary	<u>June 30, 2011</u> Date
<u>Sheila M. Persall</u> Type or print name of actuary		<u>11-06388</u> Most recent enrollment number
<u>Mercer</u>		<u>(614) 227-5500</u> Telephone number (including area code)
<u>325 John H McConnell Blvd. Ste. 350</u> Firm name		
<u>Columbus</u> Address of the firm		<u>OH 43215-2671</u>

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)	0	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)	0	0
10 Interest on item 9 using prior year's actual return of <u>27.92</u> %		
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		5,397,793
b Interest on (a) using prior year's effective rate of <u>8.19</u> %		442,079
c Total available at beginning of current plan year to add to prefunding balance		5,839,872
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)	0	0

Part III Funding percentages

14 Funding target attainment percentage	14	80.00 %
15 Adjusted funding target attainment percentage	15	80.00 %
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	80.02 %
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	2,564,885				
07/15/2010	2,564,885				
10/14/2010	2,564,885				
01/14/2011	2,564,885				
06/27/2011	2,790,679				
Totals ▶			18(b)	13,050,219	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	12,370,813

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: 5.03 %	2nd segment: 6.73 %	3rd segment: 6.82 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22 63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
27 If the plan is 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	2,901,304
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	49,337,217	9,468,614
b Waiver amortization installment		
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)	34	12,369,918
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement		0
36 Additional cash requirement (item 34 minus item 35)	36	12,369,918
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)	37	12,370,813
38 Interest-adjusted excess contributions for current year (see instructions)	38	895
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

Schedule SB, Part V — Summary of Plan Provisions**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.

Effective date and plan year	Original plan: October 1, 1999 Restated plan: January 1, 2004 Plan year: Calendar year
Status of the plan	The plan has ongoing benefit accruals and new employees are eligible to participate in the plan once they satisfy the participation requirements.
Significant events that occurred during the year	None
Definitions	
▪ Covered employees	All U.S. employees of Cognis Corporation and any affiliated corporation that adopts the Plan, excluding employees covered by collective bargaining agreements that do not provide coverage under the Plan.
▪ Participation	First day of employment.
▪ Employee contributions	None.
▪ Service considered	Credited in years and months with credit for one month if one hour of service is credited in that month. Measured from date of covered employment or date specified if prior member of an acquired company's plan.
▪ Pensionable earnings	Remuneration actually paid during any calendar year for base gross wages (including 401(k) deferrals), overtime, bonuses, commissions, incentive payments and foreign service allowances. Earnings are limited in accordance with Section 401(a)(17) of the Internal Revenue Code.
▪ Career average earnings	Average of all years of Pensionable Earnings after December 31, 2003 (after December 31, 2006 for former Hourly Plan participants).

Schedule SB, Part V — Summary of Plan Provisions

-
- | | |
|---|---|
| <ul style="list-style-type: none"> ▪ Accrued benefit | <p>For former Hourly Plan participants, (A) + (B), where</p> <p>(A) December 31, 2006 accrued benefit under Hourly Plan</p> <p>(B) 1% of Career Average Earnings x Service after December 31, 2006</p> <p>For all others, (A) + (B) + (C), where</p> <p>(A) December 31, 2003 accrued benefit under prior plan</p> <p>(B) 1% of Career Average Earnings x Service after December 31, 2003</p> <p>(C) If age + service on December 31, 2003 is greater than or equal to 80:</p> <p style="padding-left: 20px;">.50% of Career Average Earnings x Service after December 31, 2003, maximum 10 years</p> <p style="padding-left: 20px;">OR</p> <p style="padding-left: 20px;">if age + service on December 31, 2003 is less than 80 but greater than or equal to 75:</p> <p style="padding-left: 20px;">.25% of Career Average Earnings x Service after December 31, 2003, maximum 10 years.</p> |
|---|---|
-

Normal retirement

-
- | | |
|---|---|
| <ul style="list-style-type: none"> ▪ Eligibility | Last day of the month age 65 attained. |
| <ul style="list-style-type: none"> ▪ Benefit | Accrued Benefit determined at Normal Retirement Date. |
-

Early retirement

-
- | | |
|---|---|
| <ul style="list-style-type: none"> ▪ Eligibility | Age 55 and five years of Service. |
| <ul style="list-style-type: none"> ▪ Benefit | <p>Accrued Benefit calculated at early retirement. Benefits reduced as follows:</p> <ul style="list-style-type: none"> ▪ The accrued benefit as of December 31, 2003 (as of December 31, 2006 for former Hourly Plan participants) is reduced 2% for each of the first three years retirement precedes age 62 and 4% for each of the next four years. ▪ For all former Hourly Plan participants and for Salaried participants whose age plus service as of December 31, 2003 is less than 70, the benefit accrued after December 31, 2003 (after December 31, 2006 for former Hourly Plan participants) is reduced 6% per year from age 65. ▪ For Salaried participants whose age plus service as of December 31, 2003 is greater than or equal to 70, the benefit accrued after December 31, 2003 is reduced by 2% for each of the first three years retirement precedes age 62 and 4% for each of the next four years. |
-

Schedule SB, Part V — Summary of Plan Provisions

Late retirement	
▪ Eligibility	Retire after age 65.
▪ Benefit	Accrued Benefit determined at actual retirement.
Deferred vested	
▪ Eligibility	Five years of Service.
▪ Benefit	For Salaried participants, the accrued benefit as of December 31, 2003 is reduced 6% for each of the first five years retirement precedes age 65 and 4% for each of the next five years. For former Hourly Plan participants, the accrued benefit as of December 31, 2006 is reduced 2% for each of the first three years retirement precedes age 62 and 4% for each of the next four years. The benefit accrued after December 31, 2003 (after December 31, 2006 for former Hourly Plan participants) is reduced 6% from age 65.
Disability	
▪ Eligibility	Total and permanent disability.
▪ Benefit	Participant continues to accrue benefit service; Pensionable Earnings are deemed to be the amount of regular base salary in effect at the time of disability. Former Hourly Plan participants who were employed on February 1, 2001 and have at least 10 years of service at the time of disability will receive an annual benefit of \$14,700 less state Worker's Compensation or occupation disease benefits until the earlier of (i) recovery from disability, (ii) election of early retirement on or after age 62, and (iii) age 65. Then the Accrued Benefit is calculated including accruals earned while disabled.
Pre-retirement death	
▪ Eligibility	Death of a participant who has been married for one year and is eligible for vesting.
▪ Benefit prior to early retirement	50% of the Accrued Benefit that would have been paid to the participant from the earliest retirement age, assuming terminated on the day of death, survived to the earliest retirement age, retired and commenced payments under 50% joint and survivor option with the spouse as the survivor, and died the day after retirement.

Schedule SB, Part V — Summary of Plan Provisions

▪ Benefit after early retirement	50% of the Accrued Benefit that would have been paid to the participant from the first of the month following death, assuming the participant had retired and commenced payments on the first of the month of death under the 50% joint and survivor options with his spouse as the survivor.
Form of benefits	
▪ Automatic form for unmarried participants	Life annuity
▪ Automatic form for married participants	Actuarially reduced 50% joint and survivor annuity
▪ Optional forms	▪ Life annuity, 50%, 75%, and 100% joint and survivor annuities, 10 year certain and life annuity ▪ Former Quantum participants – Lump sum for 12/31/1988 accrued benefit. ▪ In addition, if the value of any participant's benefit at retirement or termination does not exceed \$1,000, the participant will be paid out in a single lump sum amount.
▪ Optional form conversion factors	<u>Lump sums:</u> ▪ Mortality: the applicable mortality table prescribed in Code Section 417(e)(3)(B) ▪ Interest rate: the applicable interest rate prescribed in Code Section 417(e)(3)(C) <u>Other forms:</u> ▪ Mortality: RP-2000 Healthy Annuitant, male participant, female beneficiary projected to 2012 without collar adjustment ▪ Interest rate: 6.00%
Miscellaneous	
▪ Maximum compensation	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.
▪ Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2010, the limit is \$195,000.

Schedule SB, Part V — Summary of Plan Provisions

Benefits included or excluded

Unless noted below, all benefits provided by the plan, as restated and amended through Amendment #6, are included in this valuation.

- **Most recent plan amendments included:** Amendment #6 is included because it was adopted by the valuation date and is effective by the end of the plan year.
- **Plan amendments excluded:** None
- **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.
- **Late retirement increases:**
 - *Active participants:* The plan provides benefit suspension notices to participants who work beyond normal retirement; 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, Line 32 — Schedule of Amortization Bases

The shortfall amortization charge is the sum of the shortfall base amortization for each plan year covered under PPA. Although a shortfall base can be negative, the combined shortfall amortization charge cannot be negative.

Shortfall bases				
Year established		Outstanding balance	Years remaining	2010 Installment
2008	\$	37,502,547	5	\$ 8,254,146
2009		203,228	6	38,596
2010		11,631,442	15	1,175,872 ²
Total	\$	49,337,217		\$ 9,468,614

² Due to the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010, enacted June 25, 2010, the plan sponsor elected to fund the pension shortfall over a longer timeframe of 15 years for the current year. An installment acceleration amount (IAA) of \$15,555 was added to the 2010 plan year shortfall amortization installment. The \$15,555 IAA will reduce the 2024 amortization installment by \$38,715 [$15,555 \times 1.0673^{14}$].

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

Discount rate sponsor elections		Funding
▪ Segment rates or full yield curve		Segment rates
▪ Look-back months		4
▪ 1st 5 years		5.03%
▪ Next 15 years		6.73%
▪ Over 20 years		6.82%
Mortality sponsor elections		
▪ Healthy participants		Section 430(h)(3) prescribed separate static annuitant and nonannuitant mortality tables. These tables are based on the RP-2000 mortality tables projected with mortality improvement to the valuation year plus 7 and 15 years based on Scale AA.
▪ Disabled		
– Salaried and Hourly hired after 2/1/2001		Same as healthy
– Hourly hired on or before 2/1/2001		
▫ Pre-1995 disabilities or disableds with unknown date of disability		Revenue Ruling 96-7 table for participants who became disabled before 1995
▫ Post-1994 disabilities		Revenue Ruling 96-7 table for participants who became disabled after 1994 and are eligible for Social Security disability benefits
417(e) lump sums		
		Liabilities are determined based on the underlying annuity used by the plan to determine the lump sum amount, rather than valuing the lump sum payment. This annuity is valued based on funding interest rates rather than 417(e) rates and current year 417(e) unisex mortality.
Other economic assumptions		
▪ Salary increases		4.50% per year
▪ Expected investment return		8.25% per year for years 2008 through 2010.
▪ Expenses		\$500,000 added to current year normal cost.
Demographic assumptions		
Withdrawal		See table of sample rates
Disability incidence		Salaried: 1985 Pension Disability Table Class 1 Hourly: 1985 Pension Disability Table Class 2

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

Retirement age

Attained age	Grand-fathered Salaried	Non-Grand-fathered Salaried	Hourly
Under 55	0%	0%	0%
55	15%	5%	5%
56-58	10%	3%	3%
59-61	15%	5%	10%
62	30%	20%	25%
63-64	10%	10%	10%
65-66	50%	50%	50%
67 and over	100%	100%	100%

Benefit commencement age for

- Future vested deferred 62 if Hourly and terminated on or after 12/1/2003; 65 otherwise
- Current vested deferred 62 if Hourly and terminated on or after 12/1/2003; 65 otherwise

Spouse assumptions

	<u>Male participants</u>	<u>Female participants</u>
▪ Percentage married	80%	50%
▪ Spouse age difference	3 years younger	3 years older

Form of payment

All participants are assumed to elect payment in the form of a single life annuity except for former Quantum participants for whom the 12/31/1988 Quantum accrued benefit is assumed to be paid as a lump sum if the participant terminates or retires on or after age 50.

Unpredictable contingent event assumptions

Not applicable

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Table of sample rates**

Attained age	Percentage					
	Withdrawal ¹		Hourly Disability		Salaried Disability	
	Male	Female	Male	Female	Male	Female
20	17.20%	17.20%	0.064%	0.055%	0.029%	0.030%
25	13.20%	13.20%	0.093%	0.096%	0.038%	0.047%
30	10.40%	10.40%	0.134%	0.165%	0.048%	0.080%
35	4.05%	4.05%	0.199%	0.252%	0.069%	0.136%
40	3.15%	3.15%	0.314%	0.357%	0.117%	0.211%
45	2.60%	2.60%	0.505%	0.522%	0.202%	0.323%
50	1.95%	1.95%	0.830%	0.854%	0.358%	0.533%
55	0.00%	0.00%	1.502%	1.490%	0.722%	0.952%
60	0.00%	0.00%	2.266%	1.793%	1.256%	1.159%
65	0.00%	0.00%	3.028%	2.095%	1.753%	1.358%
70	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

Actuarial methods**Asset methods**

The asset valuation method is an average of the adjusted market value for each year during the last 2 years preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be not greater than 110 percent and no less than 90 percent of the fair market value, as defined in IRC Section 430.

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

¹ Select withdrawal rates are used for the first three years of service regardless of age equal to 20.0%, 17.5% and 15.0%, respectively.

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

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.
- **Insurance contracts:** The plan does not have any insurance contracts.

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.
- This plan provides disability benefits that are only partially based on a participant's accrued benefit or years of service. This benefit is allocated to the funding target based on the accrued benefit on the valuation date plus a portion of the excess of the benefit over the accrued benefit multiplied by the ratio of the participant's service at the beginning of the plan year to their service at each decrement age. This benefit is allocated to target normal cost based on the proportionate benefit attributable to the increase in the participant's service and compensation during the plan year.
- The plan's **target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan.

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

Maximum deductible contribution method

Calculations of maximum deductible contributions include the excess of the accrued liability computed using the projected unit credit method over the minimum funding target liability. The objective of the projected unit credit method is to fund each participant's benefits under the plan as they accrue, taking into consideration 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.

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."

Schedule SB, Line 25 — Change in Method

- As required by the final Section 430 regulations, the allocation of disability benefit costs to funding target and target normal cost was changed from the ratio of the participant's service to their service at first eligibility to the accrued benefit on the valuation date plus a portion of the excess of the benefit over the accrued benefit multiplied by the ratio of the participant's service to their service at each decrement age.
- Beginning with the 2010 valuation, the interest rate methodology was changed from the full yield curve with a two month lookback to the segment rates with a four month lookback.
- The asset method was changed from a quarterly average over 6 months to an annual average over 2 years.
- These changes qualify for automatic IRS approval.

Schedule SB, Line 24 — Change in Actuarial Assumptions

- Interest discounts and mortality rates were updated from 2009 to 2010 in accordance with PPA and the sponsor changed their interest rate election from full yield curve with a two month look-back to segment rates with four months look-back.
- The salary scale was changed from 5.0% to 4.5% to better reflect expected future plan experience.
- Expenses in the target normal cost increased from \$350,000 (2009) to \$500,000 (2010) to reflect expectations for the current plan year.

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

(A)	(B)			(C)			(D)			(E)		
Age	Retirement			Lx			#Retirees			#Retirees x Age		
	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)
55	15.00%	5.00%	5.00%	10,000	10,000	10,000	1,500	500	500	82,500	27,500	27,500
56	10.00%	3.00%	3.00%	8,500	9,500	9,500	850	285	285	47,600	15,960	15,960
57	10.00%	3.00%	3.00%	7,650	9,215	9,215	765	276	276	43,605	15,732	15,732
58	10.00%	3.00%	3.00%	6,885	8,939	8,939	689	268	268	39,962	15,544	15,544
59	15.00%	5.00%	10.00%	6,196	8,671	8,671	929	434	867	54,811	25,606	51,153
60	15.00%	5.00%	10.00%	5,267	8,237	7,804	790	412	780	47,400	24,720	46,800
61	15.00%	5.00%	10.00%	4,477	7,825	7,024	672	391	702	40,992	23,851	42,822
62	30.00%	20.00%	25.00%	3,805	7,434	6,322	1,142	1,487	1,581	70,804	92,194	98,022
63	10.00%	10.00%	10.00%	2,663	5,947	4,741	266	595	474	16,758	37,485	29,862
64	10.00%	10.00%	10.00%	2,397	5,352	4,267	240	535	427	15,360	34,240	27,328
65	50.00%	50.00%	50.00%	2,157	4,817	3,840	1,079	2,409	1,920	70,135	156,585	124,800
66	50.00%	50.00%	50.00%	1,078	2,408	1,920	539	1,204	960	35,574	79,464	63,360
67	100.00%	100.00%	100.00%	539	1,204	960	539	1,204	960	36,113	80,668	64,320
68	100.00%	100.00%	100.00%	0	0	0	0	0	0	0	0	0
69	100.00%	100.00%	100.00%	0	0	0	0	0	0	0	0	0
70	100.00%	100.00%	100.00%	0	0	0	0	0	0	0	0	0
	Total						10,000	10,000	10,000	601,614	629,549	623,203

Group	Active Participant Count	Weighted Average Retirement Age
(1) Grandfathered Salaried	83	60
(2) Non-Grandfathered Salaried	508	63
(3) Hourly	71	62
Total	662	63

The weighted average retirement age is the total for column E divided by the total for column D rounded to the nearest integral age. It should be noted that while only integral values are shown in the table, the full content of each cell, including decimal portions, is used in the calculations.

Schedule SB, Line 26 — Schedule of Active Participant Data

Attained age	Years of credited service									
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Up
< 25		1	1							
25 - 29	7	12	1							
30 - 34	3	20	12	9						
35 - 39	9	29	17	20	4					
40 - 44	9	27	24	20	11	5				
45 - 49	11	22	19	17	17	34	5	2		
50 - 54	7	24	15	14	17	25	16	13		
55 - 59	2	10	11	14	6	25	14	15	16	1
60 - 64	1	3	2	7	4	11	3	3	7	1
65 - 69			2	2	1	2				
70+										

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