

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2010 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>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>SULZER PUMPS RETIREMENT SECURITY CONTRIBUTION PLAN</u>	1b Three-digit plan number (PN) ▶	<u>002</u>
		1c Effective date of plan	<u>07/01/2005</u>
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.)			
<u>SULZER PUMPS US INC</u>			
<u>800 KOOMEY RD. BROOKSHIRE, TX 77423</u>	<u>800 KOOMEY RD. BROOKSHIRE, TX 77423</u>	2b Employer Identification Number (EIN)	<u>94-3007659</u>
		2c Sponsor's telephone number	<u>281-934-6364</u>
		2d Business code (see instructions)	<u>333610</u>

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	<u>10/12/2011</u>	<u>LEE BROWN</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	<u>10/12/2011</u>	<u>RENE DIFFERDING</u>
	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") SULZER PUMPS US INC 800 KOOMEY RD. BROOKSHIRE, TX 77423	3b Administrator's EIN 94-3007659 3c Administrator's telephone number 281-934-6364
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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	702
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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	640
b Retired or separated participants receiving benefits.....	6b	1
c Other retired or separated participants entitled to future benefits.....	6c	107
d Subtotal. Add lines 6a , 6b , and 6c	6d	748
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	6
f Total. Add lines 6d and 6e	6f	754
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	747
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	23

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:
 2A 2E 2F 2G 2T 3H

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

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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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)
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<p style="text-align: center;">SCHEDULE D (Form 5500)</p> <p style="text-align: center; font-size: small;">Department of the Treasury Internal Revenue Service</p> <hr/> <p style="text-align: center; font-size: small;">Department of Labor Employee Benefits Security Administration</p>	<p style="text-align: center;">DFE/Participating Plan Information</p> <p style="text-align: center; font-size: small;">This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</p> <p style="text-align: center;">▶ File as an attachment to Form 5500.</p>	<p style="text-align: center; font-size: small;">OMB No. 1210-0110</p> <hr/> <p style="text-align: center; font-size: large;">2010</p> <hr/> <p style="text-align: center; font-size: small;">This Form is Open to Public Inspection.</p>
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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 SULZER PUMPS RETIREMENT SECURITY CONTRIBUTION PLAN	B Three-digit plan number (PN) ▶	002
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 SULZER PUMPS US INC	D Employer Identification Number (EIN) 94-3007659	

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: SULZER US HOLDING INC. RETIREMENT			
b Name of sponsor of entity listed in (a): SULZER US HOLDING INC.			
c EIN-PN 13-3950743-007	d Entity code M	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 9514190	
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
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code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

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

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

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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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 SULZER PUMPS RETIREMENT SECURITY CONTRIBUTION PLAN	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 SULZER PUMPS US INC	D Employer Identification Number (EIN) 94-3007659	

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	2100000	2620782
(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)	7039012	9514190
(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	9139012	12134972

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	9139012	12134972
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	2620782	
(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)		2620782

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

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

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

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

		(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)		895536
(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		3516318

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	520086	
(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)		520086
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	272	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		272
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		520358

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		2995960
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: MCCONNELL AND JONES

(2) EIN: 76-0488832

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

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

Part IV Compliance Questions

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

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		X	

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

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

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		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 <u>SULZER PUMPS RETIREMENT SECURITY CONTRIBUTION PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>SULZER PUMPS US INC</u>	D Employer Identification Number (EIN) <u>94-3007659</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	<u>0</u>
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>04-6568107</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	

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

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

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

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

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

**Sulzer Pumps Retirement Security
Contribution Plan**

**Independent Auditors' Report
and Financial Statements**

December 31, 2010 and 2009

Sulzer Pumps Retirement Security Contribution Plan
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December 31, 2010 and 2009

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Independent Auditors' Report

To the Participants and Plan Administrator of the
Sulzer Pumps Retirement Security Contribution Plan

We were engaged to audit the accompanying Statements of Net Assets Available for Benefits of the Sulzer Pumps Retirement Security Contribution Plan (the "Plan") as of December 31, 2010 and 2009, and the related Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2010. These financial statements are the responsibility of Plan management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 3, which was certified by Fidelity Management Trust Company, the trustee of the Plan and the Sulzer US Holding Inc. Retirement Plans Master Trust ("Master Trust"), except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions of the Plan and Master Trust. The plan administrator has obtained certification from the trustee as of December 31, 2010 and 2009 and for the year ended December 31, 2010, that the information provided to the plan administrator by the trustee is complete and accurate.

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

McConnell & Jones LLP

Houston, Texas
October 7, 2011

Sulzer Pumps Retirement Security Contribution Plan
Statements of Net Assets Available for Benefits
December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Assets		
Investments, at fair value		
Plan interest in Sulzer US Holding Inc. Retirement Plans Master Trust	\$ 9,514,333	\$ 7,039,239
Employer contributions receivable	<u>2,620,782</u>	<u>2,100,000</u>
Net assets, at fair value	12,135,115	9,139,239
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	<u>(20,333)</u>	<u>24,068</u>
Net Assets Available for Benefits	<u>\$ 12,114,782</u>	<u>\$ 9,163,307</u>

Sulzer Pumps Retirement Security Contribution Plan
Statement of Changes in Net Assets Available for Benefits
Year Ended December 31, 2010

Additions

Investment Income

Plan's interest in net income of Sulzer US Holding Inc. Retirement

Plans Master Trust	\$ 723,137
Interest and dividends	<u>127,915</u>

Net investment income	<u>851,052</u>
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Contributions

Employer	<u>2,620,782</u>
----------	------------------

Total additions	<u>3,471,834</u>
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Deductions

Benefits paid directly to participants	520,086
Administrative expenses	<u>273</u>

Total deductions	<u>520,359</u>
------------------	----------------

Net Increase	2,951,475
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Net Assets Available for Benefits, Beginning of Year	<u>9,163,307</u>
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Net Assets Available for Benefits, End of Year	<u><u>\$ 12,114,782</u></u>
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Sulzer Pumps Retirement Security Contribution Plan

Notes to Financial Statements

December 31, 2010 and 2009

Note 1: Description of the Plan

The following description of the Sulzer Pumps Retirement Security Contribution Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions, which is available from the Plan administrator.

General

The Plan is a defined contribution plan for salaried employees of Sulzer Pumps (the "Company") and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Fidelity Management Trust Company ("Fidelity" or "Trustee") acts as the Plan's Trustee. Fidelity Investments Institutional Operations Company is the recordkeeper of the Plan.

Eligibility

All employees of the Company who have reached age 21 and are scheduled for 1,000 hours of service during the 12 months of the Plan year are eligible to participate in the Plan. Ineligible employees are those eligible to participate in the Sulzer Vorsorgeeinrichtung (the Sulzer Pension Plan Trust) or the Johan Jakob Sulzer Stiftung, those covered under a collective bargaining agreement, leased employees, those not treated as employees of the Company for payroll tax purposes and nonresident aliens.

Contributions

The Company's profit sharing contributions are discretionary and determined annually by the Company's management. The Plan offers a variety of mutual funds and a collective trust fund through the Master Trust as investment options and participants direct the investment of the employer contributions.

Participant Accounts

Each participant's account is credited with the Company's contribution and an allocation of Plan earnings and forfeitures, as defined by the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Vesting in the Company's contribution and related earnings is based on years of credited service. The Company's contributions vest at a rate of 25% after the second year of vesting service and become fully vested after five years of vesting service. In addition, the employer's discretionary contribution fully vests in the event of death, termination as a result of permanent and total disability, or retirement at age 55 or older.

Forfeitures

If a participant terminates before becoming fully vested, the unvested portion of his or her account is forfeited and allocated back to the remaining participants. However, if the participant resumes employment, the forfeited amount may be restored if the employee repays to the Plan the full amount of the distribution and meets other criteria. Forfeitures are first used to restore prior forfeitures of ex-employees that have again become eligible for participation. The remaining amounts are then allocated among the remaining participants at the close of the Plan year in which the initial forfeiture

Sulzer Pumps Retirement Security Contribution Plan

Notes to Financial Statements

December 31, 2010 and 2009

occurs as an addition to and in the same manner as the Company's contribution. Accumulated forfeitures of \$94,816 and \$62,785 at December 31, 2010 and 2009, respectively, remained in the Plan. As of the date of the audit report, the accumulated forfeitures were in the process of being allocated to the participants.

Payment of Benefits

Upon separation of service due to death, disability, retirement or termination of employment, a participant is eligible to receive benefit payments in the amount equal to the value of the participant's vested interest in his or her account. A participant may elect to receive either a lump sum amount equal to their vested account balance, or a lesser amount no more than twice in a Plan year, at a minimum of \$5,000 for each partial payment

Plan Termination

Although it has not expressed an intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan, subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("US GAAP").

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires Plan management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Plan investments in the Sulzer US Holding Inc. Retirement Plans Master Trust ("Master Trust") are reported at fair value, except for fully benefit-responsive investment contracts, which are stated at contract value. Fair value, as defined by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurements and Disclosures* ("FASB ASC 820"), 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 a discussion of fair value measurements.

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The statement of net assets available for benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-

Sulzer Pumps Retirement Security Contribution Plan

Notes to Financial Statements

December 31, 2010 and 2009

responsive investment contracts from fair value to contract value. The statement of changes in net assets available for benefits is prepared on a contract value basis.

The fair value of the Plan's interest in the Master Trust is based on beginning of the year value of the Plan's interest in the Master Trust plus actual contributions and allocated investment income or loss less actual distributions and allocated administrative and investment expense (Note 3).

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 investment income (loss) from the Master Trust is allocated to the Plans based on the performance of the investment accounts in which the Plan participants have elected to invest and includes the Master Trust's gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits

Benefit payments are recorded when paid.

Administrative Expenses

All administrative expenses are paid by the Company, except for transactional charges, which are paid by the particular participants involved.

Risks and Uncertainties

The Plan provides for investments in a Master Trust that holds a variety of investments. Investment securities are exposed to various risks, such as interest rate, market, credit and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities, and thus the net asset value of the funds, will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits and the Statement of Changes in Net Assets Available for Benefits.

Plan Management's Review of Subsequent Events

In preparing the accompanying financial statements, Plan management has reviewed all known events that have occurred after December 31, 2010, and through October 7, 2011, the date the financial statements were available to be issued, for inclusion in the financial statements and footnotes.

New Accounting Pronouncement

In January 2010, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2010-6, *Fair Value Measurements and Disclosures (Topic 820) – Improving Disclosures about Fair Value Measurements* ("ASU 2010-6"), which requires entities to make disclosures about recurring and nonrecurring fair value measurements. In accordance with ASU 2010-6, the reporting entity should disclose separately the amounts of significant transfers in and out of Level 1 and Level 2 fair value measurements and describe the reasons for the transfers. ASU 2010-6 also requires an entity to present separately information about purchases, sales, issuances, and settlements in the reconciliation of fair value measurements using significant unobservable inputs (Level 3). The disclosures in ASU 2010-6 are effective for interim and annual reporting periods beginning after December 15, 2009, except for purchases, sales, issuances, and settlements in the roll

Sulzer Pumps Retirement Security Contribution Plan

Notes to Financial Statements

December 31, 2010 and 2009

forward activity in Level 3 fair value measurements. Those disclosures are effective for fiscal years beginning after December 15, 2010 and for interim periods within those fiscal years. The adoption of this update did not affect the Plan's financial statements.

Sulzer Pumps Retirement Security Contribution Plan

Notes to Financial Statements

December 31, 2010 and 2009

Note 3: Investments (Unaudited)

At December 31, 2010 and 2009, all of the Plan's investments are held in the Sulzer US Holding Inc. Retirement Plans Master Trust, which was established to hold the assets of tax-qualified plans established by the Company. Each participating plan has a specific interest in the Master Trust. At December 31, 2010 and 2009, the Plan's interest in the Master Trust of \$9,514,333 and \$7,039,239, respectively, represents more than 5% of the Plan's net assets. Allocations of the Plan's interest in the Master Trust was approximately 4% and 3%, respectively, at December 31, 2010 and 2009.

The following table presents the net assets available for benefits, including investments, of the Master Trust, which was certified by the trustee, as of December 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Assets		
Investments, at fair value:		
Common collective trusts	\$ 39,091,772	\$ 37,527,262
Registered investment companies	<u>195,140,483</u>	<u>163,349,926</u>
Total investments, at fair value	<u>234,232,255</u>	<u>200,877,188</u>
Notes receivable from participants	<u>6,511,412</u>	<u>5,664,792</u>
Total assets, at fair value	<u>240,743,667</u>	<u>206,541,980</u>
Adjustment from fair value to contract value for interest in common collective trusts related to fully benefit-responsive investment contracts	<u>(386,005)</u>	<u>471,496</u>
Net assets available for benefits	\$ <u>240,357,662</u>	\$ <u>207,013,476</u>

Investment income and interest income on notes receivable from participants of the Master Trust, as certified by the trustee, for the year ended December 31, 2010 is as follows:

Investment income	
Net appreciation in fair value of investments:	
Common collective trusts	\$ 592,521
Registered investment companies	<u>24,886,597</u>
Total investment income	\$ <u>25,479,118</u>
Interest income on notes receivable from participants	\$ <u>302,318</u>

The interest and dividend income from common collective trusts and registered investment companies has been incorporated in the net appreciation amounts above. The income was \$3,954,619 for the year ended December 31, 2010.

Sulzer Pumps Retirement Security Contribution Plan

Notes to Financial Statements

December 31, 2010 and 2009

The fair values of individual investments that represent 5% or more of the Master Trust's net assets at December 31, 2010 and 2009, are as follows:

	2010	2009
Munder Mid Cap Core Growth Fund	\$ 36,707,813	\$ 29,004,311
Fidelity Managed Income Portfolio II	39,091,772	37,527,262
Fidelity Puritan Fund	*	17,660,712
Fidelity Puritan Fund Class K	19,425,899	*
Fidelity Diversified International Fund	*	16,159,771
Fidelity Diversified International Fund Class K	17,180,995	*
Massachusetts Financial Services Value Fund Class R4	31,011,721	28,310,037
Fidelity Growth Company Fund	16,379,057	13,296,002
PIMCO Total Return Institutional Fund	30,660,993	23,464,139
Investments less than 5% of net assets	43,774,005	35,454,954
Total investments	\$ 234,232,255	\$ 200,877,188

* Less than 5% of net assets in the period presented.

Benefit-Responsive Contracts

The Plan has an interest through the Master Trust in a Stable Value Fund ("SVF") that has investments in fixed income securities and bond funds and may include derivative instruments, such as futures contracts and swap agreements. The SVF also enters into a "wrapper" contract issued by a third-party.

As described in Note 2, because these contracts are fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to these contracts. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

Occurrence of certain events may limit the ability of the Plan to transact at contract value with the issuer. The Plan Administrator does not believe that the occurrence of such an event is probable.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The crediting interest rate is based on a formula agreed upon with the issuer, but it may not be less than zero percent. Such interest rates are reviewed on a quarterly basis for resetting.

The average yield earned by the contract for the years ended December 31, 2010 and 2009 was 2.25% and 2.74%, respectively. The average yield earned to reflect the actual interest rate credited to participants for the years ended December 31, 2010 and 2009 was 1.82% and 1.53%, respectively.

Sulzer Pumps Retirement Security Contribution Plan
Notes to Financial Statements
December 31, 2010 and 2009

Note 4: Fair Value Measurements

FASB ASC 820 establishes a 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 an active market for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities.

Level 2

Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3

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

A financial instrument's 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 investments measured at fair value in the Master Trust. There have been no changes in the methodologies used at December 31, 2010 and 2009.

Registered investment companies: Investments in registered companies are stated at quoted net asset value ("NAV"), based upon the market value of the underlying securities, as determined or provided by Fidelity.

Common collective trusts: The common collective trusts represent investments held in pooled funds. The Plan's interest in the common collective trusts is valued based on information provided by Fidelity using the audited financial statements of the collective trust fund at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Master Trust 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.

Sulzer Pumps Retirement Security Contribution Plan

Notes to Financial Statements

December 31, 2010 and 2009

The following table sets forth by level, within the fair value hierarchy, the Master Trust's investments at fair value as of December 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Level 1:		
Registered investment companies:		
Growth funds	\$ 59,738,104	\$ 64,822,991
Value funds	42,127,145	39,696,337
Blended funds	52,809,960	26,892,065
Bond funds	<u>30,660,993</u>	<u>23,464,139</u>
Total level 1 investments	<u>185,336,202</u>	<u>154,875,532</u>
Level 2:		
Money market funds	9,804,281	8,474,394
Common collective trusts	<u>39,091,772</u>	<u>37,527,262</u>
Total level 2 investments	<u>48,896,053</u>	<u>46,001,656</u>
Total investments at fair value	<u>\$ 234,232,255</u>	<u>\$ 200,877,188</u>

Note 5: Net Asset Value ("NAV") Per Share

In accordance with FASB ASU No. 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, the Plan expanded its disclosure to include the category, fair value, redemption frequency, and redemption notice period for those assets whose fair value is estimated using the net asset value per share or its equivalent for which the fair value is not readily determinable as of December 31, 2010 and 2009. For the Plan, such assets include investments in common collective trusts.

The following tables for December 31, 2010 and 2009, sets forth a summary of the Plan's investments with a reported NAV.

	Fair Value Estimated Using NAV per Share December 31, 2010				
	<u>Fair Value *</u>	<u>Unfunded Commitment</u>	<u>Redemption Frequency</u>	<u>Other Redemption Restrictions</u>	<u>Redemption Notice Period</u>
Common collective trusts	\$39,091,772	None	Immediate	None	None

Sulzer Pumps Retirement Security Contribution Plan

Notes to Financial Statements

December 31, 2010 and 2009

	Fair Value Estimated Using NAV per Share December 31, 2009				
	Fair Value *	Unfunded Commitment	Redemption Frequency	Other Redemption Restrictions	Redemption Notice Period
Common collective trusts	\$37,527,262	None	Immediate	None	None

* The fair value of the investment has been estimated using the NAV of the investment.

The objective of the common collective trusts is to provide a diversified group of investments offering competitive levels of yield consistent with stable fixed-income methodology and the careful and prudent assumption of investment risk providing for preservation of capital, stability, and predictability of returns, liquidity to pay Plan benefits, and high credit quality.

Note 5: Party-In-Interest Transactions

The Plan's investments in the Master Trust represent funds invested in or maintained by Fidelity. Fidelity is the Trustee of the Plan and, therefore, these investments qualify as party-in-interest transactions; however, they are exempt from the prohibited transactions rules under ERISA.

Note 6: Risks and Uncertainties

The Plan invests in various investment securities that are exposed to various risks such as interest rates, market and credit risks. Market values of investments may decline for a number of reasons, including changes in prevailing market and interest rates, increases in defaults and credit rating downgrades. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near term and that some changes could materially affect participant account balances and the assets reported in the statement of net assets available for benefits.

Note 7: Plan Tax Status

As of the Plan start date of July 1, 2004, an IRS determination letter has not yet been obtained. However, the plan administrator and the Plan's counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code and, therefore, the Plan is qualified and the related trust is not subject to tax.

US GAAP requires the plan administrator to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2010, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing

Sulzer Pumps Retirement Security Contribution Plan

Notes to Financial Statements

December 31, 2010 and 2009

jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2007.

Note 8: Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Plan's Form 5500 at December 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Net assets available for benefits per the financial statements	\$ 12,114,782	\$ 9,163,307
Adjustment from contract value to fair value for fully benefit-responsive contracts	<u>20,333</u>	<u>(24,068)</u>
Net assets available for benefits per Form 5500	<u>\$ 12,135,115</u>	<u>\$ 9,139,239</u>

The following is a reconciliation of the changes in net assets available for benefits per the financial statements to the Plan's Form 5500 for the year ended December 31, 2010:

Net increase in net assets available for benefits per the financial statements	\$ 2,951,475
Adjustment from contract value to fair value for fully benefit-responsive contracts at December 31, 2010	20,333
Adjustment from contract value to fair value for fully benefit-responsive contracts at December 31, 2009	<u>24,068</u>
Net increase in net assets available for benefits per the Form 5500	<u>\$ 2,995,876</u>