

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 2009 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2009 or fiscal plan year beginning 07/01/2009 and ending 06/30/2010			
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 PENSION PLAN OF BATTELLE NATIONAL BIODEFENSE INSTI	1b Three-digit plan number (PN) ►	001	
	1c Effective date of plan	07/01/2007	
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) BATTELLE NATIONAL BIODEFENSE INSTIT 110 THOMAS JOHNSON DRIVE, SUITE 200 FREDERICK, MD 21702 SAME FREDERICK, MD 21702	2b Employer Identification Number (EIN)	04-3851808	
	2c Sponsor's telephone number	301-682-5195	
	2d Business code (see instructions)	541990	

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.	01/10/2012	MALESA LITTERAL
	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

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") BATTELLE MEMORIAL INSTITUTE MALESA A LITTERAL ESQ. 505 KING AVENUE COLUMBUS, OH 43201	3b Administrator's EIN 31-4379427 3c Administrator's telephone number 614-424-5071
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 121
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 171
b Retired or separated participants receiving benefits.....	6b
c Other retired or separated participants entitled to future benefits.....	6c 7
d Subtotal. Add lines 6a , 6b , and 6c	6d 178
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e 0
f Total. Add lines 6d and 6e	6f 178
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 6
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions: 1A 1G 3H 3F	
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:	

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning 07/01/2009 and ending 06/30/2010

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 PENSION PLAN OF BATTELLE NATIONAL BIODEFENSE INSTI	B Three-digit plan number (PN) 001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF BATTELLE NATIONAL BIODEFENSE INSTIT	D Employer Identification Number (EIN) 04-3851808

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 07 Day 01 Year 2009		
2 Assets:		
a Market value	2a	369181
b Actuarial value	2b	397653
3 Funding target/participant count breakdown	(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a 0	0
b For terminated vested participants	3b 1	18500
c For active participants:		
(1) Non-vested benefits	3c(1)	18405
(2) Vested benefits	3c(2)	620980
(3) Total active	3c(3) 120	639385
d Total	3d 121	657885
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	657885
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	631970
5 Effective interest rate	5	6.66 %
6 Target normal cost	6	448816

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

SIGN HERE	Signature of actuary CHRISTOPHER D. KLUDY, F.S.A. Type or print name of actuary MERCER Firm name 325 JOHN H. MCCONNELL BLVD. STE 350 COLUMBUS, OH 43215-2671 Address of the firm	Date 08-06018 Most recent enrollment number 614-227-5500 Telephone number (including area code)
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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 ☐

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>-20.96</u> %		
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		2942
b Interest on (a) using prior year's effective rate of <u>6.09</u> %		179
c Total available at beginning of current plan year to add to prefunding balance		3121
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	60.44 %
15 Adjusted funding target attainment percentage.....	15	60.44 %
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	4.40 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	60.44 %

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
12/15/2009	302321		06/21/2010	66131	
01/15/2010	66131				
02/16/2010	66131				
03/15/2010	66131				
04/15/2010	66131				
05/17/2010	66131				
			Totals ►	18(b)	699107
				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 670774
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: 5.31 %	2nd segment: 6.54 %	3rd segment: 6.73 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22 60
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	448816
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	220759	40899
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	489715
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	0	0
36 Additional cash requirement (item 34 minus item 35).....	36	489715
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	670774
38 Interest-adjusted excess contributions for current year (see instructions).....	38	181059
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 C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 07/01/2009 and ending 06/30/2010	
A Name of plan PENSION PLAN OF BATTELLE NATIONAL BIODEFENSE INSTI	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 BATTELLE NATIONAL BIODEFENSE INSTIT	D Employer Identification Number (EIN) 04-3851808

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	
HARBOURVEST VIII BUYOUT ASSOCIATES	ONE FINANCIAL CENTER 44TH FLOOR BOSTON, MA 02111
51-0578242	

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation	
HARBOURVEST VIII MEZZANINE ASSOCIAT	ONE FINANCIAL CENTER 44TH FLOOR BOSTON, MA 02111
34-2063496	

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
HIPEP V PARTNERSHIP ASSOCIATES	ONE FINANCIAL CENTER 44TH FLOOR BOSTON, MA 02111
55-0897492	

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
HIPEP VI ASSOCIATES LP	ONE FINANCIAL CENTER 44TH FLOOR BOSTON, MA 02111
36-4633068	

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

DLJ ADVISORS
ELEVEN MADISON AVENUE 16TH FLOOR
NEW YORK, NY 10010

13-4129930

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

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

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

MERCER

13-2834414

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11 17	NONE	47939	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

GRAYON HEAD & RITCHEY

31-0565234

(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?
29	NONE	20364	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
(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
(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
(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
(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
(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:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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 2009 This Form is Open to Public Inspection.
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For calendar plan year 2009 or fiscal plan year beginning 07/01/2009 and ending 06/30/2010		
A Name of plan PENSION PLAN OF BATTELLE NATIONAL BIODEFENSE INSTI	B Three-digit plan number (PN) ▶	001
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 BATTELLE NATIONAL BIODEFENSE INSTIT	D Employer Identification Number (EIN) 04-3851808	

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: BATTELLE PENSION TRUST			
b Name of sponsor of entity listed in (a): NORTHERN TRUST COMPANY			
c EIN-PN 31-4379427-004	d Entity code M	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1077000	
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)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

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

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

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

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning <u>07/01/2009</u> and ending <u>06/30/2010</u>		
A Name of plan <u>PENSION PLAN OF BATTELLE NATIONAL BIODEFENSE INSTI</u>	B Three-digit plan number (PN) ▶	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>BATTELLE NATIONAL BIODEFENSE INSTIT</u>		
D Employer Identification Number (EIN) <u>04-3851808</u>		

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)		
(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)	<u>369000</u>	<u>1077000</u>
(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	369000	1077000

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	369000	1077000
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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)	699000	
(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)		699000

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

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

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

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

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		89000
(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		788000

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	2000	
(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)		2000
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)	68900	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	2400	
(4) Other	2i(4)	6700	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		78000
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		80000

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		708000
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: DELOITTE & TOUCHE

(2) EIN: 13-3891517

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		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

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

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

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

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection.
For calendar plan year 2009 or fiscal plan year beginning 07/01/2009 and ending 06/30/2010		
A Name of plan PENSION PLAN OF BATTELLE NATIONAL BIODEFENSE INSTI		B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 BATTELLE NATIONAL BIODEFENSE INSTIT		D Employer Identification Number (EIN) 04-3851808
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1 0
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): 31-6243960		
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 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)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?..... ☐ Yes ☒ No ☐ N/A		
If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____		
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year		6a
b Enter the amount contributed by the employer to the plan for this plan year		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?..... ☐ Yes ☐ No ☒ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☒ No		
Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☐ Yes ☐ No		
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.		
Schedule R (Form 5500) 2009 v.092308.1		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) _____

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) _____

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) _____

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) _____

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) _____

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) _____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT

To Battelle National Biodefense Institute, LLC:

We have audited the accompanying statements of net assets available for benefits of the Pension Plan of Battelle National Biodefense Institute, LLC (the "Plan") as of June 30, 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. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial status of the Plan as of June 30, 2010 and 2009, and the changes in its financial status for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

April 11, 2011

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**This schedule is required to be filed under section 104 of the Employee
Retirement Income Security Act of 1974 (ERISA) and section 6059 of the
Internal Revenue Code (the Code).▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

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

For calendar plan year 2009 or fiscal plan year beginning 07/01/2009 and ending 06/30/2010

▶ **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 Pension Plan of Battelle National Biodefense Institute, LLC	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Battelle National Biodefense Institute LLC	D Employer Identification Number (EIN) 04-3851808
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>7</u> Day <u>1</u> Year <u>2009</u>			
2 Assets:			
a Market value.....	2a	369,181	
b Actuarial value.....	2b	397,653	
3 Funding target/participant count breakdown		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment.....	3a	0	0
b For terminated vested participants.....	3b	1	18,500
c For active participants:			
(1) Non-vested benefits.....	3c(1)		18,405
(2) Vested benefits.....	3c(2)		620,980
(3) Total active.....	3c(3)	120	639,385
d Total.....	3d	121	657,885
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	657,885	
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	631,970	
5 Effective interest rate.....	5	6.66 %	
6 Target normal cost.....	6	448,816	

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>Christopher D. Kludy /CDK</u> Signature of actuary	<u>March 15, 2011</u> Date
<u>Christopher D. Kludy, F.S.A.</u> Type or print name of actuary		<u>08-06018</u> Most recent enrollment number
<u>MERCER</u> Firm name		<u>(614) 227-5500</u> Telephone number (including area code)
<u>325 John H. McConnell Blvd. Ste 350</u> Address of the firm		
<u>Columbus</u> Address of the firm		
<u>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) 2009
v.092308.1

Part II Beginning of year carryover and prefunding balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	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>(20.96)</u> %		
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		2,942
b Interest on (a) using prior year's effective rate of <u>6.09</u> %		179
c Total available at beginning of current plan year to add to prefunding balance		3,121
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	60.44 %
15 Adjusted funding target attainment percentage.....	15	60.44 %
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	4.40 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	60.44 %

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
12/15/2009	302,321		06/21/2010	66,131	
01/15/2010	66,131				
02/16/2010	66,131				
03/15/2010	66,131				
04/15/2010	66,131				
05/17/2010	66,131				
Totals ▶			18(b)	699,107	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 670,774

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:
5.31 %2nd segment:
6.54 %3rd segment:
6.73 %☐ N/A, full yield curve used**b** Applicable month (enter code)**21b**

4

22 Weighted average retirement age**22**

60

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**

448,816

32 Amortization installments:

Outstanding Balance

Installment

a Net shortfall amortization installment

220,759

40,899

b Waiver amortization installment

0

0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount**33**

0

34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)**34**

489,715

Carryover balance

Prefunding balance

Total balance

35 Balances used to offset funding requirement

0

0

0

36 Additional cash requirement (item 34 minus item 35)**36**

489,715

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)**37**

670,774

38 Interest-adjusted excess contributions for current year (see instructions)**38**

181,059

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, Line 4 – Additional information for plans in at-risk status

- **Special retirement assumption** – Participants who are eligible for immediate retirement and withdrawal benefits in the first 11 plan years are assumed to 100% retire in the first year of eligibility following the valuation year.
- **Most valuable form of payment** – In the year of special retirement, participants are assumed to take a single life annuity form of payment.
- **Loading factor** – Liabilities are loaded at the retirement ages below with the corresponding percentages for male and female participants.

Age	Male	Female
50	2.32%	0.73%
51	2.48%	0.81%
52	2.64%	0.89%
53	2.82%	0.97%
54	3.01%	1.06%
55	3.21%	1.15%
56	3.41%	1.25%
57	3.60%	1.38%
58	3.80%	1.50%
59	4.00%	1.60%
60	4.19%	1.68%
61	4.36%	1.72%
62	4.50%	1.71%
63	4.61%	1.62%
64	4.66%	1.45%
65	4.67%	1.20%

Schedule SB, Line 19 –Discounted employer contributions

Date	Contribution amount	Plan year	Applicable effective interest rate	Discounted value of contribution as of July 1, 2009
12/15/2009	\$ 302,321	2009	6.66%	\$ 292,763*
01/15/2010	66,131	2009	6.66%	63,858
02/16/2010	66,131	2009	6.66%	63,498
03/15/2010	66,131	2009	6.66%	63,196
04/15/2010	66,131	2009	6.66%	62,851
05/17/2010	66,131	2009	6.66%	62,497
06/21/2010	66,131	2009	6.66%	62,111
Total	\$ 669,107			\$ 670,774

* Discounted value includes additional 5% discounting for portion of contribution due as an October 15, 2009 quarterly contribution

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

Each employee is assumed to retire in accordance with the table of retirement rates. The number of employees expected to retire at each potential retirement age is shown below. The weighted average retirement age is 60.

A	B	C	D	E
Age	Retirement	Lx	# Ret	# Ret x Age
50	5.00%	100,000	5,000	250,000
51	5.00%	95,000	4,750	242,250
52	5.00%	90,250	4,513	234,650
53	5.00%	85,738	4,287	227,204
54	5.00%	81,451	4,073	219,917
55	5.00%	77,378	3,869	212,790
56	5.00%	73,509	3,675	205,826
57	5.00%	69,834	3,492	199,026
58	5.00%	66,342	3,317	192,392
59	5.00%	63,025	3,151	185,924
60	7.50%	59,874	4,491	269,432
61	10.00%	55,383	5,538	337,837
62	15.00%	49,845	7,477	463,557
63	20.00%	42,368	8,474	533,838
64	30.00%	33,894	10,168	650,774
65	50.00%	23,726	11,863	771,100
66	50.00%	11,863	5,932	391,481
67	50.00%	5,932	2,966	198,706
68	50.00%	2,966	1,483	100,836
69	50.00%	1,483	741	51,160
70	100.00%	741	741	51,901
Total			100,000	5,990,601
Average				59.91

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 24 – Change in actuarial assumptions

For future years of service, non-hourly employees who are not full-time will accrue 1 year times their percent of full-time employment. Previously they received one full year.

Schedule SB, Line 25 – Change in method

The asset method was changed to account for expected changes as allowed under Revenue Notice 2009-22.

Schedule SB, Line 26 – Schedule of active participant data

Age	Years of credited service										
	< 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
Under 25	4 *										4 *
25-29	3 *	10 *									13 *
30-34	7 *	18 *									25 *
35-39	4 *	16 *	1 *								21 *
40-44	5 *	7 *			2 *						14 *
45-49	5 *	6 *		1 *							12 *
50-54	3 *	7 *	1 *								11 *
55-59	4 *	6 *	1 *	1 *	1 *		1 *				14 *
60-64		3 *	1 *								4 *
65-69		2 *									2 *
70+											
Total	35 *	75 *	4 *	2 *	3 *		1 *				120 *

In each cell, the top number is the count of active participants for each age/service combination. The lower number is the average compensation of the active participants in that group.

Earnings shown in this matrix have been limited to \$230,000. Average compensation is not shown for cells with less than 20 participants.

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	Installment
2008	\$	168,044	6	\$ 32,014
2009		52,715	7	8,885
Total	\$	220,759		\$ 40,899

Schedule SB, Part V – Statement of actuarial assumptions/methods

Actuarial Assumptions

Discount rate elections¹		<u>Funding</u>
▪ 1st 5 years		5.31%
▪ Next 15 years		6.54%
▪ Over 20 years		6.73%
Mortality elections		
▪ Healthy participants		2009 PPA separate generational annuitant and nonannuitant mortality tables
▪ Pre-1995 disabilities		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
417(e) lump sums		
▪ Annuity substitution		N/A
▪ Generational mortality option		N/A
▪ Phase-in option		N/A
Other economic assumptions		
▪ Salary increases		Salary rates begin with 10.0% at age 20 and reduce by 0.2% until age 45 where the rate is then held constant at 5.0% to age 70. See table of sample rates
▪ Social Security wage base		3.50% per year
▪ Inflation		2.50% per year
▪ Expected investment return		7.75% per year for years 2007 through 2009
▪ Expenses		The prior year's administrative and investment expenses adjusted for expected events, rounded up to the next \$5,000. For 2009, \$45,000 added to current year normal cost.
▪ Accrual of Future Credited Service for Benefit Accrual		Hourly employees are assumed to accrue .35 of a year during each future plan year. Non-hourly full-time employees are assumed to accrue 1 year for each future year of employment. Non-hourly employees who are not full-time are assumed to accrue 1 year times their percent full-time for each future year of employment.

¹ Based on interest rate methodology elections described below.

Schedule SB, Part V – Statement of actuarial assumptions/methods *(continued)*

Demographic assumptions

Withdrawal Rates are based on length of service and age, based on Battelle's actual experience. See table of sample rates.

Disability incidence 1985 Pension Disability Table (Class 1) adjusted for Battelle experience (33% for males and 60% for females) See table of sample rates.

Retirement age

Attained age	Percentage	
	Male	Female
Under 55	0%	0%
55	5%	5%
56	5%	5%
57	5%	5%
58	5%	5%
59	5%	5%
60	7.5%	7.5%
61	10%	10%
62	15%	15%
63	20%	20%
64	30%	30%
65 – 69	50%	50%
70 and older	100%	100%

Benefit commencement age for

- Future and current vested deferred The first day of the month preceding, or coinciding with the participant's 65th birthday.

Spouse assumptions

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

Schedule SB, Part V – Statement of actuarial assumptions/methods *(continued)*

Form of payment	<u>Single life</u>	<u>100% J&S</u> <u>w/ 10 CC</u>	<u>75% J&S</u> <u>w/ 10 CC</u>
▪ Active retirements	42.5%	42.5%	15%
▪ Future vested deferred	42.5%	42.5%	15%
▪ Current vested deferred	42.5%	42.5%	15%
▪ Future disabilities	Future disabilities are assumed to be paid in the normal form of payment.		
▪ Future deaths	Future deaths are assumed to be paid in the form of a 100% Joint & Survivor.		
Changes since prior valuation	Interest discounts were updated from 2008 to 2009 in accordance with PPA and plan sponsor elections.		
	Administrative and investment expenses were added to normal cost, per the Worker, Retiree and Employer Recovery Act of 2008. (\$45,000)		
	Non-hourly employees who are not full-time are assumed to accrue 1 year times their percent full-time for each future year of employment. Previously, it was assumed they would accrue 1 year for each future year of employment.		

Schedule SB, Part V – Statement of actuarial assumptions/methods *(continued)*

Table of sample rates

Attained age	Percentage				
	Withdrawal - Unisex		Disability incidence		Salary
	Less than 4 Years of Service	More than 4 Years of Service	Male	Female	Increases
20	10.0%	9.5%	.01%	.02%	10.0%
25	10.0	9.5	.01	.03	9.0
30	10.0	9.0	.02	.05	8.0
35	10.0	7.3	.02	.08	7.0
40	10.0	5.9	.04	.13	6.0
45	10.0	5.0	.07	.19	5.0
50	10.0	4.8	.12	.32	5.0
55	10.0	5.2	.24	.57	5.0
60	10.0	5.6	.41	.70	5.0
65	10.0	0.0	.51	.81	5.0

Attained Age	Percentage								Disabled Mortality	
	Healthy Mortality- PPA Generational Table (Annuitant Illustrated)								RPA Post-1994 Disability Table	
	Male				Female				Male	Female
	2005	2010	2015	2020	2005	2010	2015	2020		
20	0.035%	0.035%	0.035%	0.035%	0.019%	0.019%	0.019%	0.019%	2.458%	0.965%
25	0.038	0.038	0.038	0.038	0.021	0.021	0.021	0.021	2.746	1.197
30	0.044	0.044	0.044	0.044	0.026	0.026	0.026	0.026	3.066	1.484
35	0.077	0.077	0.077	0.077	0.048	0.048	0.048	0.048	3.418	1.765
40	0.108	0.108	0.108	0.108	0.071	0.071	0.071	0.071	3.837	2.058
45	0.224	0.224	0.224	0.224	0.112	0.112	0.112	0.112	4.303	2.399
50	0.535	0.535	0.535	0.488	0.234	0.234	0.234	0.215	4.800	2.796
55	0.591	0.591	0.537	0.487	0.353	0.353	0.339	0.326	5.312	3.259
60	0.820	0.756	0.698	0.644	0.62	0.605	0.59	0.575	5.812	3.799
65	1.251	1.165	1.086	1.012	1.011	0.986	0.961	0.938	6.367	4.429
70	1.909	1.77	1.641	1.522	1.592	1.553	1.515	1.477	7.328	5.133
75	3.062	2.854	2.66	2.479	2.492	2.394	2.299	2.209	8.892	6.257
80	5.265	5.007	4.761	4.528	3.987	3.849	3.716	3.588	10.711	8.048
85	9.292	8.971	8.662	8.363	6.663	6.465	6.274	6.088	13.326	10.937
90	16.263	15.94	15.624	15.314	12.033	11.854	11.677	11.503	17.336	15.348
95	24.939	24.691	24.445	24.201	18.135	17.954	17.775	17.598	23.409	21.705
100	33.104	32.939	32.774	32.611	22.815	22.701	22.588	22.475	31.919	30.343

Schedule SB, Part V – Statement of actuarial assumptions/methods *(continued)*

Actuarial Methods

Asset methods – effective July 1, 2009

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

The asset valuation method is an annual average of the adjusted market value over the last 24 months preceding the valuation date as described in Revenue Notice 2009-22. There are three annual determination dates used in this method. 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 no 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.

Participant methods – effective July 1, 2008

We used the participant data supplied by the plan sponsor. We have reviewed the data and have no reason to doubt its substantial accuracy. Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** The plan sponsor provides us with data on all employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Insurance contracts:** The plan does not have any insurance contracts.
- **Disabled participants:** The liabilities for participants on long-term disability have been included with the liabilities for terminated vested participants. Participants who become disabled before retirement continue to earn credited service during their disability. We have valued these participants using the assumption that they will remain disabled until normal retirement.
- **Transferred participants:** The liabilities for employees who have transferred into another plan of the plan sponsor have been included with the liabilities for terminated vested participants.

Schedule SB, Part V – Statement of actuarial assumptions/methods *(continued)*

Benefits included or excluded – effective July 1, 2008

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

- **Plan amendments:** Amendments adopted after the valuation date or effective after the current plan year are excluded from the valuation.
- **Scheduled benefit increases:** Scheduled benefit increases effective after the end of the current plan year are excluded from minimum funding requirements.
- **Late retirement increases:**
 - *Active participants:* The plan provides benefit suspension notices to participants who work beyond normal retirement; therefore, late retirement actuarial increases only apply to participants who defer retirement beyond age 70 ½. This valuation does not currently include increases for current participants over age 70, as it was determined the effect of doing so would be minimal. This will be reevaluated on an annual basis.
 - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued including the late retirement actuarial increase.
- **Shutdown benefits:** We are not aware of any corporate actions that would create shutdown benefits; therefore, they are excluded.
- **IRC Section 415(b):** The limitations of Internal Revenue Code Section 415(b) have been incorporated into our calculations.
- **IRC Section 416:** 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 accruals.
- **Benefit restrictions:** Benefit restrictions (if applicable) are ignored in this valuation.

Plan sponsor elections – effective July 1, 2008

- **Mortality**
 - Generational annuitant and non-annuitant tables
- **Funding interest rate**
 - Segment rates
 - 4 look-back months
 - No phase-in
- **Valuation of lump sums based on IRC Section 417(e) assumptions**
 - Not applicable

Schedule SB, Part V – Statement of actuarial assumptions/methods *(continued)*

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:

- An individual's **accrued liability** 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 **normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the accrued liability and the normal cost for an individual are the sum of the component accrued liabilities and normal costs associated with the various anticipated separation dates.
- The plan provides disability benefits which are not based on service at disability. These benefits are attributed to service using the ratio of service on the valuation date to service at first eligibility.
- The plan's **target normal cost** is the sum of the individual normal costs, and the plan's **funding target** is the sum of the accrued liabilities for all participants under the plan.

Maximum suggested contribution method

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

A detailed description of the calculation follows:

- An individual's **projected accrued liability** 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 accrued liability for an individual is the sum of the component accrued liabilities associated with the various anticipated separation dates.
- The plan's **projected accrued liability** is the sum of the projected accrued liabilities for all participants under the plan. The excess of the plan's projected accrued liability over the plan's funding target is included in the "cushion amount."

Schedule SB, Part V – Statement of actuarial assumptions/methods *(continued)*

Method changes since prior valuation

Beginning with the 2009 valuation, the asset method was changed to account for expected earnings as allowed under Revenue Notice 2009-22.

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: July 1, 2007
Most recent amendment	July 1, 2009
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	Any Employee who is employed by a Participating Employer and who is not classified as one or more of the following: (1) a member of the Board of Directors unless such member is also an Employee; (2) an Employee who is covered by a collective bargaining agreement unless such agreement provides for participation in the Plan; (3) an individual employed outside the United States by a foreign-based subsidiary or division of the Employer; (4) an employee of the Pacific Northwest Laboratories of Battelle Memorial Institute; (5) an employee of Battelle Memorial Institute; (6) an Employee who is covered by any other qualified defined benefit pension plan funded by Employer; (7) an employee of any BNBI Affiliate that has not adopted this Plan for its employees; (8) a Leased Employee; (9) an independent contractor; and (10) an individual employed as a telephone interviewer or research intern.
▪ Participation	Participation commences on the date of employment for employees other than hourly employees. Hourly employees participate after completing 1,000 hours of service.
▪ Employee contributions	None.
▪ Credited Service for Vesting	A participant receives one year of Credited Service for Vesting for every plan year he is credited with at least 1,000 hours of service or a fraction of a year if credited with at least 500 hours of service.

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

▪ Credited Service for Benefit Accrual	A participant receives one year of Credited Service for Benefit Accrual for every plan year he is credited with at least 2,080 hours, or a fraction of a year if credited with less than 2,080 hours. Note that hourly employees must complete a minimum of 1,000 hours of service to receive any credit.
▪ Monthly compensation	Monthly equivalent of compensation as if the employee worked full-time. Effective 7/1/2001, incentive compensation and overtime are counted as plan compensation. However, compensation is limited to \$245,000 annually (indexed for future years).
▪ Final average earnings	The average of the highest 60 consecutive months of compensation.
▪ Accrued benefit	The normal retirement benefit based on Credited Service for Benefit Accrual and Final Average Compensation on the date of determination.
Normal retirement	
▪ Eligibility	Attainment of age 65.
▪ Benefit	Larger of: i) For service after June 30, 1979 - 1.2% of Final Average Compensation plus .45% of Final Average Compensation in excess of Social Security Covered Compensation per year of Credited Service for Benefit Accrual (maximum 35). For service before July 1, 1979 - 1-1/2% of Final Average Compensation per year of Credited Service for Benefit Accrual. No participant's accrued benefit shall be less than his accrued benefit under the provisions of the prior plan on July 1, 1990, for most participants and July 1, 1989, for certain highly compensated participants; and, ii) Accrued Retirement Benefit as of June 30, 1994, plus 1.2% of Final Average Compensation plus .45% of Final Average Compensation in excess of Social Security Covered Compensation per year of Credited Service for Benefit Accrual after June 30, 1994 (total Credited Service for Benefit Accrual after July 1, 1979 may not exceed 35).

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

Early retirement	
▪ Eligibility	The later of attainment of age 50 and the completion of 5 years of Credited Service for Vesting.
▪ Benefit	Benefit Attributable to Credited Service for Benefit Accrual earned prior to July 1, 2009 Normal retirement benefit, reduced as follows: 10 or more years of Credited Service for Vesting - No reduction after age 62; 6-2/3% per year reduction from 62 to 55; actuarial equivalent reduction prior to 55. Less than 10 years of Credited Service for Vesting - 6-2/3% reduction for each of the first 5 years prior to age 65; 3-1/3% for each of the next 5 years; actuarial equivalent thereafter.
▪ Benefit	Benefit Attributable to Credited Service for Benefit Accrual earned after July 1, 2009 Normal retirement benefit, actuarially reduced based on the 1984 Unisex Pension Mortality Table (set back three years for a Spouse, or Registered Domestic Partner, if applicable) and 7% interest compounded annually.
Late retirement	
▪ Eligibility	Actual retirement after age 65.
▪ Benefit	The benefit reflects Credited Service for Benefit Accrual and Monthly Compensation earned after age 65.
Deferred vested	
▪ Eligibility	<u>Employed on or before April 1, 2008:</u> Immediate Vesting <u>Employed after April 1, 2008:</u> 100% after 5 years of Credited Service for Vesting; no vesting prior to 5 years. Participant is 100% vested on normal retirement date.
▪ Benefit	Accrued Retirement Benefit payable at age 65 or payable at or after age 55 and reduced for each month benefit commencement date precedes age 65.

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

Disability	
▪ Eligibility	For salaried participants, total and permanent disability as defined in the plan.
▪ Benefit	A monthly annuity equal to the regular retirement benefit calculated with Compensation and Credited Service for Benefit Accrual to benefit commencement date as if the participant were employed on the same basis immediately before disablement. This benefit will be reduced for early retirement if applicable.
Pre-retirement death	
▪ Eligibility	Eligible if employee has a vested benefit.
▪ Benefit prior to early retirement	For death after vesting but prior to early retirement eligibility the benefit is equal to a 100% joint and survivor annuity payable when the participant would have reached age 50 (benefits are payable for 120 months if there is no surviving spouse).
▪ Benefit after early retirement eligible	For death after early retirement eligibility the benefit is calculated as if the participant retired the day before death and elected a 100% joint and survivor annuity (benefits are payable for 120 months if there is no surviving spouse).
Form of benefits	
▪ Automatic form for unmarried participants	Benefits attributable for Credited Service for Benefit Accrual earned prior to July 1, 2009 – ▪ Life annuity with 10 years of benefits certain to be paid. Benefits attributable for Credited Service for Benefit Accrual earned after to July 1, 2009 – ▪ Life annuity
▪ Automatic form for married participants	100% Joint & Survivor Annuity
▪ Optional forms	50%, 75%, or 100% joint and survivor annuity, life annuity with 5 or 10 years of payments certain to be made. Additional options include a guaranteed number of payments of any duration with or without a life annuity.

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

▪ Optional form conversion factors	Optional forms of benefit, other than the lump sum, are determined using the 1984 Unisex Pension Mortality Table (set back three years for a Spouse, or Registered Domestic Partner, if applicable) and 7% interest compounded annually.
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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 2009, the limit is \$245,000.
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▪ Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415(b). This limit is indexed annually. For 2009, the limit is \$195,000.
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▪ Benefits not included in valuation	None.
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▪ Changes since the prior valuation	Maximum compensation and maximum benefits were updated from 2008 to 2009.
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A plan amendment was implemented effective July 1, 2009 which updated the following for a Member's Accrued Benefit attributable to Credited Service for Benefit Accrual earned after July 1, 2009:

- Early retirement reductions were changed to be based on the 1984 Unisex Pension Mortality Table (set back three years for a Spouse, or Registered Domestic Partner, if applicable) and 7% interest compounded annually.
 - The normal form of payment was changed from a Life Annuity with 10 years certain to a Single Life Annuity.
-

Battelle Pension Trust
Schedule H, Line 4j – Schedule of Reportable Transactions**
Sponsor: Battelle Memorial Institute
Plan No:
E.I.N.:
Year ended June 30, 2010

(a) Identity of party involved	(b) Description of asset (including interest rate and maturity in case of a loan)	(c) Purchase price	(d) Selling price	(e) Lease rental	(f) Expenses incurred with transaction	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain or (loss)
* Northern Trust	COLTV SHORT TERM INVT FD	\$ 298,112,188				298,112,188	298,112,188	—
* Northern Trust	COLTV SHORT TERM INVT FD		294,172,130			294,172,130	294,172,130	—
	MFO PIMCO FDS PAC INVT MGMT SER INVT GRADE CORP PORTFOLIO							
* PIMCO	INSTL CL	34,631,323				34,631,323	34,631,323	—
	MFO PIMCO FDS PAC INVT MGMT SER INVT GRADE CORP PORTFOLIO							
* PIMCO	INSTL CL		35,506,630			34,631,323	35,506,630	875,307
	MFO PIMCO SHORT TERM FLOATING NAV PORT	108,211,821				108,211,821	108,211,821	—
* PIMCO	MFO PIMCO SHORT TERM FLOATING NAV PORT		104,500,000			104,498,051	104,500,000	1,949
	MFO PIMCO FDS LONG DURATION CORP BD PORTFOLIO	130,600,229				130,600,229	130,600,229	—
* PIMCO	MFO PIMCO SHORT TERM FLOATING NAV PORT		13,100,000			12,993,873	13,100,000	106,127
	UNITED STATES TREAS NTS DTD 00246 1.125%DUE 06-30-2011 REG	54,538,627				54,538,627	54,538,627	—
	UNITED STATES TREAS NTS DTD 00246 1.125%DUE 06-30-2011 REG		57,373,554			57,309,493	57,373,554	64,061
	UNITED STATES TREAS BDS 8% 11/15/2021 USD1000 8% DUE 11-15- 2021/04-29-1999 REG	32,231,856				32,231,856	32,231,856	—
	UNITED STATES TREAS BDS 8% 11/15/2021 USD1000 8% DUE 11-15- 2021/04-29-1999 REG		31,402,195			31,236,215	31,402,195	165,980
* PIMCO	UNITED STATES TREAS NTS T-NT 1% DUE 09-30-2011 REG	24,815,964				24,815,964	24,815,964	—
* PIMCO	UNITED STATES TREAS NTS T-NT 1% DUE 09-30-2011 REG		24,852,181			24,815,964	24,852,181	36,217

* PIMCO	UNITED STATES TREAS BD STRIPPED PRIN PMT00079 11-15- 2039 (UNDDATE) REG	23,515,110			23,515,110	23,515,110	—
* PIMCO	UNITED STATES TREAS BD STRIPPED PRIN PMT00079 11-15- 2039 (UNDDATE) REG		20,880,307		20,560,119	20,880,307	320,188
* TOWNSEND	FORTRESS JAPAN OPPORTUNITY DOMESTIC FUNDB, LP	40,574,543			40,574,543	40,574,543	—
* TOWNSEND	FORTRESS JAPAN OPPORTUNITY DOMESTIC FUND(C-II), LP	72,587,029			72,587,029	72,587,029	—
* WA FI	US TREAS BDS 0 TREAS NT 15/11/2039 USD1000 4.375 DUE 11-15- 2039 REG	57,702,827			57,702,827	57,702,827	—
* WA FI	US TREAS BDS 0 TREAS NT 15/11/2039 USD1000 4.375 DUE 11-15- 2039 REG		53,682,461		53,567,865	53,682,461	114,596
* WA FI	US TREAS SEC 4.5 DUE 08-15-2039 REG	28,954,272			28,954,272	28,954,272	—
* WA FI	US TREAS SEC 4.5 DUE 08-15-2039 REG		28,671,460		28,954,272	28,671,460	(282,812)
* WA FI	UNITED STATES TREAS BDS DTD 00209 3.5% DUE 02-15-2039 REG	24,290,103			24,290,103	24,290,103	—
* WA FI	UNITED STATES TREAS BDS DTD 00209 3.5% DUE 02-15-2039 REG		<u>17,523,453</u>		<u>17,062,372</u>	<u>17,523,453</u>	<u>461,081</u>

* Party-in-interest to the plan.

** Reportable transactions are those of the Battelle Pension Trust

See accompanying independent auditors' report.

PENSION PLAN OF BATTELLE NATIONAL BIODEFENSE ISNTITUTE

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
Plan 001

E.I.N.: 04-3851808

June 30, 2010

(a) Party in interest	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(e) Current value
*	NORTHERN TRUST	PARTICIPATING PLAN OF THE BATTELLE PENSION TRUST	1,070,000

Pension Plan of Battelle National Biodefense Institute, LLC

Financial Statements as of and for the Years
Ended June 30, 2010 and 2009, and
Independent Auditors' Report

PENSION PLAN OF BATTELLE NATIONAL BIODEFENSE INSTITUTE, LLC

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Notes to Financial Statements as of and for the Years Ended June 30, 2010 and 2009	4-13
NOTE: All schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, as amended have been omitted because there is nothing to report.	

**PENSION PLAN OF
BATTELLE NATIONAL BIODEFENSE INSTITUTE, LLC**

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF JUNE 30, 2010 AND 2009
(Dollars in thousands)**

	2010	2009
INVESTMENTS — At fair value — Plan interest in Battelle Pension Trust	<u>\$ 1,070</u>	<u>\$ 369</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 1,070</u>	<u>\$ 369</u>

See notes to financial statements.

**PENSION PLAN OF
BATTELLE NATIONAL BIODEFENSE INSTITUTE, LLC**

**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009**

(Dollars in thousands)

	2010	2009
INVESTMENT INCOME (LOSS) — Plan interest in the Master Trust investment income (loss)	\$ 89	\$ (33)
CONTRIBUTIONS — Employer	<u>699</u>	<u>434</u>
Total additions	788	401
BENEFITS PAID DIRECTLY TO PARTICIPANTS OR BENEFICIARIES	9	
TRUSTEE FEES AND OTHER	<u>78</u>	<u>41</u>
NET INCREASE	701	360
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	<u>369</u>	<u>9</u>
End of year	<u>\$ 1,070</u>	<u>\$ 369</u>

See notes to financial statements.

PENSION PLAN OF BATTELLE NATIONAL BIODEFENSE INSTITUTE, LLC

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2010 AND 2009 (Dollars in thousands)

1. ORGANIZATION

The accompanying financial statements present the net assets of the Pension Plan of Battelle National Biodefense Institute, LLC (the “Plan”) and changes therein. The net assets of the Plan are commingled with the assets of the Plan of the Pacific Northwest Laboratories, Battelle Memorial Institute, and the assets of the Employees Pension Plan of Battelle Memorial Institute within the Battelle Pension Trust (the “Master Trust”) at June 30, 2010 and 2009.

The following brief description of the Plan is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

General — The Plan is a defined benefit pension plan covering all United States-based salaried employees and eligible hourly employees of Battelle National Biodefense Institute, LLC (“Battelle” or “Plan Sponsor”) and those group members, as defined by the Plan, who have adopted the Plan, except employees who are covered by collective bargaining agreements or by another pension plan funded by the employer. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Pension Benefits — Participants with five or more years of vested service, as defined by the Plan, are entitled to annual pension benefits beginning at normal retirement age of 65 based upon certain formulas using years of credited service up to a maximum of 35 years, the highest consecutive sixty months of compensation, and covered compensation period. Earlier vesting may occur if (1) participant attains age 65, (2) participant becoming totally and permanently disabled, or (3) termination of the Plan. The Plan permits early retirement at ages 50 to 64. Participants may elect to receive their vested benefit as a joint and survivor annuity payable monthly from the date of retirement. The normal form of benefit is a single life annuity payable monthly. If participants terminate before rendering five years of vesting service, they forfeit the right to receive their accumulated plan benefits. A participant is fully vested upon attainment of age 65 while in active service.

Death and Disability Benefits — If a vested participant dies before benefit payments begin, a death benefit equal to the participant’s accumulated benefits is paid to the participant’s spousal beneficiary based on certain payment options as defined by the Plan. Alternatively, the Plan provides spousal and nonspousal beneficiaries the option to elect a death benefit of 120 monthly payments commencing immediately, where each monthly payment is equal to the actuarial equivalent of the monthly payment the participant would have received at normal retirement age, or the lump-sum present value of such 120 monthly payments.

Active participants who become totally disabled are immediately fully vested in their pension benefit under the Plan and may elect to begin receiving an annual disability retirement benefit. Alternatively, active salaried participants who become totally disabled may elect to continue to accrue benefits with their salary rate remaining the same as at the time they became disabled until normal or early retirement, at which time disabled participants begin receiving normal or early retirement benefits.

2. SUMMARY OF ACCOUNTING POLICIES

Basis of Accounting — The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

Use of Estimates — The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets, liabilities, and pension obligations at the date of the financial statements and the reported amounts of changes in net assets and pension obligations during the reporting period. Actual results could differ from those estimates.

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

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

Valuation of Investments (Master Trust) — The Plan's investment in the Master Trust is presented at fair value, which has been determined based on the fair value of the underlying investments in the Master Trust. When quoted market prices are not available, the fair value of investments is estimated based on yields or market quotations currently available on comparable investments, which approximate fair value.

Payment of Benefits — Benefit payments to participants or beneficiaries are recorded upon distribution.

Administrative Expenses — Investment management and custodial fees, accounting fees, audit fees, and certain administrative, consulting, and legal fees are paid by the Plan and are expensed as incurred. Certain other administrative expenses not paid by the Plan are paid by the employer.

Updates to Fair Value Measurements and Disclosures — In 2009, Financial Accounting Standards Board (FASB) Staff Position (FSP) FAS 157-4, *Disclosures Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly*, was issued prospectively and later codified into Accounting Standards Codification (ASC) Topic 820, which expanded disclosures and required that major categories for debt and equity securities in the fair value hierarchy table be determined on the basis of the nature and risks of the investments.

In September 2009, the FASB issued Accounting Standards Update (ASU) No. 2009-12, *Fair Value Measurements and Disclosures: Investments in Certain Entities That Calculate Net Asset per Share (or Its Equivalent)*, which amended ASC Subtopic 820-10, *Fair Value Measurements and Disclosures — Overall*. ASU No. 2009-12 is effective for the first reporting period ending after December 15, 2009. ASU No. 2009-12 expands the required disclosures for certain investments with a reported net asset value (NAV). ASU No. 2009-12 permits, as a practical expedient, an entity holding investments in certain entities that calculate NAV per share or its equivalent for which the fair value is not readily

determinable, to measure the fair value of such investments on the basis of that NAV per share or its equivalent without adjustment. ASU No. 2009-12 requires enhanced disclosures about the nature and risks of investments within its scope. Such disclosures include the nature of any restrictions on an investor's ability to redeem its investments at the measurement date, any unfunded commitments, and the investment strategies of the investee. The Plan has adopted ASU No. 2009-12 on a prospective basis for the year ended June 30, 2010. Adoption did not have a material impact on the fair value determination and disclosure of applicable investments. The effect of the adoption of ASU No. 2009-12 had no impact on the statements of net assets available for benefits and statements of changes in net assets available for benefits.

New Accounting Standards to Be Adopted — ASU No. 2010-06, Fair Value Measurements and Disclosures — In January 2010, the FASB issued ASU No. 2010-06, *Fair Value Measurements and Disclosures*, which amends ASC Topic 820 (originally issued as FASB Statement No. 157, *Fair Value Measurements*), adding new disclosure requirements for Levels 1 and 2, separate disclosures of purchases, sales, issuances, and settlements relating to Level 3 measurements, and clarification of existing fair value disclosures. ASU No. 2010-06 is effective for periods beginning after December 15, 2009, except for the requirement to provide Level 3 activity of purchases, sales, issuances, and settlements on a gross basis, which will be effective for fiscal years beginning after December 15, 2010. The Plan is currently evaluating the impact ASU No. 2010-06 will have on the financial statements.

3. BATTELLE PENSION TRUST

At June 30, 2010 and 2009, the Plan had an approximate 0.07% and 0.03%, respectively, interest in the net assets available for benefits of the Master Trust. Interest, dividends, and realized gains (losses) relating to the Master Trust are allocated to the individual plans based on the weighted book value of each plan. Unrealized gains (losses) and administrative expenses relating to the Master Trust are allocated to the individual plans based on the weighted market value of each plan.

The fair values of the investments for the Master Trust at June 30, 2010 and 2009, are as follows (in thousands):

	2010	2009
U.S. government securities	\$ 111,123	\$ 146,305
Common stock	663,571	582,034
Limited partnerships	87,957	75,588
Mutual funds	129,894	
Common/collective trust funds	192,937	175,299
103-12 investment entities	8,647	5,604
Corporate debt instruments — preferred	77,371	93,976
Corporate debt instruments — other	59,279	84,463
Fund and other investments	108,295	89,825
Real estate	942	
Cash and cash equivalents	9,753	45,584
Other — including (payables) receivables from pending transactions	(1,714)	(28,193)
Total investments	<u>\$ 1,448,055</u>	<u>\$ 1,270,485</u>

Investment income for the Master Trust for the years ended June 30, 2010 and 2009, is as follows (in thousands):

	2010	2009
Net appreciation (depreciation) in fair value of investments:		
U.S. government securities	\$ 10,506	\$ 818
Common stock	192,449	(187,512)
Limited partnerships	4,247	(29,420)
Mutual funds	5,170	
Common/collective trust funds	(10,458)	(93,532)
Gain on security movements	(8,187)	
103-12 investment entities	850	(7,895)
Corporate debt instruments — preferred	12,883	3,321
Corporate debt instruments — other	(57,924)	5,451
Real estate	(72)	
Fund and other investments	<u>10,195</u>	<u>(33,277)</u>
Total net appreciation (depreciation)	159,659	(342,046)
Interest	(2,330)	10,301
Dividends	<u>33,278</u>	<u>15,138</u>
Total investment income (loss)	<u>\$ 190,607</u>	<u>\$ (316,607)</u>

4. FAIR VALUE MEASUREMENTS

As of July 1, 2008, the Plan adopted the provision of ASC Topic 820 for its investments. The statement defines fair value, establishes a fair value measurement framework, and expands fair value disclosures. In accordance with ASC Topic 820, assets and liabilities are classified based on the inputs utilized in the fair value measurement. ASC Topic 820 provides definitions for two types of inputs: observable and unobservable. Observable inputs are valuation inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are valuation inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information in the circumstances.

As defined in ASC Topic 820, 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 (exit price). ASC Topic 820 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to the unadjusted quoted process in active markets for identical assets and liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements).

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 — Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 — Inputs are unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that the observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Level 3 inputs primarily consist of unobservable market data or are values based on models and/or assumptions.

The following table sets forth by level within the fair value hierarchy the Master Trust's assets that were accounted for at fair value on a recurring basis as of June 30, 2010. As required by ASC Topic 820, financial assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Management's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and their placement within the fair value hierarchy levels.

In accordance with the update to ASC Topic 820 (originally issued as FSP 157-4), the table below includes the major categorization for debt and equity securities on the basis of the nature and risk of the investments at June 30, 2010 (in thousands):

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 5,591	\$ 4,162	\$ -	\$ 9,753
U.S. government securities				
Government agencies		24,384		24,384
Government bonds		76,924		76,924
Government mortgage-backed securities		8,681		8,681
Government issued commercial mortgage-backed		26		26
Index linked government bonds		462		462
Short-term bills and notes		646		646
Total US government securities	-	111,123	-	111,123
Common stock				
Consumer discretionary	60,698			60,698
Consumer staples	72,465			72,465
Energy	69,142			69,142
Financials	109,283			109,283
Health care	85,513			85,513
Industrials	71,018			71,018
Information technology	122,826			122,826
Materials	35,753			35,753
Telecommunication services	10,666			10,666
Utilities	26,151			26,151
Convertible equity		56		56
Total common stock	663,515	56	-	663,571
Mutual funds — fixed income funds		129,894		129,894
Common/collective trust funds		192,937		192,937
Limited partnerships			87,957	87,957
103-12 investment entities			8,647	8,647
Corporate debt instruments — preferred				
Asset backed securities		2,145		2,145
Commercial mortgage-backed		2,297		2,297
Corporate bonds		65,936		65,936
Nongovernment backed C.M.O.s		6,993		6,993
Total corporate debt instruments — preferred	-	77,371	-	77,371
Corporate debt instruments — other				
Asset backed securities		4,507		4,507
Commercial mortgage-backed		670		670
Corporate bonds		42,222		42,222
Nongovernment backed C.M.O.s		11,880		11,880
Total corporate debt instruments — other	-	59,279	-	59,279
Real estate			942	942
Fund and other investments	3,374	104,921		108,295
Other — including receivables (payables) from pending transactions	(1,407)	(307)		(1,714)
Total investments	\$671,073	\$679,436	\$97,546	\$1,448,055

The table sets forth by level within the fair value hierarchy, the Master Trust's assets that were accounted for at fair value on a recurring basis as of June 30, 2009, as follows (in thousands):

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ -	\$ 45,584	\$ -	\$ 45,584
U.S. government securities	210	145,019	1,076	146,305
Corporate stock	581,525	311	198	582,034
Common/collective trust funds		175,299		175,299
Limited partnerships			75,588	75,588
103-12 investment entities			5,604	5,604
Corporate debt instruments — preferred		92,555	1,421	93,976
Corporate debt instruments — other		80,145	4,318	84,463
Other		89,810	15	89,825
Other — including receivables (payables) from pending transactions	<u>1,605</u>	<u>(29,798)</u>		<u>(28,193)</u>
Total investments	<u>\$ 583,340</u>	<u>\$ 598,925</u>	<u>\$ 88,220</u>	<u>\$ 1,270,485</u>

A reconciliation of the beginning and ending balances of the fair value measurements using significant unobservable inputs (Level 3) at June 30, 2010, is as follows (in thousands):

	Total
Beginning balance — July 1, 2009	\$ 88,220
Realized/unrealized gains — net	1,045
Contributions/transfers in	18,481
Withdrawals/transfers out	(10,200)
Dividends and interest	
Ending balance — June 30, 2010	<u>\$ 97,546</u>

The amount of total gains or losses for the year ended June 30, 2010, included in changes in net assets attributable to the change in unrealized gains or losses related to assets still held at the reporting date

\$ 1,045

A reconciliation of the beginning and ending balances of the fair value measurements using significant unobservable inputs (Level 3) at June 30, 2009, is as follows (in thousands):

	Total
Beginning balance — July 1, 2008	\$ 95,264
Realized/unrealized losses — net	(28,908)
Contributions/transfers in	33,261
Withdrawals/transfers out	(11,487)
Dividends and interest	<u>90</u>
Ending balance — June 30, 2009	<u>\$ 88,220</u>

The amount of total gains or losses for the year ended June 30, 2009, included in changes in net assets attributable to the change in unrealized gains or losses related to assets still held at the reporting date

\$ (28,908)

5. ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those future periodic payments that are attributable under the Plan's provisions to the service participants have rendered by employees as of the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated participants or their beneficiaries, (b) beneficiaries of participants who have died, and (c) present participants or their beneficiaries.

The actuarial present value of accumulated plan benefits is determined by an independent actuary, William M. Mercer, Incorporated, and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements, such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The foregoing 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.

The actuarial present value of accumulated plan benefits as of July 1, 2010 and 2009, is as follows (in thousands):

	2010	2009
Vested benefits — other participants — total vested benefits	\$ 762	\$ 516
Nonvested benefits	<u>226</u>	<u>22</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 988</u>	<u>\$ 538</u>

The increase in actuarial present value of accumulated plan benefits during the years ended June 30, 2010 and 2009, resulted from the following (in thousands):

	2010	2009
Benefits accumulated	\$ 444	\$ 371
Increase for interest due to decrease in discount period	41	12
Benefits paid	(9)	
Plan amendment		(2)
Change in actuarial assumptions	<u>(26)</u>	<u>—</u>
Net increase	450	381
Beginning of year	<u>538</u>	<u>157</u>
End of year	<u>\$ 988</u>	<u>\$ 538</u>

The significant actuarial assumptions used in the valuations as of July 1, 2010 and 2009, were:

- Mortality: the Healthy Mortality — PPA Generational Table was used for 2010
- Mortality: the Healthy Mortality — PPA Generational Table was used for 2009
- Assumed participant turnover, retirement, and salary increases based on updated experience
- Investment rate of return of 7.75%

6. FUNDING POLICY

The employer makes contributions to the Plan, which are expected to be sufficient to provide the defined benefits of the Plan. Such contributions, as determined by actuaries, include provisions for normal costs as they accrue and unfunded prior service cost over a maximum of 30 years. Minimum funding requirements as set forth in ERISA have been met for the years ended June 30, 2010 and 2009.

7. PLAN TERMINATION

Although it has not expressed any intention to do so, Battelle has the right under the Plan to discontinue its contributions at any time and terminate the Plan subject to the provisions set forth in ERISA. Should the Plan be terminated at some future time, all participants become fully vested in benefits earned as of the termination date.

In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

- a. Benefits of any participant who retired three years or more prior to the date of termination or who could have retired as of such date (in the normal form of annuity) without in either case giving effect to any increase in benefits, which has been put into effect by a Plan amendment within five years prior to such date
- b. Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC) up to the applicable limitations discussed below
- c. All other vested benefits that are not insured by the PBGC
- d. All nonvested benefits

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. 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 condition of the Plan Sponsor and the level of benefits guaranteed by the PBGC.

8. EXEMPT PARTY-IN-INTEREST TRANSACTIONS

In 2010 and 2009, the shares of the money market funds held by the Master Trust were managed by Northern Trust. Northern Trust was the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest. In addition, certain Plan investments were held in companies that also serve as portfolio managers, and these transactions also qualify as party-in-interest. The Plan Sponsor was reimbursed for certain administrative expenses from the Plan.

9. FEDERAL INCOME TAX STATUS

The Internal Revenue Service (IRS) has determined and informed Battelle by a letter dated April 27, 2010, that the Plan and related Master Trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC).

10. SUBSEQUENT EVENTS

The Plan has performed an evaluation of subsequent events through April 11, 2011, which is the date the financial statements were available for issuance. There were no subsequent events noted.

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Schedule SB, Part V – Statement of actuarial assumptions/methods

Actuarial Assumptions

Discount rate elections¹	<u>Funding</u>
▪ 1st 5 years	5.31%
▪ Next 15 years	6.54%
▪ Over 20 years	6.73%
Mortality elections	
▪ Healthy participants	2009 PPA separate generational annuitant and nonannuitant mortality tables
▪ Pre-1995 disabilities	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
417(e) lump sums	
▪ Annuity substitution	N/A
▪ Generational mortality option	N/A
▪ Phase-in option	N/A
Other economic assumptions	
▪ Salary increases	Salary rates begin with 10.0% at age 20 and reduce by 0.2% until age 45 where the rate is then held constant at 5.0% to age 70. See table of sample rates
▪ Social Security wage base	3.50% per year
▪ Inflation	2.50% per year
▪ Expected investment return	7.75% per year for years 2007 through 2009
▪ Expenses	The prior year's administrative and investment expenses adjusted for expected events, rounded up to the next \$5,000. For 2009, \$45,000 added to current year normal cost.
▪ Accrual of Future Credited Service for Benefit Accrual	Hourly employees are assumed to accrue .35 of a year during each future plan year. Non-hourly full-time employees are assumed to accrue 1 year for each future year of employment. Non-hourly employees who are not full-time are assumed to accrue 1 year times their percent full-time for each future year of employment.

¹ Based on interest rate methodology elections described below.

Schedule SB, Part V – Statement of actuarial assumptions/methods *(continued)*

Demographic assumptions

Withdrawal Rates are based on length of service and age, based on Battelle's actual experience. See table of sample rates.

Disability incidence 1985 Pension Disability Table (Class 1) adjusted for Battelle experience (33% for males and 60% for females) See table of sample rates.

Retirement age

Attained age	Percentage	
	Male	Female
Under 55	0%	0%
55	5%	5%
56	5%	5%
57	5%	5%
58	5%	5%
59	5%	5%
60	7.5%	7.5%
61	10%	10%
62	15%	15%
63	20%	20%
64	30%	30%
65 – 69	50%	50%
70 and older	100%	100%

Benefit commencement age for

- Future and current vested deferred The first day of the month preceding, or coinciding with the participant's 65th birthday.

Spouse assumptions

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

Schedule SB, Part V – Statement of actuarial assumptions/methods *(continued)*

Form of payment	<u>Single life</u>	<u>100% J&S</u> <u>w/ 10 CC</u>	<u>75% J&S</u> <u>w/ 10 CC</u>
▪ Active retirements	42.5%	42.5%	15%
▪ Future vested deferred	42.5%	42.5%	15%
▪ Current vested deferred	42.5%	42.5%	15%
▪ Future disabilities	Future disabilities are assumed to be paid in the normal form of payment.		
▪ Future deaths	Future deaths are assumed to be paid in the form of a 100% Joint & Survivor.		
Changes since prior valuation	Interest discounts were updated from 2008 to 2009 in accordance with PPA and plan sponsor elections.		
	Administrative and investment expenses were added to normal cost, per the Worker, Retiree and Employer Recovery Act of 2008. (\$45,000)		
	Non-hourly employees who are not full-time are assumed to accrue 1 year times their percent full-time for each future year of employment. Previously, it was assumed they would accrue 1 year for each future year of employment.		

Schedule SB, Part V – Statement of actuarial assumptions/methods *(continued)*

Table of sample rates

Attained age	Percentage				
	Withdrawal - Unisex		Disability incidence		Salary
	Less than 4 Years of Service	More than 4 Years of Service	Male	Female	Increases
20	10.0%	9.5%	.01%	.02%	10.0%
25	10.0	9.5	.01	.03	9.0
30	10.0	9.0	.02	.05	8.0
35	10.0	7.3	.02	.08	7.0
40	10.0	5.9	.04	.13	6.0
45	10.0	5.0	.07	.19	5.0
50	10.0	4.8	.12	.32	5.0
55	10.0	5.2	.24	.57	5.0
60	10.0	5.6	.41	.70	5.0
65	10.0	0.0	.51	.81	5.0

Attained Age	Percentage								Disabled Mortality	
	Healthy Mortality- PPA Generational Table (Annuitant Illustrated)								RPA Post-1994 Disability Table	
	Male				Female				Male	Female
	2005	2010	2015	2020	2005	2010	2015	2020		
20	0.035%	0.035%	0.035%	0.035%	0.019%	0.019%	0.019%	0.019%	2.458%	0.965%
25	0.038	0.038	0.038	0.038	0.021	0.021	0.021	0.021	2.746	1.197
30	0.044	0.044	0.044	0.044	0.026	0.026	0.026	0.026	3.066	1.484
35	0.077	0.077	0.077	0.077	0.048	0.048	0.048	0.048	3.418	1.765
40	0.108	0.108	0.108	0.108	0.071	0.071	0.071	0.071	3.837	2.058
45	0.224	0.224	0.224	0.224	0.112	0.112	0.112	0.112	4.303	2.399
50	0.535	0.535	0.535	0.488	0.234	0.234	0.234	0.215	4.800	2.796
55	0.591	0.591	0.537	0.487	0.353	0.353	0.339	0.326	5.312	3.259
60	0.820	0.756	0.698	0.644	0.62	0.605	0.59	0.575	5.812	3.799
65	1.251	1.165	1.086	1.012	1.011	0.986	0.961	0.938	6.367	4.429
70	1.909	1.77	1.641	1.522	1.592	1.553	1.515	1.477	7.328	5.133
75	3.062	2.854	2.66	2.479	2.492	2.394	2.299	2.209	8.892	6.257
80	5.265	5.007	4.761	4.528	3.987	3.849	3.716	3.588	10.711	8.048
85	9.292	8.971	8.662	8.363	6.663	6.465	6.274	6.088	13.326	10.937
90	16.263	15.94	15.624	15.314	12.033	11.854	11.677	11.503	17.336	15.348
95	24.939	24.691	24.445	24.201	18.135	17.954	17.775	17.598	23.409	21.705
100	33.104	32.939	32.774	32.611	22.815	22.701	22.588	22.475	31.919	30.343

Schedule SB, Part V – Statement of actuarial assumptions/methods *(continued)*

Actuarial Methods

Asset methods – effective July 1, 2009

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

The asset valuation method is an annual average of the adjusted market value over the last 24 months preceding the valuation date as described in Revenue Notice 2009-22. There are three annual determination dates used in this method. 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 no 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.

Participant methods – effective July 1, 2008

We used the participant data supplied by the plan sponsor. We have reviewed the data and have no reason to doubt its substantial accuracy. Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** The plan sponsor provides us with data on all employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Insurance contracts:** The plan does not have any insurance contracts.
- **Disabled participants:** The liabilities for participants on long-term disability have been included with the liabilities for terminated vested participants. Participants who become disabled before retirement continue to earn credited service during their disability. We have valued these participants using the assumption that they will remain disabled until normal retirement.
- **Transferred participants:** The liabilities for employees who have transferred into another plan of the plan sponsor have been included with the liabilities for terminated vested participants.

Schedule SB, Part V – Statement of actuarial assumptions/methods *(continued)*

Benefits included or excluded – effective July 1, 2008

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

- **Plan amendments:** Amendments adopted after the valuation date or effective after the current plan year are excluded from the valuation.
- **Scheduled benefit increases:** Scheduled benefit increases effective after the end of the current plan year are excluded from minimum funding requirements.
- **Late retirement increases:**
 - *Active participants:* The plan provides benefit suspension notices to participants who work beyond normal retirement; therefore, late retirement actuarial increases only apply to participants who defer retirement beyond age 70 ½. This valuation does not currently include increases for current participants over age 70, as it was determined the effect of doing so would be minimal. This will be reevaluated on an annual basis.
 - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued including the late retirement actuarial increase.
- **Shutdown benefits:** We are not aware of any corporate actions that would create shutdown benefits; therefore, they are excluded.
- **IRC Section 415(b):** The limitations of Internal Revenue Code Section 415(b) have been incorporated into our calculations.
- **IRC Section 416:** 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 accruals.
- **Benefit restrictions:** Benefit restrictions (if applicable) are ignored in this valuation.

Plan sponsor elections – effective July 1, 2008

- **Mortality**
 - Generational annuitant and non-annuitant tables
- **Funding interest rate**
 - Segment rates
 - 4 look-back months
 - No phase-in
- **Valuation of lump sums based on IRC Section 417(e) assumptions**
 - Not applicable

Schedule SB, Part V – Statement of actuarial assumptions/methods *(continued)*

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:

- An individual's **accrued liability** 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 **normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the accrued liability and the normal cost for an individual are the sum of the component accrued liabilities and normal costs associated with the various anticipated separation dates.
- The plan provides disability benefits which are not based on service at disability. These benefits are attributed to service using the ratio of service on the valuation date to service at first eligibility.
- The plan's **target normal cost** is the sum of the individual normal costs, and the plan's **funding target** is the sum of the accrued liabilities for all participants under the plan.

Maximum suggested contribution method

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

A detailed description of the calculation follows:

- An individual's **projected accrued liability** 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 accrued liability for an individual is the sum of the component accrued liabilities associated with the various anticipated separation dates.
- The plan's **projected accrued liability** is the sum of the projected accrued liabilities for all participants under the plan. The excess of the plan's projected accrued liability over the plan's funding target is included in the "cushion amount."

Schedule SB, Part V – Statement of actuarial assumptions/methods *(continued)*

Method changes since prior valuation

Beginning with the 2009 valuation, the asset method was changed to account for expected earnings as allowed under Revenue Notice 2009-22.

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: July 1, 2007
Most recent amendment	July 1, 2009
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	Any Employee who is employed by a Participating Employer and who is not classified as one or more of the following: (1) a member of the Board of Directors unless such member is also an Employee; (2) an Employee who is covered by a collective bargaining agreement unless such agreement provides for participation in the Plan; (3) an individual employed outside the United States by a foreign-based subsidiary or division of the Employer; (4) an employee of the Pacific Northwest Laboratories of Battelle Memorial Institute; (5) an employee of Battelle Memorial Institute; (6) an Employee who is covered by any other qualified defined benefit pension plan funded by Employer; (7) an employee of any BNBI Affiliate that has not adopted this Plan for its employees; (8) a Leased Employee; (9) an independent contractor; and (10) an individual employed as a telephone interviewer or research intern.
▪ Participation	Participation commences on the date of employment for employees other than hourly employees. Hourly employees participate after completing 1,000 hours of service.
▪ Employee contributions	None.
▪ Credited Service for Vesting	A participant receives one year of Credited Service for Vesting for every plan year he is credited with at least 1,000 hours of service or a fraction of a year if credited with at least 500 hours of service.

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

▪ Credited Service for Benefit Accrual	A participant receives one year of Credited Service for Benefit Accrual for every plan year he is credited with at least 2,080 hours, or a fraction of a year if credited with less than 2,080 hours. Note that hourly employees must complete a minimum of 1,000 hours of service to receive any credit.
▪ Monthly compensation	Monthly equivalent of compensation as if the employee worked full-time. Effective 7/1/2001, incentive compensation and overtime are counted as plan compensation. However, compensation is limited to \$245,000 annually (indexed for future years).
▪ Final average earnings	The average of the highest 60 consecutive months of compensation.
▪ Accrued benefit	The normal retirement benefit based on Credited Service for Benefit Accrual and Final Average Compensation on the date of determination.
Normal retirement	
▪ Eligibility	Attainment of age 65.
▪ Benefit	Larger of: i) For service after June 30, 1979 - 1.2% of Final Average Compensation plus .45% of Final Average Compensation in excess of Social Security Covered Compensation per year of Credited Service for Benefit Accrual (maximum 35). For service before July 1, 1979 - 1-1/2% of Final Average Compensation per year of Credited Service for Benefit Accrual. No participant's accrued benefit shall be less than his accrued benefit under the provisions of the prior plan on July 1, 1990, for most participants and July 1, 1989, for certain highly compensated participants; and, ii) Accrued Retirement Benefit as of June 30, 1994, plus 1.2% of Final Average Compensation plus .45% of Final Average Compensation in excess of Social Security Covered Compensation per year of Credited Service for Benefit Accrual after June 30, 1994 (total Credited Service for Benefit Accrual after July 1, 1979 may not exceed 35).

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

Early retirement	
▪ Eligibility	The later of attainment of age 50 and the completion of 5 years of Credited Service for Vesting.
▪ Benefit	Benefit Attributable to Credited Service for Benefit Accrual earned prior to July 1, 2009 Normal retirement benefit, reduced as follows: 10 or more years of Credited Service for Vesting - No reduction after age 62; 6-2/3% per year reduction from 62 to 55; actuarial equivalent reduction prior to 55. Less than 10 years of Credited Service for Vesting - 6-2/3% reduction for each of the first 5 years prior to age 65; 3-1/3% for each of the next 5 years; actuarial equivalent thereafter.
▪ Benefit	Benefit Attributable to Credited Service for Benefit Accrual earned after July 1, 2009 Normal retirement benefit, actuarially reduced based on the 1984 Unisex Pension Mortality Table (set back three years for a Spouse, or Registered Domestic Partner, if applicable) and 7% interest compounded annually.
Late retirement	
▪ Eligibility	Actual retirement after age 65.
▪ Benefit	The benefit reflects Credited Service for Benefit Accrual and Monthly Compensation earned after age 65.
Deferred vested	
▪ Eligibility	<u>Employed on or before April 1, 2008:</u> Immediate Vesting <u>Employed after April 1, 2008:</u> 100% after 5 years of Credited Service for Vesting; no vesting prior to 5 years. Participant is 100% vested on normal retirement date.
▪ Benefit	Accrued Retirement Benefit payable at age 65 or payable at or after age 55 and reduced for each month benefit commencement date precedes age 65.

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

Disability	
▪ Eligibility	For salaried participants, total and permanent disability as defined in the plan.
▪ Benefit	A monthly annuity equal to the regular retirement benefit calculated with Compensation and Credited Service for Benefit Accrual to benefit commencement date as if the participant were employed on the same basis immediately before disablement. This benefit will be reduced for early retirement if applicable.
Pre-retirement death	
▪ Eligibility	Eligible if employee has a vested benefit.
▪ Benefit prior to early retirement	For death after vesting but prior to early retirement eligibility the benefit is equal to a 100% joint and survivor annuity payable when the participant would have reached age 50 (benefits are payable for 120 months if there is no surviving spouse).
▪ Benefit after early retirement eligible	For death after early retirement eligibility the benefit is calculated as if the participant retired the day before death and elected a 100% joint and survivor annuity (benefits are payable for 120 months if there is no surviving spouse).
Form of benefits	
▪ Automatic form for unmarried participants	Benefits attributable for Credited Service for Benefit Accrual earned prior to July 1, 2009 – ▪ Life annuity with 10 years of benefits certain to be paid. Benefits attributable for Credited Service for Benefit Accrual earned after to July 1, 2009 – ▪ Life annuity
▪ Automatic form for married participants	100% Joint & Survivor Annuity
▪ Optional forms	50%, 75%, or 100% joint and survivor annuity, life annuity with 5 or 10 years of payments certain to be made. Additional options include a guaranteed number of payments of any duration with or without a life annuity.

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

▪ Optional form conversion factors	Optional forms of benefit, other than the lump sum, are determined using the 1984 Unisex Pension Mortality Table (set back three years for a Spouse, or Registered Domestic Partner, if applicable) and 7% interest compounded annually.
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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 2009, the limit is \$245,000.
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▪ Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415(b). This limit is indexed annually. For 2009, the limit is \$195,000.
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▪ Benefits not included in valuation	None.
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▪ Changes since the prior valuation	Maximum compensation and maximum benefits were updated from 2008 to 2009.
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A plan amendment was implemented effective July 1, 2009 which updated the following for a Member's Accrued Benefit attributable to Credited Service for Benefit Accrual earned after July 1, 2009:

- Early retirement reductions were changed to be based on the 1984 Unisex Pension Mortality Table (set back three years for a Spouse, or Registered Domestic Partner, if applicable) and 7% interest compounded annually.
 - The normal form of payment was changed from a Life Annuity with 10 years certain to a Single Life Annuity.
-