

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2010</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2010 or fiscal plan year beginning <u>10/01/2010</u> and ending <u>09/30/2011</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>ASHLAND HERCULES PENSION PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1913</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>01/01/1913</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>01/01/1913</u>					
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>ASHLAND INC</u> <u>P O BOX 14000</u> <u>LEXINGTON, KY 40512</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>20-0865835</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>859-357-7777</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>424600</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>20-0865835</u>	2c Sponsor's telephone number <u>859-357-7777</u>	2d Business code (see instructions) <u>424600</u>	
2b Employer Identification Number (EIN) <u>20-0865835</u>					
2c Sponsor's telephone number <u>859-357-7777</u>					
2d Business code (see instructions) <u>424600</u>					
<u>3499 BLAZER PARKWAY</u> <u>LEXINGTON, KY 40509</u>					

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	<u>07/16/2012</u>	<u>JOSEPH LAKE</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") ASHLAND INC P O BOX 14000 LEXINGTON, KY 40512	3b Administrator's EIN 20-0865835 3c Administrator's telephone number 859-357-7777
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	56876
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	5852
b Retired or separated participants receiving benefits.....	6b	20766
c Other retired or separated participants entitled to future benefits.....	6c	25168
d Subtotal. Add lines 6a , 6b , and 6c	6d	51786
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	3827
f Total. Add lines 6d and 6e	6f	55613
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 1A 1G 3H

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

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

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

b General Schedules

- (1) ☒ **H** (Financial Information)
 (2) ☐ **I** (Financial Information – Small Plan)
 (3) ☐ **A** (Insurance Information)
 (4) ☒ **C** (Service Provider Information)
 (5) ☒ **D** (DFE/Participating Plan Information)
 (6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2010 This Form is Open to Public Inspection
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For calendar plan year 2010 or fiscal plan year beginning 10/01/2010 and ending 09/30/2011

▶ **Round off amounts to nearest dollar.**

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

A Name of plan <u>ASHLAND HERCULES PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>ASHLAND INC</u>	D Employer Identification Number (EIN) <u>20-0865835</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1	Enter the valuation date: Month <u>10</u> Day <u>01</u> Year <u>2010</u>
2	Assets:
a	Market value 2a <u>2466662682</u>
b	Actuarial value 2b <u>2370977531</u>
3	Funding target/participant count breakdown
	(1) Number of participants (2) Funding Target
a	For retired participants and beneficiaries receiving payment 3a <u>24102</u> <u>1545183974</u>
b	For terminated vested participants 3b <u>24910</u> <u>595009870</u>
c	For active participants:
(1)	Non-vested benefits 3c(1) <u>46480478</u>
(2)	Vested benefits 3c(2) <u>521499722</u>
(3)	Total active 3c(3) <u>7864</u> <u>567980200</u>
d	Total 3d <u>56876</u> <u>2708174044</u>
4	If the plan is at-risk, check the box and complete items (a) and (b) ☐
a	Funding target disregarding prescribed at-risk assumptions 4a
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor 4b
5	Effective interest rate 5 <u>6.42</u> %
6	Target normal cost 6 <u>26933184</u>

Statement by Enrolled Actuary

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

SIGN HERE	<u>07/11/2012</u>
Signature of actuary	Date
<u>GARY D. DICKSON</u>	<u>11-03764</u>
Type or print name of actuary	Most recent enrollment number
<u>MERCER</u>	<u>513-632-2600</u>
Firm name	Telephone number (including area code)
<u>525 VINE STREET</u> <u>SUITE 1600</u> <u>CINCINNATI, OH 45202-3124</u>	
Address of the firm	

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

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

Schedule SB (Form 5500) 2010
v.092308.1

Part II	Beginning of year carryover and prefunding balances	(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	334789530	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	1981480	0
9	Amount remaining (Item 7 minus item 8).....	332808050	0
10	Interest on item 9 using prior year's actual return of <u>12.78</u> %	42532869	0
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		0
b	Interest on (a) using prior year's effective rate of <u>6.82</u> %		0
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance.....		0
12	Reduction in balances due to elections or deemed elections.....	170902625	
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	204438294	0

Part III	Funding percentages		
14	Funding target attainment percentage.....	14	80.00 %
15	Adjusted funding target attainment percentage.....	15	80.00 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	93.06 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV	Contributions and liquidity shortfalls				
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
06/15/2012	40800000	0			
Totals ▶			18(b)	40800000	18(c)

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contribution from prior years.....	19a 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 36693381
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No	
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No	
c If 20a is "Yes," see instructions and complete the following table as applicable:	
Liquidity shortfall as of end of Quarter of this plan year	
(1) 1st	(2) 2nd
0	0
(3) 3rd	(4) 4th
0	0

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

21 Discount rate:				
a Segment rates:	1st segment: 4.16 %	2nd segment: 6.52 %	3rd segment: 6.68 %	☐ N/A, full yield curve used
b Applicable month (enter code)	21b			4
22 Weighted average retirement age	22			62
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

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

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	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	26933184
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	433307845	81909168
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33)	34	108842352
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	108842352	108842352
36 Additional cash requirement (item 34 minus item 35).....	36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	36693381
38 Interest-adjusted excess contributions for current year (see instructions).....	38	36693381
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
		2010
		This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning **10/01/2010** and ending **09/30/2011**

A Name of plan ASHLAND HERCULES PENSION PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 ASHLAND INC	D Employer Identification Number (EIN) 20-0865835	

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	
AURELIUS CAPITAL MANAGEMENT, LP	535 MADISON AVENUE 22ND FLOOR NEW YORK, NY 10022

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation	
BREVAN HOWARD CAPITAL MANAGEMENT LP	4TH FLOOR ONE ESPLANDE ST HELIER JERSEY, CHANNEL ISLANDS JE23QA UK

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
BLUECREST CAPITAL MANAGEMENT LLP	
98-0607511	

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
BRIDGEWATER ASSOCIATES LP	ONE GLENDINNING PLACE WESTPORT, CT 06880

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

BROOKSIDE CAPITAL LLC

111 HUNTINGTON AVENUE
BOSTON, MA 02199

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

BNY MELLON

25-6078093

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

DAVIDSON KEMPNER ADVISORS INC.

13-3594751

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

DEUTSCHE ASSET MGMT UK LIMITED

ONE APPOLD STREET
LONDON EC2A2UU UK

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

ETON PARK ASSOCIATES LP

04-3796209

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

ETON PARK CAPITAL MANAGEMENT LP

11-3719116

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

FIR TREE INC.

13-3745261

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

FIR TREE LLC

20-2556936

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

GRAMERCY LLC

20 DAYTON AVENUE
GREENWICH, CT 06830

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

HEALTHCOR MANAGEMENT LP

CARNEGIE HALL TOWER
152 WEST 57TH STREET
NEW YORK, NY 10019

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

HIGHBRIDGE CAPITAL MANAGEMENT LLC

20-1901985

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

INDUS CAPITAL PARTNERS LLC

152 W 57TH STREET
28TH FLOOR
NEW YORK, NY 10019

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

IVORY INVESTMENTS MANAGEMENT LP

51-0446153

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

MARSHALL WACE NORTH AMERICA LP

47-0943020

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

MASON CAPITAL MANAGEMENT

110 EAST 59TH STREET
30TH FLOOR
NEW YORK, NY 10022

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

OCH ZIFF CAPITAL MANAGEMENT GROUP

9 WEST 57TH STREET
39TH FLOOR
NEW YORK, NY 10019

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

OMEGA ADVISORS INC.

13-3628307

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

OWL CREEK ASSET MANAGEMENT LP

13-4177075

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

PARTNER FUND MANAGEMENT LP

ONE MARKET STREET
SUITE 2200 STEUART TOWER
SAN FRANCISCO, CA 94105

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

REGIMENT CAPITAL MANAGEMENT LLC

222 BERKELEY ST
FLOOR 12
BOSTON, MA 02116

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

SAMLYN CAPITAL LLC

20-5854094

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

SELIGMAN INVESTMENTS

100 PARK AVENUE
7TH FLOOR
NEW YORK, NY 10017

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

SILVER CREEK LOW VOL STRATEGIES

98-0476270

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

STEADFAST FINANCIAL

03-0481537

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

TACONIC CAPITAL ADVISORS, LP

20-5826144

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

UBS O'CONNOR LLC

06-1569842

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

WOODBINE CAPITAL ADVISORS LP

499 PARK AVENUE
NEW YORK, NY 10022

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

WOODBINE CAPITAL LLC

499 PARK AVENUE
NEW YORK, NY 10022

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

BASSO CAPITAL MANAGEMENT LP

20-0406508

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

LUXOR

98-0640174

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

DAVIDSON KEMPNER CAPITAL MANAGEMENT

13-4021240

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

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)

PACIFIC INVESTMENT MANAGEMENT

33-0629048

(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?
28	INVESTMENT MANAGEMENT	1699095	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

WESTERN ASSET MANAGEMENT

95-2705767

(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?
28	INVESTMENT MANAGEMENT	752830	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

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

BANK OF NEW YORK MELLON

13-5160382

(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?
18 99	CUSTODIAL	578344	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

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

NISA INVESTMENT ADVISORS

48-1140940

(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?
28	INVESTMENT MANAGEMENT	450217	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

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

MERCER HR CONSULTING

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	ACTUARIAL	448080	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

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

ALBOURNE AMERICA

91-2164625

(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?
65	CONSULTANT	433333	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

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

JOHNSON INTERNATIONAL

13-3257590

(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?
28	INVESTMENT MANAGEMENT	347676	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

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

STANDISH

25-1890416

(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?
28	INVESTMENT MANAGEMENT	338382	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

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

ACS HR SOLUTIONS

20-2185976

(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?
65	SERVICE PROVIDER	294586	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

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

BLACKROCK INSTITUTIONAL TRUST CO

24-3112180

(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?
28 34 50 51	INVESTMENT MANAGEMENT	308910	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

BARCLAYS GLOBAL INVESTORS

94-3127830

(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?
28	INVESTMENT MANAGEMENT	338382	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

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

MELLON CAPITAL MANAGEMENT CORP

25-1442864

(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?
28	213295		Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

PORTFOLIO ADVISORS

06-1487853

(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?
28	INVESTMENT MANAGEMENT	175000	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

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

BLUE & COMPANY LLC

35-1178661

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	AUDIT	47900	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

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

BLOOMBERG FINANCE LP

06-1818168

(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?
65	SERVICE PROVIDER	44038	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

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

METLIFE

13-5581829

(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?
28	INVESTMENT MANAGEMENT	1705	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

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

ASHLAND INC.

20-0865835

(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?
65	SERVICE PROVIDER	242642	Yes ☐ No ☒	Yes ☐ No ☒	0	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
BLACKROCK INSTITUTIONAL TRUST COMP	35 36	93

(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.
ASHLAND INC. MASTER PENSION TRUST 20-0865835	NON-MONETARY COMPENSATION SUCH AS MEALS, GIFTS AND/OR ENTERTAINMENT.

(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)
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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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2010 This Form is Open to Public Inspection.
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For calendar plan year 2010 or fiscal plan year beginning 10/01/2010 and ending 09/30/2011

A Name of plan <u>ASHLAND HERCULES PENSION PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>ASHLAND INC</u>	D Employer Identification Number (EIN) <u>20-0865835</u>	

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: ASHLAND INC. MASTER PENSION TRUST

b Name of sponsor of entity listed in (a): ASHLAND INC.

c EIN-PN <u>20-0865835-103</u>	d Entity code <u>M</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>2404019918</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

b Name of sponsor of entity listed in (a):

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

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
-----------------	----------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

b Name of sponsor of entity listed in (a):

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

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:**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
		2010
		This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 10/01/2010 and ending 09/30/2011		
A Name of plan ASHLAND HERCULES PENSION PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 ASHLAND INC	D Employer Identification Number (EIN) 20-0865835	

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

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		40800000
(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)	2466662682	2404019918
(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	2466662682	2444819918

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		

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	2466662682	2444819918
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	40800000	
(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)		40800000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		112615620
(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		153415620

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	177412312	
(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)		177412312
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)	27753	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	3596359	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		3624112
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		181036424

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-27620804
l Transfers of assets:			
(1) To this plan.....	2l(1)		5778040
(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: BLUE & CO., LLC

(2) EIN: 35-1178661

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		15000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

- 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)
ASHLAND INC LEVERAGED EMPLOYEE STOCK OWNERSHIP PLAN	20-0265835	101



Blue & Co., LLC / 301 East Main Street, Suite 1100 / Lexington, KY 40507
main 859.253.1100 fax 859.253.1384 email blue@blueandco.com

REPORT OF INDEPENDENT AUDITORS

Plan Administrator
Ashland Hercules Pension Plan

We were engaged to audit the accompanying financial statements of the Ashland Hercules Pension Plan (the Plan) as of September 30, 2011 and 2010, and for the years ended September 30, 2011 and 2010 as listed in the accompanying table of contents. These financial statements are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by The Bank of New York Mellon, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended September 30, 2011 and 2010, that the information provided to the plan administrator by the trustee is complete and accurate.

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

Blue & Co., LLC

July 12, 2012

Schedule SB, Line 24 — Change in Actuarial Assumptions

- The sponsor changed their interest rate election from full yield curve with a 4 month look-back to segment rates with a 4 month look-back.
- Mortality table was updated from 2009 PPA separate static annuitant/nonannuitant tables to the 2010 PPA tables.
- LESOP share price updated from September 30, 2009 market price of \$43.22 to September 30, 2010 market price of \$48.77.
- The target normal cost expense load changed from \$4,000,000 to the prior year administrative expense of \$4,935,799.

Schedule SB, Line 32 — Schedule of Amortization Bases

The total shortfall amortization charge is the sum of the individual shortfall amortization installment for each plan year covered under PPA. Although an individual shortfall amortization installment can be negative, the combined shortfall amortization charge cannot be less than \$0.

Charge	Amortization period		Balances		Beginning of year payment
	Date created	Years left	Initial	Outstanding	
Shortfall Loss	10/01/2008	5	\$ 148,323,025	\$ 114,520,475	\$ 24,808,118
Shortfall Loss	10/01/2009	6	225,970,167	199,373,156	37,297,731
Shortfall Loss	10/01/2010	7	119,414,214	119,414,214	19,803,319
Total				\$ 433,307,845	\$ 81,909,168

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

Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

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

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

OMB No. 1210-0110

2010**This Form Is Open to Public
Inspection**For calendar plan year 2010 or fiscal plan year beginning 10/01/2010 and ending 09/30/2011▶ **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

The Ashland Hercules Pension Plan

B Three-digit
plan number (PN) ▶

102

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF

Ashland Inc.

D Employer Identification Number (EIN)

20-0865835

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 10 Day 1 Year 2010**2** Assets:

	2a	
a Market value.....		2,466,662,682
b Actuarial value.....		2,370,977,531

3 Funding target/participant count breakdown

	3a	(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	24,102		1,545,183,974
b For terminated vested participants	24,910		595,009,870
c For active participants:			
(1) Non-vested benefits.....	3c(1)		46,480,478
(2) Vested benefits.....	3c(2)		521,499,722
(3) Total active	3c(3)	7,864	567,980,200
d Total.....	3d	56,876	2,708,174,044

4 If the plan is at-risk, check the box and complete items (a) and (b) ☐

a Funding target disregarding prescribed at-risk assumptions	4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b	

5 Effective interest rate..... **5** 6.42 %**6** Target normal cost..... **6** 26,933,184**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***Gary D. Dickson*

Signature of actuary

7-11-12

Date

Gary D. Dickson

11-03764

Type or print name of actuary

Most recent enrollment number

Mercer

(513) 632-2600

525 Vine Street

Firm name

Telephone number (including area code)

Suite 1600

Cincinnati

OH 45202-3124

Address of the firm

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

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

Schedule SB (Form 5500) 2010
v.092308.1

Part II Beginning of year carryover and prefunding balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	334,789,530	0
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	1,981,480	0
9 Amount remaining (Item 7 minus item 8).....	332,808,050	0
10 Interest on item 9 using prior year's actual return of <u>12.78</u> %	42,532,869	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		0
b Interest on (a) using prior year's effective rate of <u>6.82</u> %		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance.....		0
12 Reduction in balances due to elections or deemed elections.....	170,902,625	0
13 Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	204,438,294	0

Part III Funding percentages

14 Funding target attainment percentage.....	14	80.00 %
15 Adjusted funding target attainment percentage.....	15	80.00 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	93.06 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and liquidity shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
06/15/2012	40,800,000	0			
Totals ▶			18(b)	40,800,000	18(c) 0

19 Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contribution from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	36,693,381

20 Quarterly contributions and liquidity shortfalls:

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

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost**21** Discount rate:**a** Segment rates:1st segment:
4.16 %2nd segment:
6.52 %3rd segment:
6.68 %☐ N/A, full yield curve used**b** Applicable month (enter code).....**21b**

4

22 Weighted average retirement age**22**

62

23 Mortality table(s) (see instructions) ☐ Prescribed - combined☒ Prescribed - separate☐ Substitute**Part VI Miscellaneous items****24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.☒ Yes ☐ No**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.☐ Yes ☒ No**26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....☒ Yes ☐ No**27** If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....**27****Part VII Reconciliation of unpaid minimum required contributions for prior years****28** Unpaid minimum required contribution for all prior years**28**

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**

26,933,184

32 Amortization installments:

Outstanding Balance

Installment

a Net shortfall amortization installment

433,307,845

81,909,168

b Waiver amortization installment

0

0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount**33****34** Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33).....**34**

108,842,352

Carryover balance

Prefunding balance

Total balance

35 Balances used to offset funding requirement

108,842,352

0

108,842,352

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

0

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

36,693,381

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

36,693,381

39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....**39**

0

40 Unpaid minimum required contribution for all years**40**

0

Schedule SB, Part V — Summary of Plan Provisions**Benefits included or excluded**

Unless noted below, all benefits provided by the plan, as restated and amended through Amendment #9, are included in this valuation.

- **Most recent plan amendments included:** Amendment #9 is included because it was adopted by the valuation date and is effective by the end of the plan year.
- **Plan amendments excluded:** None
- **IRC Section 436 benefit restrictions:**
 - *Unpredictable contingent event benefits:* This valuation excludes restricted contingent event benefits that occurred before the valuation date but includes contingent event benefits which are expected to occur on or after the valuation date regardless of anticipated funding-based limitations.
 - *Plan amendments:* See above.
 - *Prohibited payments:* Limitations on prohibited benefits (if any) are reflected for annuity starting dates before the valuation date but are ignored for annuity starting dates on or after the valuation date.
 - *Benefit accruals:* The plan's funding target does not reflect any limitation on benefit accruals. The target normal cost does not reflect any limitation on benefit accruals.
- **Scheduled benefit increases:** Scheduled benefit increases effective after the end of the current plan year are excluded from minimum funding requirements.
- **Unpredictable contingent event benefits:** The plan does not have any unpredictable contingent event benefits.
- **IRC Section 415(b) benefit limitations:** The limitations of Internal Revenue Code Section 415(b) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60 percent of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.

Schedule SB, Part V — Summary of Plan Provisions**Summary of major plan provisions****Affiliates Members**

Effective date and plan year	Original plan: March 1, 1951 Restated plan: July 1, 2003
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. Effective January 1, 2011 no new entrants are allowed into the plan.
Significant events that occurred during the year	None

Definitions

▪ Participation	One year of service and age 21. Effective January 1, 2011 no new entrants are allowed into the plan.
▪ Employee contributions	None
▪ Employer contributions	Entire cost of the Plan
▪ Credited service	Continuous service from most recent date of hire
▪ Final average compensation	Average of highest 3 years earnings during last 10 years of service, limited as required by the Tax Reform Act of 1986. Effective January 1, 2011, the final average compensation began transitioning from a 3-year average to a 4-year average, and effective January 1, 2016, the final average compensation begins transitioning from a 4-year average to a 5-year average for grandfathered annuity participants.

Schedule SB, Part V — Summary of Plan Provisions

Normal retirement

- | | |
|---------------|---|
| ▪ Eligibility | Age 65 |
| ▪ Benefit | <p>For members with 10 or more years of service on July 1, 2003 (referred to as Annuity Participants):</p> <p>Greatest of (a) and (b) offset by annuity purchased as of October 1, 1986 and the benefit attributable to 50% of the LESOP balance</p> <p>a.</p> <ul style="list-style-type: none">i. Prior to 4/1/1976 – Benefit accrued to 3/31/1976 in accordance with terms of plan in effect on that dateii. Beginning 4/1/1976 through 9/30/1989 - 1.50% of annual compensation under \$12,000 plus 2.25% of annual compensation over \$12,000.iii. Beginning 10/1/1989 – no further accruals under this formula. <p>b. 1.08% of final 3-year average compensation up to \$10,700 plus 1.50% of such average compensation in excess of \$10,700 multiplied by years of credited service (maximum of 35).</p> |

Schedule SB, Part V — Summary of Plan Provisions

For members with less than 10 years of service on July 1, 2003 (referred to as RGA Participants), cash balance benefit formula defined as follows:

- a. Opening Balance – Present value of accrued benefit as of 6/30/2003 (present value based on 5.5% interest and GATT 2003 mortality)
- b. Interest Credits – Average of United States Treasury Constant Maturity Rates for August preceding the beginning of the plan year plus 1%
- c. Contribution Credits – As determined from the following table:

Age + Continuous Service at End of Plan Year	Contribution Credit
Less than 30	3%
30 – 39	4%
40 – 49	5%
50 – 59	6%
60 – 69	7%
70 – 79	9%
80 or more	11%

- d. Additional transition credits for those age 45 or older on 6/30/2003 in accordance with the following table:

Age on June 30, 2003	Transition Credit Percentage
45 to 49	3%
50 to 54	4%
55 and Over	5%

Effective January, 2011, both contribution credits and transition credits are frozen, and only interest credits continue to accrue on cash balance accounts going forward for RGA participants.

Early retirement

- Eligibility
 - Eligible for early retirement if either:
 - a. Age 55 or
 - b. Age plus years of vesting service equal to 80 or more
-

Schedule SB, Part V — Summary of Plan Provisions▪ **Benefit**

Annuity Participants receive a percentage of their accrued benefit as specified in the following table:

Retirement age	Percentage of accrued benefit
50	46%
51	51%
52	56%
53	62%
54	68%
55	75%
56	80%
57	84%
58	88%
59	91%
60	94%
61	97%
62 or older	100%

RGA Participants receive an early retirement benefit equal to the value of their RGA account less any LESOP offset.

Deferred retirement benefit▪ **Benefit**

Participants working past their Normal Retirement Date shall continue to accrue benefits up to their actual date of retirement.

Deferred vested▪ **Eligibility**

Five or more years of vesting service

▪ **Benefit**

100% vested

Disability▪ **Eligibility**

Total and permanent disability

▪ **Benefit**

Benefits continue to accrue until Normal Retirement Date. Future service benefits after disability will accrue based on the member's compensation rate on October 1 of the year prior to his disability.

Schedule SB, Part V — Summary of Plan Provisions**Pre-retirement death**

- | | |
|---|--|
| <ul style="list-style-type: none"> ▪ Benefit | <p><u>Annuity Participants</u> – A member is eligible if vested and survived by a spouse. His spouse will receive a survivor annuity equal to 50% of the pension the Member would have received had he retired under the qualified Joint and Survivor option on his date of death.</p> <p><u>RGA Participants</u> – Value of RGA account reduced by any LESOP offset</p> |
|---|--|

Post-retirement death

- | | |
|---|--|
| <ul style="list-style-type: none"> ▪ Benefit | In accordance with annuity form elected by Member. |
|---|--|

Form of benefits

- | | |
|---|---|
| <ul style="list-style-type: none"> ▪ Automatic form for unmarried participants | Joint and 50% Survivor annuity in amount actuarially equivalent to single life annuity. |
| <ul style="list-style-type: none"> ▪ Automatic form for married participants | Life annuity |
| <ul style="list-style-type: none"> ▪ Optional forms | 50%, 66-2/3% and 100% contingent annuities, life with 10 years guaranteed, and single life annuity with no guarantee. A lump sum option is also available for RGA participants. |

Miscellaneous

- | | |
|--|--|
| <ul style="list-style-type: none"> ▪ Maximum compensation | Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2010, the limit is \$245,000. |
| <ul style="list-style-type: none"> ▪ Maximum benefits | Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2010, the limit is \$195,000. |

Schedule SB, Part V — Summary of Plan Provisions

Affiliates member plan provision changes since prior valuation

- Effective January 1, 2011, the final average compensation began transitioning from a 3-year average to a 4-year average, and effective January 1, 2016, the final average compensation begins transitioning from a 4-year average to a 5-year average for grandfathered annuity participants.
- Effective January, 2011, both contribution credits and transition credits are frozen, and only interest credits continue to accrue on cash balance accounts going forward for RGA participants.
- Maximum compensation and maximum benefits were updated from 2009 to 2010.

Schedule SB, Part V — Summary of Plan Provisions**Hercules Members****Represented Employees of Heritage Hercules**

Effective date and plan year	Original plan: 1913 Restated plan: January 1, 2005
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

▪ Participation	All regular full-time represented employees.
▪ Employee contributions	None
▪ Credited service	Continuous service from most recent date of hire.
▪ Pensionable earnings	Salary and wages including overtime, holidays, vacations, commissions and non-occupational and temporary occupational disability benefits.
▪ Final average earnings	Average of highest five years' earnings during the last ten years of service, limited as required by the Tax Reform Act of 1986.
▪ Social security earnings base	Twelve times the 35-year average monthly compensation used under the Social Security Act to calculate a maximum unreduced primary Social Security benefit in the calendar year prior to the year in which retirement or termination occurs.
▪ Normal retirement date	First of the month following attainment of age 65.

Schedule SB, Part V — Summary of Plan Provisions**Normal retirement**

- | | |
|---------------|--------|
| ▪ Eligibility | Age 65 |
|---------------|--------|
-
- | | |
|-----------|--|
| ▪ Benefit | <p>a. Except as noted below: 1.15% of final average earnings up to the Social Security earnings base plus 1.35% of final average earnings in excess of such base multiplied by years of service.</p> <p>b. Bacchus wage employees:</p> <ul style="list-style-type: none"> – From October 1, 1997 — \$33.75 per month for each year of service. – At no time shall the benefit be less than the benefit as described in (i) above, with earnings frozen as of October 31, 1986 <p>c. McGregor wage employees:</p> <ul style="list-style-type: none"> – From September 15, 1994 — \$23.00 per month for each year of service. – At no time shall the benefit be less than the benefit as described in (i) above, with both earnings and service frozen as of July 31, 1989. – McGregor employees age 55 and older as of July 1, 1989 will receive the benefit as described in (i) above. <p>d. Hattiesburg, Jefferson, MCW, Gibbstown, Savannah, Parlin Powerhouse, and Milwaukee employees:</p> <ul style="list-style-type: none"> – The benefits available to non-represented participants covered by this plan. All employees who were represented participants in this plan on the effective date maintain rights to the benefits determined in accordance with their representation immediately preceding the effective date. |
|-----------|--|

Location	Effective Date
Hattiesburg	January 1, 1995
Jefferson	January 1, 1995
MCW	July 1, 1996
Gibbstown	October 1, 1996
Savannah	July 1, 1998
Parlin Powerhouse	July 1, 1998
Milwaukee	November 11, 2000

Schedule SB, Part V — Summary of Plan Provisions**Early retirement**

- | <ul style="list-style-type: none"> ▪ Eligibility | <ul style="list-style-type: none"> a. <u>Unreduced Benefits</u>: Eligibility for unreduced early retirement is as follows: <table border="1" style="margin-left: 40px; border-collapse: collapse; width: 100%;"> <thead> <tr> <th style="text-align: center;">Age</th> <th style="text-align: center;">Service</th> </tr> </thead> <tbody> <tr><td style="text-align: center;">55</td><td style="text-align: center;">35</td></tr> <tr><td style="text-align: center;">56</td><td style="text-align: center;">32</td></tr> <tr><td style="text-align: center;">57</td><td style="text-align: center;">29</td></tr> <tr><td style="text-align: center;">58</td><td style="text-align: center;">26</td></tr> <tr><td style="text-align: center;">59</td><td style="text-align: center;">23</td></tr> <tr><td style="text-align: center;">60</td><td style="text-align: center;">20</td></tr> <tr><td style="text-align: center;">61</td><td style="text-align: center;">18</td></tr> <tr><td style="text-align: center;">62</td><td style="text-align: center;">16</td></tr> <tr><td style="text-align: center;">63</td><td style="text-align: center;">14</td></tr> <tr><td style="text-align: center;">64</td><td style="text-align: center;">12</td></tr> </tbody> </table> b. <u>Reduced Benefits</u>: Eligibility for reduced early retirement benefits is age 50 and 10 years of service (except in cases of dishonesty, misconduct, etc.). | Age | Service | 55 | 35 | 56 | 32 | 57 | 29 | 58 | 26 | 59 | 23 | 60 | 20 | 61 | 18 | 62 | 16 | 63 | 14 | 64 | 12 |
|---|--|----------|----------------|-----|-------------|----------|-------------|--------|--------------|----|----|----|----|----|----|----|----|----|----|----|----|----|----|
| Age | Service | | | | | | | | | | | | | | | | | | | | | | |
| 55 | 35 | | | | | | | | | | | | | | | | | | | | | | |
| 56 | 32 | | | | | | | | | | | | | | | | | | | | | | |
| 57 | 29 | | | | | | | | | | | | | | | | | | | | | | |
| 58 | 26 | | | | | | | | | | | | | | | | | | | | | | |
| 59 | 23 | | | | | | | | | | | | | | | | | | | | | | |
| 60 | 20 | | | | | | | | | | | | | | | | | | | | | | |
| 61 | 18 | | | | | | | | | | | | | | | | | | | | | | |
| 62 | 16 | | | | | | | | | | | | | | | | | | | | | | |
| 63 | 14 | | | | | | | | | | | | | | | | | | | | | | |
| 64 | 12 | | | | | | | | | | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> ▪ Benefit | <ul style="list-style-type: none"> a. <u>Unreduced Benefits</u>: As described in normal retirement benefits. b. <u>Reduced Benefits</u>: Actuarial reduction from the earliest date that the employee would have been eligible for unreduced benefits. | | | | | | | | | | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> ▪ 1997 Special Limited Retirement Incentive Program | <ul style="list-style-type: none"> a. <u>Eligibility</u>: Employees assigned to specific U.S. locations defined by Hercules. b. <u>Effective Date</u>: Elections were made by location, after which all elections and rights to elect expire: <table border="1" style="margin-left: 40px; border-collapse: collapse; width: 100%;"> <thead> <tr> <th style="text-align: center;">Location</th> <th style="text-align: center;">Effective Date</th> </tr> </thead> <tbody> <tr><td style="text-align: center;">MCW</td><td style="text-align: center;">May 1, 1997</td></tr> <tr><td style="text-align: center;">Hopewell</td><td style="text-align: center;">May 1, 1997</td></tr> <tr><td style="text-align: center;">Parlin</td><td style="text-align: center;">June 1, 1997</td></tr> </tbody> </table> c. <u>Prospective Monthly Benefit</u>: Benefits will be calculated for a participant as described in normal retirement benefits by adding three years of age and Credited Service to each participant who so elects. A special dismissal package could also be elected. d. <u>Benefit Payment Provision</u>: For purposes of calculating any postretirement form of payment, the participant's actual age at retirement shall be used. | Location | Effective Date | MCW | May 1, 1997 | Hopewell | May 1, 1997 | Parlin | June 1, 1997 | | | | | | | | | | | | | | |
| Location | Effective Date | | | | | | | | | | | | | | | | | | | | | | |
| MCW | May 1, 1997 | | | | | | | | | | | | | | | | | | | | | | |
| Hopewell | May 1, 1997 | | | | | | | | | | | | | | | | | | | | | | |
| Parlin | June 1, 1997 | | | | | | | | | | | | | | | | | | | | | | |

Schedule SB, Part V — Summary of Plan Provisions**Deferred vested**

- | | |
|---------------|---|
| ▪ Eligibility | <ul style="list-style-type: none"> a. Five years of service where one year of vesting service is granted by any anniversary computation period in which an employee receives compensation for any six months. b. Prior disability pensioner whose disability has terminated and who has not been offered suitable work. c. Attainment of age 65. |
| ▪ Benefit | <ul style="list-style-type: none"> a. For employees receiving Social Security disability benefits, benefit as described in normal retirement benefits. b. For employees who fail to qualify or remain qualified for Social Security disability benefits, 1.15% of final average earnings multiplied by years of service or any other pension payable under this plan. |

Disability

- | | |
|---------------|--|
| ▪ Eligibility | Ten years of service and unable to perform the employee's normal work. |
| ▪ Benefit | Same as deferred vested benefits. |

Pre-retirement death

- | | |
|---------------|---|
| ▪ Eligibility | Spousal or nonspousal beneficiaries of active participants who are vested and who have elected this coverage; also, spousal beneficiaries of vested terminated participants who have elected this coverage. |
| ▪ Benefit | Benefit that would have been payable to beneficiary under the 50% contingent annuity option if the participant had elected retirement on his date of death (or if the participant had terminated employment on his date of death and commenced benefits on the earliest possible date). In addition, active employees who are eligible for retirement benefit may elect the 100% contingent annuity option. |

Schedule SB, Part V — Summary of Plan Provisions

▪ Cost of benefit	All benefits under the plan reduced as follows:																	
	a. 50% contingent annuity option — See table below. There is no charge for active employees at the Hopewell and Parlin locations who elect this coverage for spousal beneficiaries.																	
	<div>Charge per month of coverage</div> <table><tr><td></td><td colspan="2">Coverage for vested terminated employees</td></tr><tr><td>Age at coverage</td><td>For active employees</td><td></td></tr><tr><td>Up to age 44</td><td>.00083%</td><td>.00833%</td></tr><tr><td>45 to 50</td><td>.00833</td><td>.02083</td></tr><tr><td>50 and over</td><td>.04167</td><td>.04167</td></tr></table>				Coverage for vested terminated employees		Age at coverage	For active employees		Up to age 44	.00083%	.00833%	45 to 50	.00833	.02083	50 and over	.04167	.04167
	Coverage for vested terminated employees																	
Age at coverage	For active employees																	
Up to age 44	.00083%	.00833%																
45 to 50	.00833	.02083																
50 and over	.04167	.04167																
	b. 100% contingent annuity option—.075% for each month option is in effect.																	
Postretirement death	None except as elected by optional forms of benefits.																	
Postponed retirement																		
▪ Eligibility	Employee option.																	
▪ Benefit	Benefit as described in normal retirement benefits based on earnings and service at actual retirement date.																	
Form of benefits																		
▪ Automatic form for unmarried participants	Life annuity.																	
▪ Automatic form for married participants	50% joint and survivor annuity, actuarially reduced.																	
▪ Optional forms	50%, 75% and 100% contingent annuities; also, Bacchus wage, Jefferson, Hattiesburg, Gibbstown, Milwaukee, Savannah, Parlin Powerhouse, and MCW employees and employees at the Parlin location may select a 51% lump sum combined with a 49% annuity.																	
Benefits for former CPD employees (now Hexcel)	Accrued benefit as of July 1, 1996 based on service and benefit level in effect on that date, increased by 4.25% for each year employee remains employed by Hexcel, with a minimum of five years applied.																	

Schedule SB, Part V — Summary of Plan Provisions**Hercules Members****Non-Represented Employees of Heritage Hercules**

Effective date and plan year	Original plan: January 1, 2005
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	
▪ Participation	Any person not represented by a union, who is employed either at a location at which the Predecessor Plan was in effect or at a location to which this Plan has been extended by the Board. For represented employees participating in Schedule D (the career average pay formula) and for all non-represented employees, individuals hired on or after January 1, 2005 will not become participants in this plan.
▪ Employee contributions	None
▪ Vesting service	At least six months of Earnings are required for one year of vesting service. Prior service under Hercules Incorporated's Pension Plan is included.
▪ Credited service	Each month in which Earnings are accrued. The total months of Credited Service divided by 12 are the years of Credited Service, whether or not consecutive. Prior service under Hercules Incorporated's Pension Plan is included. For former employees of SP Microwave, Inc., no Credited Service is granted prior to January 1, 1968.
▪ Pensionable earnings	Salary or wages including overtime, holidays, vacations, commissions, sales incentives, MICP bonuses and nonoccupational and temporary occupational disability benefits paid to an employee up to the first day of the calendar month following date of retirement or termination. Effective January 1, 2011, variable pay is added and overtime is excluded going forward.

Schedule SB, Part V — Summary of Plan Provisions

▪ Final average earnings	Average monthly earnings for the highest five consecutive years during the last ten years of service, limited as required by the Tax Reform Act of 1986. Effective January 1, 2005, the averaging period of five years extends one additional month for each month that the individual is employed beyond January 1, 2005. (Note that the extended averaging period does not apply to the represented employees at MCW).
▪ Social security integration point	One-half of the Social Security tax base in effect for 12 months immediately prior to the effective date of retirement or termination month.
▪ Normal retirement date	First day of the month following attainment of age 65.
Normal retirement	
▪ Eligibility	Normal retirement date
▪ Benefit	<p>a. <u>Prospective Monthly Benefit</u>: 1.20% of Final Average Earnings up to the Social Security Integration Point plus 1.60% of Final Average Earnings in excess of such integration point multiplied by years and months of Credited Service.</p> <p>b. <u>Predecessor Plan</u>: All participants who participated in the Predecessor Plan in effect on December 31, 1984 maintain rights to the benefits determined in accordance with such Plan.</p> <p>c. <u>Former Employees of SP Microwave, Inc.</u>: The minimum benefit under this plan is the benefit accrued as of June 30, 1987 under the SP Microwave, Inc. Plan.</p> <p>d. <u>Former Employees of Aqualon Company Pension Plan (Kenedy)</u>: The minimum benefit under this plan is the accrued benefit as of December 31, 1992 under the Aqualon Company Pension Plan (Kenedy).</p>
Early retirement	
▪ Eligibility	<p>Prior to January 1, 2011:</p> <p>a. <u>Unreduced Benefits</u>: Eligibility: Attainment of age 60 and completion of ten years of Service.</p> <p>b. <u>Reduced Benefits</u>: Attainment of age 55 and completion of ten years of Service.</p>

Schedule SB, Part V — Summary of Plan Provisions

-
- **Benefit**
- Prior to January 1, 2011:
- Unreduced Benefits: As described in normal retirement benefits (a), (b) and (c).
 - Reduced Benefits: As described in normal retirement benefits (a), but reduced for each month by which the date of retirement precedes age 60, minimum of benefit based on Predecessor Plan. The reduction is equal to 150% divided by an individual's Service for each year prior to age 60. The maximum annual reduction is 5%.

Effective January 1, 2011, the early retirement factors described above are replaced with the following early retirement factors:

Retirement age	Percentage of accrued benefit
50	46%
51	51%
52	56%
53	62%
54	68%
55	75%
56	80%
57	84%
58	88%
59	91%
60	94%
61	97%
62 or older	100%

This change in early retirement factors is being made using a "wear-away" approach, whereby the early retirement benefit determined after this change in reduction factors cannot be less than the early retirement benefit determined using the December 31, 2010 accrued benefit and the early retirement factors in effect prior to 2011.

Schedule SB, Part V — Summary of Plan Provisions

▪ 1994 Special Limited Retirement Incentive Program

Eligibility: Salaried employees of Hercules Incorporated not represented by a union who, as of February 28, 1994, are at least age 50 with ten or more years of Credited Service, who are not otherwise excluded, and who are employed or assigned to the specific U.S. locations defined by Hercules.

Effective date: Elections must be made between January 17, 1994 and February 28, 1994, after which all elections and rights to elect expire.

Prospective monthly benefits: Benefits will be calculated for a participant as described in normal retirement benefit (a) by adding three years of age and Credited Service to each participant who so elects.

Benefit payment provision: Benefits may be paid in a lump sum calculated in accordance with the existing plan provisions, and applicable to all or a portion of the above benefit. However, for purposes of calculating the 51% lump sum benefit option and any postretirement form of payment, the participant's actual age at retirement shall be used.

▪ 1995 Special Limited Retirement Incentive Program

Eligibility: Salaried employees of Hercules Incorporated not represented by a union, who are not otherwise excluded, and who are employed or assigned to the specific U.S. locations defined by Hercules.

Effective date: Elections were made early in the first quarter of 1995, after which all elections and rights to elect expire.

Prospective monthly benefits: Benefits will be calculated for a participant as described in normal retirement benefit (a) by adding three years of age and Credited Service to each participant who so elects. An additional benefit equal to two months of earnings was paid as a lump sum.

Benefit payment provision: Benefits may be paid in a lump sum calculated in accordance with the existing plan provisions and applicable to all or a portion of the above benefit. However, for purposes of calculating the 51% lump sum benefit option and any postretirement form of payment, the participant's actual age at retirement shall be used.

Schedule SB, Part V — Summary of Plan Provisions

- 1997 Special Limited Retirement Incentive Program

Eligibility: Employees assigned to specific U.S. locations defined by Hercules.

Effective date: Elections were made by location, after which all elections and rights to elect expire:

Location	Effective Date
Brunswick	January 1, 1997
Oxford	January 1, 1997
MCW	May 1, 1997
Hopewell	May 1, 1997
Parlin	June 1, 1997

Prospective monthly benefits: Benefits will be calculated for a participant as described in normal retirement benefit (a) by adding three years of age and Credited Service to each participant who so elects. For MCW, Hopewell and Parlin, a special dismissal package could also be elected.

Benefit payment provision: Benefits may be paid in a lump sum calculated in accordance with the existing plan provisions, and applicable to all or part of the above benefit. However, for purposes of calculating the 51% lump sum benefit option and any postretirement form of payment, the participant's actual age at retirement shall be used.

- FiberVisions Special Limited Retirement Incentive Program

Eligibility: Employees of the FiberVisions Joint Venture.

Effective date: Elections were made by November 1, 1997, after which all elections and rights to elect expire.

Prospective monthly benefit: Benefits will be calculated for a participant as described in normal retirement benefit (a) by adding three years of age and Credited Service to each participant who so elects.

Benefit payment provision: Benefits may be paid in a lump sum calculated in accordance with the existing plan provisions, and applicable to all or part of the above benefit. However, for purposes of calculating the 51% lump sum benefit option and any postretirement form of payment, the participant's actual age at retirement shall be used.

Schedule SB, Part V — Summary of Plan Provisions

<ul style="list-style-type: none"> 2000 Special Limited Retirement Incentive Program for Hopewell 	Benefits will be calculated for an eligible participant as described in normal retirement benefit (a) by adding five years of age and Credit Service to each eligible participant who so elects the open window.
Deferred vested	
<ul style="list-style-type: none"> Eligibility 	Five years of vesting service.
<ul style="list-style-type: none"> Benefit 	As described in normal retirement (a), (b) and (c). A participant may elect to receive payment of a vested benefit as early as age 55 by proper application. The benefit that would have been payable at age 65 will be actuarially reduced as described in the plan.
Disability	
<ul style="list-style-type: none"> Eligibility 	Not applicable
<ul style="list-style-type: none"> Benefit 	None (continued service credit while receiving benefits under Company long-term disability plan).
Pre-retirement death	
<ul style="list-style-type: none"> Eligibility 	Spousal or nonspousal beneficiaries of active participants who are vested and who have elected this coverage; also, spousal beneficiaries of vested terminated participants who have elected this coverage.
<ul style="list-style-type: none"> Benefit 	Benefit that would have been payable to beneficiary under the 50% contingent annuity option if the participant elected retirement on his date of death (or if the participant had terminated employment on his date of death and commenced benefits on the earliest possible date). In addition, active employees who are eligible for retirement benefits may elect the 100% contingent annuity option.

Schedule SB, Part V — Summary of Plan Provisions

- | | |
|-------------------|---|
| ▪ Cost of benefit | <p>All benefits under the plan reduced as follows:</p> <p>a. 50% contingent annuity option — See table below.
There is no charge for active employees at the Hopewell and Parlin locations who elect this coverage for spousal beneficiaries.</p> |
|-------------------|---|

	<u>Charge per month of coverage</u>
--	--

Age at coverage	For active employees	Coverage for vested terminated employees
Up to age 44	.00083%	.00833%
45 to 50	.00833	.02083
50 and over	.04167	.04167

- | | |
|----|--|
| b. | 100% <u>contingent</u> annuity option—.0333% for each month option is in effect. |
|----|--|

Postretirement Death	None except as elected by optional forms of benefits.
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Postponed retirement

- | | |
|---------------|---|
| ▪ Eligibility | Employee option. |
| ▪ Benefit | Benefit as described in normal retirement benefit (a), (b) and (c) based on earnings and service at actual retirement date. |

Form of benefits

- | | |
|---|--|
| ▪ Automatic form for unmarried participants | Life annuity. |
| ▪ Automatic form for married participants | 50% joint and survivor annuity, actuarially reduced. |
| ▪ Optional forms | 50%, 75% and 100% joint and survivor annuities, 51% lump sum combined with a 49% annuity. As of January 1, 2005, the 51% lump sum is only applicable to benefits earned through the end of 2004. |

Schedule SB, Part V — Summary of Plan Provisions

July 1, 1993 Pension Adjustment	For all pensioners and beneficiaries receiving benefits pursuant to a joint and survivor option who were receiving benefits as of April 1, 1993 (and in addition, all 1992 curtailed employees who were retirement eligible, even if they are not in payment status as of April 1, 1993) the pension benefits were increased as follows: 0.125% per month of retirement from January 1, 1985 through December 31, 1992. Minimum increase was equal to the greater of (i) \$20 per month of retirement or (ii) 3% of the pension benefit being paid. The increase is not payable to individuals (or beneficiaries) in pay status who started to receive benefits from status as vested terminated participants with a right to a deferred benefit.
Benefits for former E&PD employees (now MacDermid)	Accrued benefit as of January 1, 1996 based on Credited Service and Final Average Earnings at that date, increased by 4.25% for each year the employee remains employed by MacDermid.
Benefits for former CPD employees (now Hexcel)	Accrued benefit as of July 1, 1996 based on Credited Service and Final Average Earnings at that date, increased by 4.25% for each year the employee remains employed by Hexcel, with a maximum of five years applied.
Benefits for employees of the FiberVisions Joint Venture	Accrued benefit as of July 1, 1997 based on Credited Service and Final Average Earnings at that date, increased by 4.25% for each year the employee remains employed by FiberVisions, with a maximum of five years applied.

Schedule SB, Part V — Summary of Plan Provisions**Hercules Members****Heritage BetzDearborn Employees**

Key provisions	<ul style="list-style-type: none"> Averaging period for pay of three years extends one additional month for each month that the individual is employed beyond January 1, 2005. The 51% lump sum provision is available to new retirees based on benefits earned through the end of 2004. Employees hired on or after January 1, 2005 do not become participants in the plan.
Effective date and plan year	Original plan: January 1, 1953. Merged into Hercules Pension Plan January 1, 1999. Restated plan: January 1, 2002
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	
▪ Participation	January 1 or July following attainment of age 21 and completion of one year of service.
▪ Employee contributions	None
▪ Credited service	Each year in which a participant completes 1,000 hours. Effective January 1, 2005, each month in which earnings are accrued.
▪ Pensionable earnings	Salary or wages including shift premium, overtime, incentive, commissions, bonuses, holidays, vacations and nonoccupational and temporary occupational disability benefits paid to an employee up to the first day of the calendar month following date of retirement or termination.
▪ Final average earnings	Average annual earnings for the highest three consecutive years excluding those years in which the participant did not complete a year of service. Effective January 1, 2005, average monthly earnings for each year of service from the later of January 1, 2002 or date of hire.

Schedule SB, Part V — Summary of Plan Provisions

▪ Covered Compensation	35-year average of Social Security wage bases ending with the year the participant attains Social Security Retirement Age.
▪ Social security integration point	One-half of the Social Security tax base in effect for 12 months immediately prior to the effective date of retirement or termination month.
▪ Normal retirement date	First day of the calendar month following attainment of age 65 and completion of five years of participation..

Normal retirement

▪ Eligibility	Attain age 65 with five years of participation.
▪ Benefit	<p>a. 1.2% of Final Average Earnings multiplied by Credited Service up to a maximum of 35 years.</p> <p>b. 0.6% of Final Average Earnings exceeding Covered Compensation multiplied by Credited Service up to a maximum of 35 years.</p> <p>c. W.R. Grace Benefit</p> <p>Effective January 1, 2005: (a) – (b):</p> <p>a. 1.20% of Final Average Earnings up to the Social Security Integration Point plus 1.60% of Final Average Earnings in excess of such integration point multiplied by years and months of Credited Service.</p> <p>b. W.R. Grace Benefit</p>

Early Retirement (Prior to January 1, 2005)

▪ Eligibility	Attainment of age 55 and completion of ten years of service.
▪ Benefit	As described normal retirement benefit, but reduced 1/180 for each of the first 60 months and 1/300 for each of the next 60 months commencement precedes Normal Retirement Date.

Rule-of-85 early retirement

▪ Eligibility	Attainment of age 55 and age plus service equals at least 85 years; also, certain individuals who terminate by October 2000 are deemed to have satisfied Rule of 85.
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Schedule SB, Part V — Summary of Plan Provisions

▪ Benefit	As described in normal retirement benefit, but (i) is reduced 1/240 for each month commencement precedes age 60, and in (ii) is reduced 1/180 for each of the first 60 months and 1/300 for each of the next 60 months commencement precedes Normal Retirement Date.
Early Retirement (effective January 1, 2005)	
▪ Eligibility	a. <u>Unreduced</u> : Attainment of age 60 and completion of ten years of Service. b. <u>Reduced</u> : Attainment of age 55 and completion of ten years of Service.
▪ Benefit	a. <u>Unreduced</u> : As described in normal retirement benefit with no adjustment. b. <u>Reduced</u> : As described normal retirement benefit, but reduced for each month by which the date of retirement precedes age 60. The reduction is equal to 150% divided by an individual's Service for each year prior to age 60. The maximum annual reduction is 5%.
Rule-of-85 Minimum	
▪ Eligibility	Attainment of age 55 and age plus service equals at least 85 years; also, certain individuals who terminate by October 2000 are deemed to have satisfied Rule of 85.
▪ Benefit	As described normal retirement benefit using earnings and service as of December 31, 2004, but (i) is reduced 1/240 for each month commencement precedes age 60, and in (ii) is reduced 1/180 for each of the first 60 months and 1/300 for each of the next 60 months commencement precedes Normal Retirement Date.
Deferred vested	
▪ Eligibility	Five years of participation.
▪ Benefit	As described in normal retirement benefit.
Disability	
▪ Eligibility	Not applicable
▪ Benefit	None (continued service credit while receiving benefits under Company long-term disability plan).

Schedule SB, Part V — Summary of Plan Provisions

Pre-retirement death	
▪ Eligibility	Spousal beneficiaries of active participants who are vested; also, spousal beneficiaries of vested terminated participants.
▪ Benefit	Benefit that would have been payable to beneficiary under the 50% contingent annuity option if the participant elected retirement on his date of death (or if the participant had terminated employment on his date of death and commenced benefits on the earliest possible date).
Postretirement death	
None except as elected by optional forms of benefits.	
Postponed retirement	
▪ Eligibility	Employee option.
▪ Benefit	As described normal retirement benefit based on earnings and service at actual retirement date.
Form of benefits	
▪ Automatic form for unmarried participants	Life annuity.
▪ Automatic form for married participants	50% joint and survivor annuity, actuarially reduced.
▪ Optional forms	50%, 75% and 100% joint and survivor annuities and a 5-year certain and continuous annuity. A 51% lump sum combined with 49% annuity is available on the benefits earned through the end of 2004.

Hercules member plan provision changes since prior valuation

- Effective January 1, 2011, the definition of pensionable earnings for the non-represented employees of Heritage Hercules was amended to add variable pay and exclude overtime pay.
- Effective January 1, 2011, the early retirement reduction factors for the non-represented employees of Heritage Hercules were changed using a “wear-away” approach.
- Maximum compensation and maximum benefits were updated from 2009 to 2010.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Actuarial assumptions****Discount rate sponsor elections**

▪ Segment rates or full yield curve	Segment
▪ Look-back months	4
▪ First 5 years	4.16%
▪ Next 15 years	6.52%
▪ Over 20 years	6.68%

Mortality sponsor elections

▪ Healthy and disabled participants	Section 430(h)(3) prescribed separate static annuitant and nonannuitant mortality tables. These tables are based on the RP-2000 mortality tables projected with mortality improvement to the valuation year plus 7 and 15 years based on Scale AA.
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Other economic assumptions

▪ Salary increases	3.75% per year
▪ Social security wage base	3.00% per year
▪ Inflation	2.75% per year
▪ Expected investment return	8.25% per year for years 2009 through 2011
▪ Expenses	Prior year administrative expense (\$4,935,799 for 2010)
▪ Cash Balance Interest Credit	5.00% compounded annually
▪ LESOP Stock Appreciation	6.15% increase from market price on valuation date compounded annually
▪ LESOP Share Price	Market price as of valuation date of \$48.77

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

Withdrawal - Affiliates

During first 5 years of service:

Years of Service at Beginning of Year	Turnover Rate
1	0.22
2	0.20
3	0.18
4	0.16

After five or more years of service:

Years of Service at Beginning of Year	Turnover Rate*
22	0.160
27	0.160
32	0.140
37	0.105
42	0.070
47	0.060
52	0.055
57	0.050
62	0.045

* Rates linearly interpolated between above ages.

Withdrawal - Hercules

Experience rates – sample rates as follows:

Age	Turnover Rate*
20	0.250
25	0.150
30	0.150
35	0.100
40	0.100
45	0.100
50	0.050
55	0.000
60	0.000

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

Disability incidence

None for Affiliates; experience rates for Hercules:

Age	Disability Rate
20	0.0012
30	0.0012
35	0.0013
40	0.0015
45	0.0020
50	0.0038
55	0.0068
60	0.0138

Retirement age – Affiliates

Age	Active on 6/30/03 with 10+ yrs of svc	Active on 6/30/03 under 10 yrs of svc	Hired or rehired after 6/30/03
55-61	0.10*	0.06	0.03
62	0.50	0.35	0.20
63-64	0.30	0.20	0.15
65+	1.00	1.00	1.00

**If meets rule of 80 prior to age 55 then 0.10 rate will be applied at each age up to age 55.*

Retirement age – Hercules

Age	Retirement rate
55	0.10
56	0.05
57	0.05
58	0.05
59	0.05
60	0.05
61	0.05
62	0.30
63	0.20
64	0.20
65	1.00

Benefit commencement age for current and future vested deferred

Affiliates: Age 65 except Tanner (age 62) and RGA participants (age 55)

Hercules: Early retirement date

Spouse assumptions

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

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

Form of payment

- | | |
|--------------------------------------|---|
| ▪ Active retirements | Grandfathered Affiliates participants and Hercules not eligible for 51% lump sum: 100% single life annuity.

RGA participants and Hercules eligible for 51% lump sum: 100% of available lump sum. |
| ▪ Future deaths | Grandfathered participants and all Hercules: 100% single life annuity.

RGA participants: 100% lump sum. |
| ▪ Current and future vested deferred | Grandfathered participants and Hercules: 100% single life annuity.

RGA participants: 100% lump sum. |

Unpredictable contingent event assumptions	Not applicable
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Actuarial methods**Asset methods**

Regulations regarding plan mergers and changes in plan year have not yet been provided. In determining the average value of assets as of October 1, 2010, the following procedures have been used. For the Ashland Affiliates assets, the measurement dates used were October 1, 2008, October 1, 2009, and October 1, 2010. For the Hercules assets, the measurement dates used were January 1, 2009, October 1, 2009, and October 1, 2010. The applicable cashflows between measurement dates were combined and the average value was determined accordingly. These procedures may be subject to adjustment once regulations are promulgated.

The asset valuation method is an average of the adjusted market value for each year during the last 24 months preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be 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.

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

Participant methods

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

- **Participants included:** The plan sponsor provides us with data on all employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. 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:** Participant's who become disabled before retirement have been valued assuming that they will remain disabled until normal retirement.

Minimum funding methods

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

A detailed description of the calculation follows:

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

Maximum deductible contribution method

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

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

A detailed description of the calculation follows:

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

Schedule SB, Line 26 — Schedule of Active Participant Data**Hercules**

Attained age	Years of credited service										Total
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Up	
Under 25		2 *									2 *
25-29	4 *	2 *	16 *								22 *
30-34	3 *	3 *	29 83,400	15 *							50 *
35-39	7 *	12 *	29 71,161	37 86,708	8 *	1 *					94 *
40-44		7 *	28 82,459	50 81,458	30 107,627	21 90,063	2 *				138 *
45-49	2 *	4 *	39 91,214	40 92,809	33 94,433	55 92,753	47 100,291	5 *			225 *
50-54	3 *	4 *	15 *	24 98,502	33 83,649	67 86,475	84 100,460	84 87,835	6 *		320 *
55-59	1 *	3 *	12 *	16 *	15 *	39 91,331	54 91,260	78 95,066	75 83,582	8 *	301 *
60-64			6 *	8 *	3 *	16 *	17 *	21 96,038	28 82,803	20 74,689	119 *
65-69			1 *	1 *		2 *	1 *		3 *	5 *	13 *
70 & Up					1 *						1 *
Total	20 *	37 *	175 *	191 *	123 *	201 *	205 *	188 *	112 *	33 *	1,285 *

*Omitted due to confidentiality.

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

Schedule SB, Line 26 — Schedule of Active Participant Data**Affiliates**

Attained age	Years of credited service										
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Up	Total
Under 25		22	3								25
		40,211	*								*
		1,619	*								*
25-29		239	69	2							310
		47,130	53,504	*							*
		3,261	8,216	*							*
30-34		205	132	126	20						483
		52,899	64,344	52,064	36,228						55,119
		4,475	13,794	13,619	7,712						9,541
35-39		165	158	241	149	17					730
		62,084	66,413	55,206	54,548	*					*
		6,408	16,985	19,471	13,482	*					*
40-44		151	133	229	244	193	14				964
		66,603	67,906	60,791	61,420	65,781	*				*
		6,644	20,801	25,592	11,728	3,046	*				*
45-49		138	125	193	182	311	180	25			1,154
		61,594	67,586	65,362	63,372	71,613	71,294	63,908			67,417
		7,221	22,020	33,768	17,445	1,246	1,146	0			12,162
50-54		95	94	152	182	215	221	264	21		1,244
		66,956	65,296	58,958	56,497	66,504	74,803	65,708	59,485		65,248
		8,855	25,671	39,210	19,031	1,668	1,166	1,000	641		10,910
55-59		54	53	92	126	160	126	250	171	21	1,053
		59,245	67,436	54,710	53,426	59,326	68,967	74,603	72,321	58,038	65,486
		8,563	34,022	41,067	25,636	1,728	1,507	1,703	890	0	9,799
60-64		20	43	59	73	76	57	78	70	54	530
		57,036	62,553	53,003	49,560	63,767	60,550	65,631	79,858	58,973	61,825
		7,174	36,946	56,579	29,165	1,092	0	2,891	1,075	1,445	14,455
65-69		1	2	15	15	10	7	11	4	8	73
		*	*	*	*	*	*	*	*	*	*
		*	*	*	*	*	*	*	*	*	*
70 & Up			1	3	2	3		3		1	13
			*	*	*	*		*		*	*
			*	*	*	*		*		*	*
Total		1,090	813	1,112	993	985	605	631	266	84	6,579
		*	*	*	*	*	*	*	*	*	*
		*	*	*	*	*	*	*	*	*	*

*Omitted due to confidentiality.

Schedule SB, Line 26 — Schedule of Active Participant Data

In each cell, the top number is the count of active participants for each age/service combination. The middle number is the average compensation for each age/service combination. The bottom number is the average cash balance amount for each age/service combination.