# 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), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

**2011**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

**A** This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] 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. . . . . ▶ [X]

**D** Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
PEN AGREEMENT ROCKFORD POWERTRAIN INC & UAW AND ITS LOCAL 803

**1b** Three-digit plan number (PN) ▶ 001

**1c** Effective date of plan 10/01/1950

**2a** Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)

GKN ROCKFORD, INC

C/O GKN AMERICA CORP.

3300 UNIVERSITY DRIVE
AUBURN HILLS, MI 48326-0000

**2b** Employer Identification Number (EIN)
36-3585049

**2c** Sponsor's telephone number
248-377-1200

**2d** Business code (see instructions)
333100

**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. | 10/11/2012 | CAPRI PELSHAW HIOVICH |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

**3a** Plan administrator's name and address (if same as plan sponsor, enter "Same")
GKN ROCKFORD, INC.
C/O GKN NORTH AMERICA SERVICES, INC
3300 UNIVERSITY DRIVE
AUBURN HILLS, MI 48326-0000

**3b** Administrator's EIN
36-3585049

**3c** Administrator's telephone number
248-377-1200

**4** If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:
**a** Sponsor's name

**4b** EIN

**4c** PN

| | | | |
|---|---|---|---|
| **5** | Total number of participants at the beginning of the plan year | **5** | 658 |
| **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** | 53 |
| **b** | Retired or separated participants receiving benefits | **6b** | 385 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 42 |
| **d** | Subtotal. Add lines **6a**, **6b**, and **6c** | **6d** | 480 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits | **6e** | 131 |
| **f** | Total. Add lines **6d** and **6e** | **6f** | 611 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | |
| **h** | Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 0 |
| **7** | Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1B 1G

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

**9a** Plan funding arrangement (check all that apply)

| | | |
|---|---|---|
| **(1)** | | Insurance |
| **(2)** | | Code section 412(e)(3) insurance contracts |
| **(3)** | X | 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)** | X | Trust |
| **(4)** | | General assets of the sponsor |

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

**a Pension Schedules**

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

**b General Schedules**

| | | |
|---|---|---|
| **(1)** | X | **H** (Financial Information) |
| **(2)** | | **I** (Financial Information – Small Plan) |
| **(3)** | | **A** (Insurance Information) |
| **(4)** | X | **C** (Service Provider Information) |
| **(5)** | X | **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

**2011**

**This Form is Open to Public Inspection**

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

▶ **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
PEN AGREEMENT ROCKFORD POWERTRAIN INC & UAW AND ITS LOCAL 803

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
GKN ROCKFORD, INC

**D** Employer Identification Number (EIN)
36-3585049

**E** Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

**F** Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

## Part I Basic Information

**1** Enter the valuation date: Month 01 Day 01 Year 2011

**2** Assets:

| | | | |
|---|---|---|---|
| **a** | Market value | **2a** | 30161787 |
| **b** | Actuarial value | **2b** | 28169331 |

**3** Funding target/participant count breakdown:

| | | | **(1)** Number of participants | **(2)** Funding Target |
|---|---|---|---|---|
| **a** | For retired participants and beneficiaries receiving payment | **3a** | 555 | 30448296 |
| **b** | For terminated vested participants | **3b** | 45 | 1043404 |
| **c** | For active participants: | | | |
| | **(1)** Non-vested benefits | **3c(1)** | | 133 |
| | **(2)** Vested benefits | **3c(2)** | | 5412463 |
| | **(3)** Total active | **3c(3)** | 58 | 5412596 |
| **d** | Total | **3d** | 658 | 36904296 |

**4** If the plan is in at-risk status, check the box and complete lines (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 in at-risk status for fewer than five consecutive years and disregarding loading factor | **4b** | |

| | | | |
|---|---|---|---|
| **5** | Effective interest rate | **5** | 6.09 % |
| **6** | Target normal cost | **6** | 279213 |

**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**

| | |
|---|---|
| | 10/04/2012 |
| Signature of actuary | Date |
| RICHARD SPEELMAN | 11-05639 |
| Type or print name of actuary | Most recent enrollment number |
| TOWERS WATSON DELAWARE INC. | 312-525-2500 |
| Firm name | Telephone number (including area code) |
| 191 NORTH WACKER DRIVE SUITE 2100<br>CHICAGO, IL 60606 | |
| 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 [ ]

## 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 (line 13 from prior year) | 615648 | 0 |
| 8 | Portion elected for use to offset prior year's funding requirement (line 35 from prior year) | 0 | 0 |
| 9 | Amount remaining (line 7 minus line 8) | 615648 | 0 |
| 10 | Interest on line 9 using prior year's actual return of 12.31% | 75786 | |
| 11 | Prior year's excess contributions to be added to prefunding balance: | | |
| a | Present value of excess contributions (line 38 from prior year) | | 768277 |
| b | Interest on (a) using prior year's effective rate of 6.45% except as otherwise provided (see instructions) | | 49554 |
| c | Total available at beginning of current plan year to add to prefunding balance | | 817831 |
| d | Portion of (c) to be added to prefunding balance | | 0 |
| 12 | Other reductions in balances due to elections or deemed elections | 0 | 0 |
| 13 | Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) | 691434 | 0 |

## Part III Funding percentages

| | | | |
|---|---|---|---|
| 14 | Funding target attainment percentage | 14 | 74.45 % |
| 15 | Adjusted funding target attainment percentage | 15 | 74.45 % |
| 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 | 81.67 % |
| 17 | If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage | 17 | % |

## Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

| (a) Date (MM-DD-YYYY) | (b) Amount paid by employer(s) | (c) Amount paid by employees | (a) Date (MM-DD-YYYY) | (b) Amount paid by employer(s) | (c) Amount paid by employees |
|---|---|---|---|---|---|
| 04/15/2011 | 381696 | | | | |
| 10/14/2011 | 381696 | | | | |
| 01/13/2012 | 381696 | | | | |
| 09/14/2012 | 805812 | | | | |
| | | | | | |
| | | | | | |
| | | | Totals ► 18(b) | 1950900 | 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 contributions from prior years. | 19a | |
| b | Contributions made to avoid restrictions adjusted to valuation date | 19b | |
| c | Contributions allocated toward minimum required contribution for current year adjusted to valuation date | 19c | 1827318 |

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] 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: | 2nd segment: | 3rd segment: | |
|---|---|---|---|
| 3.78% | 6.31% | 6.57 % | ☐ N/A, full yield curve used |

| | | |
|---|---|---|
| **b** Applicable month (enter code) | **21b** | 4 |
| **22** Weighted average retirement age | **22** | 65 |

**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 contributions for all prior years | **28** | |
| **29** Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a) | **29** | |
| **30** Remaining amount of unpaid minimum required contributions (line 28 minus line 29) | **30** | 0 |

## Part VIII Minimum required contribution for current year

**31** Target normal cost and excess assets (see instructions):

| | | |
|---|---|---|
| **a** Target normal cost (line 6) | **31a** | 279213 |
| **b** Excess assets, if applicable, but not greater than 31a | **31b** | 0 |

**32** Amortization installments:

| | Outstanding Balance | Installment |
|---|---|---|
| **a** Net shortfall amortization installment | 9426399 | 1917713 |
| **b** Waiver amortization installment | | 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 (lines 31a - 31b + 32a + 32b - 33) | **34** | 2196926 |

| | Carryover balance | Prefunding balance | Total balance |
|---|---|---|---|
| **35** Balances elected for use to offset funding requirement | 369728 | 0 | 369728 |

| | | |
|---|---|---|
| **36** Additional cash requirement (line 34 minus line 35) | **36** | 1827198 |
| **37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) | **37** | 1827318 |

**38** Present value of excess contributions for current year (see instructions)

| | | |
|---|---|---|
| **a** Total (excess, if any, of line 37 over line 36) | **38a** | 120 |
| **b** Portion included in line 38a attributable to use of prefunding and funding standard carryover balances | **38b** | 120 |
| **39** Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) | **39** | 0 |
| **40** Unpaid minimum required contributions for all years | **40** | 0 |

## Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

**41** If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:

**a** Schedule elected ☐ 2 plus 7 years ☐ 15 years

**b** Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

| | | |
|---|---|---|
| **42** Amount of acceleration adjustment | **42** | 0 |
| **43** Excess installment acceleration amount to be carried over to future plan years | **43** | 0 |

| SCHEDULE C (Form 5500) | Service Provider Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2011**<br>**This Form is Open to Public Inspection.** |

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

**A** Name of plan
PEN AGREEMENT ROCKFORD POWERTRAIN INC & UAW AND ITS LOCAL 803

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
GKN ROCKFORD, INC

**D** Employer Identification Number (EIN)
36-3585049

## Part I Service Provider Information (see instructions)

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).. . . . . [X] 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

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06-1050034

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

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

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

TOWERS WATSON DELAWARE, INC.

53-0181291

| (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 | NONE | 65983 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

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

PLANTE & MORAN, PLLC

38-1357951

| (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 | NONE | 16303 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

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

PRUDENTIAL RETIREMENT INS & ANNUITY

06-1050034

| (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? |
|---|---|---|---|---|---|---|
| 13 | NONE | 2005 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [X] No [ ] |

**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)

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

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

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

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

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

## Part I Service Provider Information (continued)

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

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

## Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

## Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

| | | |
|---|---|---|
| **a** | Name: | **b** EIN: |
| **c** | Position: | |
| **d** | Address: | **e** Telephone: |

Explanation:

| | | |
|---|---|---|
| **a** | Name: | **b** EIN: |
| **c** | Position: | |
| **d** | Address: | **e** Telephone: |

Explanation:

| | | |
|---|---|---|
| **a** | Name: | **b** EIN: |
| **c** | Position: | |
| **d** | Address: | **e** Telephone: |

Explanation:

| | | |
|---|---|---|
| **a** | Name: | **b** EIN: |
| **c** | Position: | |
| **d** | Address: | **e** Telephone: |

Explanation:

| | | |
|---|---|---|
| **a** | Name: | **b** EIN: |
| **c** | Position: | |
| **d** | Address: | **e** Telephone: |

Explanation:

# SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

## DFE/Participating Plan Information

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

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2011**

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

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

**A** Name of plan
PEN AGREEMENT ROCKFORD POWERTRAIN INC & UAW AND ITS LOCAL 803

**B** Three-digit plan number (PN) ▶ 001

**C** Plan or DFE sponsor's name as shown on line 2a of Form 5500
GKN ROCKFORD, INC

**D** Employer Identification Number (EIN)
36-3585049

**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: GKN NORTH AMERICA PENSION PLAN MAST

**b** Name of sponsor of entity listed in (a): GKN NORTH AMERICA SERVICES, INC.

| **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) |
|---|---|---|
| 62-1382461-003 | M | 27453803 |

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**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

**2011**

**This Form is Open to Public Inspection**

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

**A** Name of plan
PEN AGREEMENT ROCKFORD POWERTRAIN INC & UAW AND ITS LOCAL 803

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
GKN ROCKFORD, INC

**D** Employer Identification Number (EIN)
36-3585049

## 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) | 495341 | 1187508 |
| **(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) | 29295779 | 27453803 |
| **(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) | | |

| | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **1d** Employer-related investments: | | | |
| **(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 | 29791120 | 28641311 |
| **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 through1j) | 1k | 0 | 0 |
| **Net Assets** | | | |
| **l** Net assets (subtract line 1k from line 1f) | 1l | 29791120 | 28641311 |

## 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) | 2345833 | |
| **(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) | | 2345833 |
| **b Earnings on investments:** | | | |
| **(1)** Interest: | | | |
| **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | | |
| **(B)** U.S. Government securities | 2b(1)(B) | | |
| **(C)** Corporate debt instruments | 2b(1)(C) | | |
| **(D)** Loans (other than to participants) | 2b(1)(D) | | |
| **(E)** Participant loans | 2b(1)(E) | | |
| **(F)** Other | 2b(1)(F) | | |
| **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 0 |
| **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | | |
| **(B)** Common stock | 2b(2)(B) | | |
| **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | | |
| **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 0 |
| **(3)** Rents | 2b(3) | | |
| **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | | |
| **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | | |
| **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 0 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| **2b** (5) Unrealized appreciation (depreciation) of assets: (A) Real estate | 2b(5)(A) | | |
| (B) Other | 2b(5)(B) | | |
| (C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B) | 2b(5)(C) | | 0 |
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | |
| (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | -70394 |
| (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 | | 2275439 |
| **Expenses** | | | |
| **e** Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 3252682 | |
| (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) | | 3252682 |
| **f** Corrective distributions (see instructions) | 2f | | |
| **g** Certain deemed distributions of participant loans (see instructions) | 2g | | |
| **h** Interest expense | 2h | | |
| **i** Administrative expenses: (1) Professional fees | 2i(1) | | |
| (2) Contract administrator fees | 2i(2) | | |
| (3) Investment advisory and management fees | 2i(3) | | |
| (4) Other | 2i(4) | 172566 | |
| (5) Total administrative expenses. Add lines 2i(1) through (4) | 2i(5) | | 172566 |
| **j** Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 3425248 |
| **Net Income and Reconciliation** | | | |
| **k** Net income (loss). Subtract line 2j from line 2d | 2k | | -1149809 |
| **l** Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | |
| (2) From this plan | 2l(2) | | |

## Part III Accountant's Opinion

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

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

(1) [ ] Unqualified (2) [ ] Qualified (3) [X] Disclaimer (4) [ ] Adverse

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

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

(1) Name: PLANTE & MORAN, PLLC (2) EIN: 38-1357951

**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.) | 4a | | 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.) | 4b | | 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.) | 4c | | 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.) | 4d | | X | |
| **e** | Was this plan covered by a fidelity bond? | 4e | X | | 500000 |
| **f** | Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | 4f | | 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? | 4g | | 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? | 4h | | 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.) | 4i | | 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.) | 4j | | 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? | 4k | | X | |
| **l** | Has the plan failed to provide any benefit when due under the plan? | 4l | | X | |
| **m** | If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | 4m | | | |
| **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. | 4n | | | |

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ **Yes** ☒ **No**

If "Yes," enter the amount of any plan assets that reverted to the employer this year **Amount:**

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

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

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2011**

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

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

**A** Name of plan
PEN AGREEMENT ROCKFORD POWERTRAIN INC & UAW AND ITS LOCAL 803

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
GKN ROCKFORD, INC

**D** Employer Identification Number (EIN)
36-3585049

## Part I Distributions

**All references to distributions relate only to payments of benefits during the plan year.**

**1** Total value of distributions paid in property other than in cash or the forms of property specified in the instructions ..... **1** 0

**2** Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 22-1211670

**Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.**

**3** Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. ..... **3** 0

## Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

**4** Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

**If the plan is a defined benefit plan, go to line 8.**

**5** If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

**If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.**

**6** **a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) ..... **6a**

**b** Enter the amount contributed by the employer to the plan for this plan year ..... **6b**

**c** Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) ..... **6c**

**If you completed line 6c, skip lines 8 and 9.**

**7** Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**8** If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

## Part III Amendments

**9** If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☒ **No**

## Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

**10** Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

**11** **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

**b** If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

**12** Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

## Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

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

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

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

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

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

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

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

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

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

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

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

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

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

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

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

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

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

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

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

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

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

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

**a** Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

**b** Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

**c** What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

# Pension Agreement Between GKN Rockford, Inc. and The UAW And Its Local Union No. 803

**Financial Report**

**December 31, 2011**

# Pension Agreement Between GKN Rockford, Inc. and The UAW And Its Local Union No. 803

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# Independent Auditor's Report

To the Plan Administrator
Pension Agreement Between GKN Rockford, Inc. and
The UAW And Its Local Union No. 803

We were engaged to audit the statement of net assets available for benefits of Pension Agreement Between GKN Rockford, Inc. and The UAW And Its Local Union No. 803 (the "Plan") as of December 31, 2011 and 2010, the related statement of changes in net assets available for benefits for the years then ended, the statement of accumulated plan benefits as of December 31, 2010 and 2009, and the related statement of changes in accumulated plan benefits for the years then ended, 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 Prudential Retirement Insurance and Annuity Company, the custodian 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 Custodian holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the Custodian as of December 31, 2011 and 2010 and for the years then ended that the information provided to the plan administrator by the Custodian is complete and accurate.

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

Plante & Moran, PLLC

Auburn Hills, Michigan
September 20, 2012

Praxity
MEMBER
GLOBAL ALLIANCE OF INDEPENDENT FIRMS

# Pension Agreement Between GKN Rockford, Inc. and The UAW And Its Local Union No. 803

## Statement of Net Assets Available for Benefits

| | December 31, 2011 | December 31, 2010 |
|---|---|---|
| **Assets** | | |
| Investments - Plan's interest in the GKN North America Pension Plan Master Trust (Note 4) | $ 27,453,803 | $ 29,295,779 |
| Contributions receivable | 1,187,508 | 495,341 |
| **Net Assets Available for Benefits** | **$ 28,641,311** | **$ 29,791,120** |

See Notes to Financial Statements.

# Pension Agreement Between GKN Rockford, Inc. and The UAW And Its Local Union No. 803

## Statement of Changes in Net Assets Available for Benefits

| | Year Ended December 31, 2011 | Year Ended December 31, 2010 |
|---|---|---|
| **Additions to Net Assets** | | |
| Employer contributions | $ 2,345,833 | $ 2,508,487 |
| Investment (loss) income - Plan's share of the GKN North America Pension Plan Master Trust investment (loss) income (Note 4) | (70,393) | 3,313,857 |
| Total additions | 2,275,440 | 5,822,344 |
| **Deductions from Net Assets** | | |
| Benefits paid directly to participants or beneficiaries | 3,252,682 | 3,365,012 |
| Administrative expenses | 172,567 | 191,981 |
| Total deductions | 3,425,249 | 3,556,993 |
| **Net (Decrease) Increase** | (1,149,809) | 2,265,351 |
| **Net Assets Available for Benefits** | | |
| Beginning of year | 29,791,120 | 27,525,769 |
| End of year | **$ 28,641,311** | **$ 29,791,120** |

See Notes to Financial Statements.

# Pension Agreement Between GKN Rockford, Inc. and The UAW And Its Local Union No. 803

## Statement of Accumulated Plan Benefits

| | December 31, 2010 | December 31, 2009 |
|---|---|---|
| **Actuarial Present Value of Accumulated Plan Benefits** | | |
| Vested benefits: | | |
| Participants currently receiving benefit payments | $ 27,480,264 | $ 28,359,913 |
| Other vested participants | 5,629,776 | 5,539,737 |
| Total vested benefits | 33,110,040 | 33,899,650 |
| Nonvested benefits | 119 | 8,516 |
| Total actuarial present value of accumulated plan benefits | **$ 33,110,159** | **$ 33,908,166** |

See Notes to Financial Statements.

# Pension Agreement Between GKN Rockford, Inc. and The UAW And Its Local Union No. 803

## Statement of Changes in Accumulated Plan Benefits

| | Year Ended | |
|---|---|---|
| | December 31, 2010 | December 31, 2009 |
| **Actuarial Present Value of Accumulated Plan Benefits** - | | |
| Beginning of year | $ 33,908,166 | $ 35,639,573 |
| Increase (decrease) during the year attributable to: | | |
| Benefits accumulated | 79,523 | 92,122 |
| Actuarial losses (gains) | 6,158 | (926,097) |
| Interest due to the decrease in the discount period | 2,422,889 | 2,548,474 |
| Benefits paid | (3,365,012) | (3,504,087) |
| Change of assumptions | 58,435 | 58,181 |
| Net decrease | (798,007) | (1,731,407) |
| **Actuarial Present Value of Accumulated Plan Benefits** - | | |
| End of year | **$ 33,110,159** | **$ 33,908,166** |

## Note 1 - Plan Description

The following description of Pension Agreement Between GKN Rockford, Inc. and The UAW And Its Local Union No. 803 (formerly referred to as Rockford Powertrain, Inc. Pension Plan for Clutch Plant) (the "Plan") provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

**General** - The Plan is a defined benefit plan covering all full-time employees of GKN Rockford, Inc. (the "Company" and "Plan Sponsor") who are represented by the collective bargaining agreement between the Company and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW and Local No. 803. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan was frozen on November 5, 1990 to new participants.

**Pension Benefits** - The Plan provides for payment of normal retirement, early retirement, disability retirement, and death benefits to its participants. Normal retirement benefits commence at age 65. Participants who have completed 10 years of service may elect to retire early following the attainment of age 60. Participants who have completed 30 years of service may elect to retire early following the attainment of age 55. In such event, the participant's monthly benefit shall be reduced by a certain percentage for each month that the participant's early retirement date precedes his or her normal retirement date. A participant is entitled to receive a disability retirement benefit if he or she becomes permanently disabled after completing 10 years of service. A participant's spouse will receive a monthly benefit provided that the participant was vested and married (for at least one year) at the time of the participant's death.

The normal retirement benefit is based on the participant's years of credited service. The number of years of credited service is multiplied by the benefit unit in effect on the participant's last day of employment.

Distributions are payable upon retirement, death, disability, or termination of employment in the form of various installment annuities. In lieu of receiving a monthly benefit as provided above, a participant may alternatively elect a reduced monthly benefit payment during the lifetime of the retired participant and continuing during the lifetime of the participant's designated beneficiary or spouse.

## Note 1 - Plan Description (Continued)

**Plan Operations** - The Plan is administered by the Company through its designated representatives. Investment management fees, trustee fees, and certain administrative expenses, such as actuarial fees, audit fees, and Pension Benefit Guaranty Corporation (PBGC) premiums, are charged to the GKN North America Pension Plan Master Trust (the "Master Trust") (see Note 4) and allocated to participating plans by the Custodian based on each individual plan's units of participation in the Master Trust or on a specific identification basis.

**Eligibility and Vesting** - Employees become participants in the Plan following completion of the eligibility requirements as described in the Plan and are fully vested for normal retirement upon reaching age 65 or after completing 10 years of service.

**Party-in-interest Transactions** - Certain investment funds held in the GKN North America Pension Plan Master Trust are managed by Prudential Retirement Insurance and Annuity Company or its affiliates. Prudential Retirement Insurance and Annuity Company is the current custodian of the Plan; therefore, these transactions qualify as party-in-interest transactions as defined under ERISA guidelines.

## Note 2 - Summary of Significant Accounting Policies

**Investment Valuation** - The Plan's investments are stated at fair value. The fair value of the Plan's interest in the Master Trust is based on the beginning of year value of the Plan's interest in the Master Trust plus actual contributions and allocated investment income (loss) less actual distributions and allocated administrative expenses (see Note 4). Pooled separate account investments in the Master Trust are valued at the net asset value per share of the funds, which is based on the fair value of the funds' underlying assets. See Note 5 for additional information on the valuation of investments.

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

**Benefit Payments** - Benefits are recorded when paid.

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

## Note 2 - Summary of Significant Accounting Policies (Continued)

**Risks and Uncertainties** - Contributions to the Plan and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, employee compensation, and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions will occur in the near term and, due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. It is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the statement of net assets available for benefits.

**Subsequent Events** - The financial statements and related disclosures include evaluation of events up through and including September 20, 2012, which is the date the financial statements were available to be issued.

## Note 3 - Unaudited Investment Information

Prudential Retirement Insurance and Annuity Company (the "Custodian") holds the Plan's investments and executes all investment transactions. The investment balances and related investment income included in the accompanying financial statements, including Master Trust investment information included in Note 4, are based solely on information provided by the Custodian.

## Note 4 - Interest in Master Trust

The Plan's investments are in the GKN North American Pension Plan Master Trust which was established for the investment of assets of the Plan and several other retirement plans sponsored by related parties. Each participating retirement plan has an undivided interest in the Master Trust. The assets of the Master Trust are held by Prudential Retirement Insurance and Annuity Company. At December 31, 2011 and 2010, the Plan's interest in the net assets of the Master Trust was approximately 7 percent and 8 percent, respectively. Investment income and administrative expenses relating to the Master Trust are allocated to the individual plans based upon the fair value of assets invested by each plan.

The fair values of investments for the Master Trust at December 31, 2011 and 2010 are as follows:

| | 2011 | 2010 |
|---|---|---|
| **Total Master Trust Investments** - Pooled separate accounts | $ 370,486,481 | $ 368,835,802 |

## Note 4 - Interest in Master Trust (Continued)

The investment (loss) income for the Master Trust for the years ended December 31, 2011 and 2010 are as follows:

| | 2011 | 2010 |
|---|---|---|
| Interest and dividend income | $ 8,385,145 | $ 7,536,978 |
| Net realized and unrealized (depreciation) appreciation in pooled separate accounts | (7,365,880) | 33,219,025 |
| Investment expenses | (2,254,532) | (1,951,461) |
| Total investment (loss) income | $ (1,235,267) | $ 38,804,542 |

## Note 5 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Plan's assets measured at fair value on a recurring basis at December 31, 2011 and 2010 and the valuation techniques used by the Plan to determine those fair values.

**Level 1** - In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Plan has the ability to access.

**Level 2** - Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

**Level 3** - Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset. There are no Level 3 inputs for this plan.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Plan's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

## Note 5 - Fair Value Measurements (Continued)

The Master Trust's policy is to recognize transfers between levels of the fair value hierarchy as of the end of the reporting period of the change in circumstances that caused the transfer. There were no significant transfers between levels of the fair value hierarchy during 2011 and 2010.

**Assets Measured at Fair Value on a Recurring Basis at December 31, 2011**

| | Significant Other Observable Inputs (Level 2) |
|---|---|
| **Total Master Trust Investments** - Pooled separate accounts | |
| Equity investments (1) | $ 249,603,997 |
| Fixed-income investments (2) | 111,230,703 |
| Short-term investments (3) | 9,651,781 |
| Total | $ 370,486,481 |

**Assets Measured at Fair Value on a Recurring Basis at December 31, 2010**

| | Significant Other Observable Inputs (Level 2) |
|---|---|
| **Total Master Trust Investments** - Pooled separate accounts | |
| Equity investments (1) | $ 258,819,127 |
| Fixed-income investments (2) | 102,539,347 |
| Short-term investments (3) | 7,477,328 |
| Total | $ 368,835,802 |

(1) This class represents investments in actively managed pooled separate accounts that invest primarily in equity securities, which may include domestic and international common stocks. Investments are valued at the net asset value per share multiplied by the number of shares held as of the measurement date.

(2) This class represents investments in actively managed pooled separate accounts that invest in a variety of fixed-income investments, which may include corporate bonds, both U.S. and non-U.S. municipal securities, interest rate swaps, options, and futures. Investments are valued at the net asset value per share multiplied by the number of shares held as of the measurement date.

## Note 5 - Fair Value Measurements (Continued)

(3) This class invests primarily in actively managed pooled separate accounts which invest in short-term, fixed-income securities including, but not limited to, bonds, government securities, commercial paper, or certificates of deposit with the objective of providing high-current income consistent with the preservation of capital and the maintenance of liquidity. Short-term investments are valued at $1.00/unit, which approximates fair value.

There were no unfunded commitments or redemption restrictions on the investments described above.

## Note 6 - Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments that are attributable under the Plan's provisions to the service that employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. The present value of accumulated plan benefits, which is actuarially determined by Towers Watson, is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment due to death, disability, or retirement between the valuation date and the expected date of payment.

The significant actuarial assumptions used in the valuation as of December 31, 2010 and 2009 were (a) an assumed rate of interest per annum of 7.50 percent in 2010 and 2009, compounded annually, net of investment expenses, (b) the static mortality tables with separate mortality rates for annuitants and non-annuitants in 2010 and 2009, and (c) retirement age assumptions (the assumed average retirement age was 65 in 2010 and 2009). The change in actuarial assumptions in 2009 related to a change in the mortality table used from the PPA 2009 table in 2008 to the PPA 2010 table for 2009. The changes in actuarial assumptions in 2010 related to a change in the mortality table being updated to include one additional year of projected mortality improvements and a change in assumed plan-related expenses.

## Note 7 - Funding Policy

The Plan is funded by the Plan Sponsor. The Plan Sponsor intends to contribute such amounts to the Plan as are necessary to provide assets sufficient to fund pension plan costs accrued, including amortization of past service costs, as determined on an actuarial basis. The Plan has met the ERISA minimum funding requirements for the plan years ended December 31, 2011 and 2010.

## Note 8 - Tax Status

The Plan has received a determination letter from the Internal Revenue Service indicating that the Plan, as designed, is qualified for tax-exempt treatment under the applicable section of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

In accordance with guidance on accounting for uncertainty in income taxes, management evaluated the Plan's tax position and does not believe the Plan has any uncertain tax positions that require disclosure or adjustment to the financial statements. The plan administrator believes the Plan is no longer subject to tax examinations for years prior to 2008.

## Note 9 - Plan Termination

Although it has not expressed any intention to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions set forth in ERISA. In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

1. Provide benefits for all participants or beneficiaries whose benefits have been, or could have been, in pay status for the entire three-year period prior to termination, based on the plan provisions in effect during the five-year period ending on such date under which such benefit would be the least
2. Provide all other benefits guaranteed under Title IV of the Employee Retirement Income Security Act of 1974 (without regard to the limitation of Section 4022(b)(3) or the limitation on benefits payable to "substantial owners" of Section 4022(b)(5))
3. Provide all other vested benefits other than those becoming nonforfeitable solely on account of the termination of the Plan
4. Provide all other benefits under the Plan

The Pension Benefit Guaranty Corporation (PBGC) guarantees the payment of all nonforfeitable basic benefits subject to certain limitations prescribed by ERISA. Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits and may also depend on the level of benefits guaranteed by the PBGC.

# SCHEDULE SB ATTACHMENTS

## Schedule SB – Statement by Enrolled Actuary

| | |
|---|---|
| **Plan Sponsor** | GKN Rockford, Inc. |
| **EIN/PN** | 36-3585049/001 |
| **Plan Name** | Pen Agreement Rockford Powertrain Inc & UAW and Its Local 803 |
| **Valuation Date** | January 1, 2011 |
| **Enrolled Actuary** | Richard Speelman |
| **Enrollment Number** | 11-05639 |

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

# SCHEDULE SB ATTACHMENTS

## Schedule SB, Line 22
## Description of Weighted Average Retirement Age
## as of January 1, 2011

No retirement rates were assumed for 2011; all participants were assumed to retire at age 65.

# SCHEDULE SB ATTACHMENTS (cont.)

## Schedule SB, Line 25
## Change in Method

In accordance with 1.430(h)(2)-1(h)(3), automatic approval has been granted for some changes in funding methods permitted by the Pension Protection Act with respect to the interest rate methodology. The method for determining interest rates was changed from the 3-segment rates without a lookback period to the 3-segment rates with a 4 month lookback period, and thus is automatically approved.

# SCHEDULE SB ATTACHMENTS

## Schedule SB, Line 26
## Schedule of Active Participant Data as of January 1, 2011

| Attained Age | Years of Credited Service | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Under 1 | | 1 to 4 | | 5 to 9 | | 10 to 14 | | 15 to 19 | | 20 to 24 | | 25 to 29 | | 30 to 34 | | 35 to 39 | | 40 & Over | |
| | No. | Avg. Comp. | No. | Avg. Comp. | No. | Avg. Comp. | No. | Avg. Comp. | No. | Avg. Comp. | No. | Avg. Comp. | No. | Avg. Comp. | No. | Avg. Comp. | No. | Avg. Comp. | No. | Avg. Comp. |
| Under 25 | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | |
| 25 - 29 | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | |
| 30 - 34 | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | |
| 35 - 39 | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | |
| 40 - 44 | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | |
| 45 - 49 | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | |
| 50 - 54 | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 1 | | 0 | |
| 55 - 59 | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 2 | | 2 | | 20 | | 0 | |
| 60 - 64 | 0 | | 0 | | 0 | | 0 | | 0 | | 1 | | 0 | | 2 | | 9 | | 7 | |
| 65 - 69 | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 1 | | 2 | | 10 | |
| 70 & Over | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 1 | | 0 | | 0 | | 0 | |

Plan Name: Pen Agreement Rockford Powertrain Inc & UAW and Its Local 803
EIN / PN: 36-3585049/001
Plan Sponsor: GKN Rockford, Inc.
Valuation Date: January 1, 2011

# SCHEDULE SB ATTACHMENTS

## Schedule SB, Line 32
## Schedule of Amortization Bases
## as of January 1, 2011

| | Type of Base | Date Established | Initial Amount | Remaining Amortization Period (Years) | Outstanding Balance | Amortization Payment |
|---|---|---|---|---|---|---|
| 1 | Shortfall | 01/01/2011 | 4,419,716 | 7 | 4,419,716 | 727,173 |
| 2 | Shortfall | 01/01/2010 | 1,584,323 | 6 | 1,425,915 | 264,783 |
| 3 | Shortfall | 01/01/2009 | 491,492 | 5 | 405,444 | 87,215 |
| 4 | Shortfall | 01/01/2008 | 5,013,486 | 4 | 3,175,324 | 838,542 |
| Total | | | | | 9,426,399 | 1,917,713 |

# SCHEDULE SB ATTACHMENTS

## Schedule SB, Part V
## Statement of Actuarial Assumptions and Methods

**Discount Rates**

Current plan year PPA effective interest rate: 6.09%

Prior plan year PPA effective interest rate: 6.45%

3-Segment Rates

Applicable month: September

**Compensation Increases**

Not applicable.

**Future Increases in Social Security**

National Average Wage Index: Not applicable.

Consumer Price Index: Not applicable.

**Future Increases in Maximum Benefits and Plan Compensation Limitations**

Projected benefits are limited to the maximum presently allowed under IRC Section 415. Plan compensation is limited to the maximum presently allowed under IRC Section 401(a)(17). No provision is made for future increases in the maximum annual benefit or compensation limit.

**Assumed Cost of Living Adjustments**

None.

**Inclusion Date**

The valuation date coincident with or next following the date on which the employee becomes a participant.

**Administrative Expenses**

The amount included this year for plan-related expenses is $186,000.

| | |
|---|---|
| Plan Name: | Pen Agreement Rockford Powertrain Inc & UAW and Its Local 803 |
| EIN / PN: | 36-3585049/001 |
| Plan Sponsor: | GKN Rockford, Inc. |
| Valuation Date: | January 1, 2011 |

# SCHEDULE SB ATTACHMENTS

**Healthy Mortality**

The prescribed mortality assumption under Section 430(h)(3)(A) of the Internal Revenue Code using static tables with separate mortality rates for annuitants and non-annuitants.

**Retirement**

Participants are assumed to retire at age sixty-five (65).

**Disability Rates**

None.

**Disabled mortality**

Same as for healthy participants.

**Representative Termination Rates not due to Disability, Retirement or Mortality**

| Attained Age | Males | Females |
|---|---|---|
| 20 | 15.00% | 15.00% |
| 25 | 10.70% | 10.70% |
| 30 | 7.50% | 7.50% |
| 35 | 5.20% | 5.20% |
| 40 | 3.50% | 3.50% |
| 45 | 2.40% | 2.40% |
| 50 | 1.40% | 1.40% |
| 55 | 0.60% | 0.60% |
| 60 | 0.10% | 0.10% |
| 61 or older | 0.00% | 0.00% |

**Form of Payment**

For participants that are not already in payment status, it is assumed that 80% will elect the 60% joint and contingent form of payment and 20% will elect the single life annuity form.

**Marriage**

For purposes of valuing the pre-retirement surviving spouse's benefit, 80% of eligible participants are assumed to be married and male spouses are assumed to be four years older than female spouses.

# SCHEDULE SB ATTACHMENTS

**Employees**

It was assumed that there will be no new or rehired employees.

**Plan compensation**

Not applicable.

**Asset Method**

Under this method, the valuation assets are equal to the average of three values (all determined without regard to receivable contributions), the result increased by the discounted present value of contributions expected to be made after the valuation date based on the prior plan year PPA effective interest rate. This amount is then subject to a 10% corridor around the market value of assets (including the discounted present value of receivable contributions) as of the valuation date. The three values used to develop the average value are: the market value of assets as of the current valuation date, the adjusted market value of assets as of the prior valuation date and the adjusted market value of assets as of the second prior valuation date. The adjusted market value as of a relevant valuation date is equal to the market value of assets as of the prior valuation date increased by actual plan contributions and assumed return on plan assets and decreased by actual plan disbursements after that date until the current valuation date. The assumed rate of return on plan assets for the prior plan year (pursuant to IRS Notice 2009-22) was 6.76% which is the lesser of the anticipated rate of return on assets for the plan year, equal to 7.50%, and the applicable limitation for the plan year, equal to 6.76%. The assumed rate of return on plan assets for the second prior plan year (pursuant to IRS Notice 2009-22) was 6.69% which is the lesser of the anticipated rate of return on assets for the plan year, equal to 7.50%, and the applicable limitation for the plan year, equal to 6.69%. The algebraically equivalent development of this method (pursuant to IRS Notice 2009-22) is shown in Section 2.4. Because expected investment returns under this method are limited under WRERA, over time it is more likely to produce an actuarial value that is expected to be less than the market value of assets.

**Participant Data**

Participant data was supplied by Prudential, the plan trustee, as of the census date. There were no material assumptions made in the data valued.

**Tax Policy**

The actuarial valuation performed for the plan year ending December 31, 2011 is used to determine the maximum deductible contribution for the tax year ending December 31, 2011.

**Benefits not Included in Valuation**

None.

# SCHEDULE SB ATTACHMENTS

## Schedule SB, Part V
## Summary of Principal Plan Provisions

**Plan Sponsor**

GKN Rockford, Inc.

**Plan**

Pension Agreement between Rockford Powertrain, Inc. and UAW Local Union No 803.

**Effective Date and Most Recent Amendment**

The plan was originally effective October 1, 1950. The plan was last amended in March 2005.

**Plan Year**

The twelve-month period ending December 31, 2011.

**Coverage and Participation**

Member of UAW Local 803 employed by Rockford Powertrain Inc. and hired prior to November 5, 1990.

**Credited Service**

A participant accrues one year of credited service for each plan year during which 1,600 or more hours are worked. Partial years of service are credited for years during which less than 1,600 hours are worked.

**Vesting Service**

A participant accrues one year of vesting service for each plan year during which 1,000 or more hours are worked.

**Normal Retirement Benefit**

Normal Retirement Date: The first of month following attainment of age 65.

Monthly Benefit Formula: Credited service times the dollar amount in the table below in effect at the participant's normal retirement date.

| Effective Date | Monthly Amount |
|---|---|
| 10/01/1987 | $19.45 |
| 10/01/1989 | $20.45 |
| 11/01/1991 | $22.00 |

Normal Form of Benefit: Life annuity if unmarried when benefit commences. Reduced 60% Joint and Survivor if married when benefit commences.

**Regular Early Retirement Benefit**

Eligibility: The first of month following the participant's employment termination date if the employee meets one of the following requirements:

- Age 60 and ten years of credited service, or
- At least age 55 but less than age 60 with age plus credited service greater than or equal to 85, or
- Less than age 55 with thirty or more years of credited service.

Monthly Benefit: Accrued normal retirement benefit reduced for early commencement as follows:

| Age | Factor |
|---|---|
| 62 | 100.0% |
| 61 | 93.3 |
| 60 | 86.7 |
| 59 | 80.8 |
| 58 | 75.2 |
| 57 | 69.4 |
| 56 | 63.5 |
| 55 | 57.9 |
| 54 | 53.2 |
| 53 | 48.9 |
| 52 | 45.0 |
| 51 | 41.5 |
| 50 | 38.3 |
| 49 | 35.4 |
| 48 | 32.8 |
| 47 | 30.4 |

# SCHEDULE SB ATTACHMENTS

Participants retiring with 30 or more years of credited service or whose age plus service upon retirement are greater than or equal to 85 shall have their benefit re-determined without any reduction upon reaching age 62.

**Special Early Retirement Benefit**

Eligibility: The first of month following an employment termination date on or after March 21, 2005 and age 55, but less than age 65, with ten years of credited service, and retired at the option of the Company.

Monthly Benefit: Normal retirement benefit plus credited service times the dollar amount shown in the table below subject to the maximum monthly benefit shown, payable until the earlier of age 62 and the age when eligible for an unreduced Social Security benefit.

| Year | Monthly Benefit Rate | Maximum Monthly Benefit |
|---|---|---|
| Prior to 04/01/1995 | $15.00 | $375.00 |
| 04/01/1995 - 03/31/1996 | $15.65 | $391.00 |
| 04/01/1996 - 03/31/1997 | $16.30 | $407.00 |
| 04/01/1997 & After | $17.00 | $424.00 |

**Supplemental Allowance**

*Employees with at least 30 years of credited service:*

Eligibility: Participant meets eligibility for Regular Early Retirement, Special Early Retirement, or Disability Early Retirement Benefit and has at least 30 years of credited service.

Monthly Benefit: The monthly amount in the table below reduced by the Regular Early Retirement, Special Early Retirement, or Disability Retirement Benefit, payable until age 62. The reduction should not exceed $375 for a participant receiving the Regular Early Retirement Benefit.

| Effective Date | Monthly Amount |
|---|---|
| 10/01/1987 | $1,035.00 |
| 10/01/1989 | $1,100.00 |
| 03/01/1994 | $1,200.00 |
| 04/01/1995 | $1,250.00 |
| 04/01/1996 | $1,300.00 |
| 04/01/1997 | $1,350.00 |

*Employees with less than 30 years of credited service:*

Eligibility: Participant meets eligibility for the Regular Early Retirement Benefit but is at least age 55 and has less than thirty years of credited service.

Monthly Benefit: Credited service times the dollar amount in the table below payable until age 62.

| Monthly Benefit Age at Retirement | Per Year Of Credited Service |
|---|---|
| 55 | $ 5.94 |
| 56 | $ 7.06 |
| 57 | $ 8.49 |
| 58 | $ 9.90 |
| 59 | $ 11.32 |
| 60 | $ 13.00 |
| 61 | $ 13.00 |

**Special Age 65 Benefit**

Eligibility: Commencing on or after October 1, 1987, any retiree or surviving spouse age 65 or older receiving a Normal Retirement, Regular Early Retirement or Special Early Retirement Benefit or survivor portion of these benefits, or any employee receiving a Disability Retirement Benefit and enrolled in Medicare, Part B, or any pensioner's surviving spouse receiving a survivor benefit and enrolled in Medicare, Part B.

Monthly Benefit:

| Effective Date | Monthly Benefit |
|---|---|
| 10/01/1987 | $14.00 |
| 11/01/1990 | $30.60 |

**Disability Benefit**

Eligibility: Total and permanent disability and ten years of credited service.

Monthly Benefit Before Normal Retirement: Normal retirement benefit accrued to date of disability plus credited service to the date of disability times the dollar amount in the table below subject to the maximum monthly shown, payable until the earlier of age 62 and the age when eligible for an unreduced Social Security benefit.

| Year | Monthly Benefit Rate | Maximum Monthly Benefit |
|---|---|---|
| Prior to 04/01/1995 | $15.00 | $375.00 |
| 04/01/1995 - 03/31/1996 | $15.65 | $391.00 |
| 04/01/1996 - 03/31/1997 | $16.30 | $407.00 |
| 04/01/1997 & After | $17.00 | $424.00 |

Monthly Benefit After Normal Retirement: Normal retirement benefit accrued to the date of disability.

Waiting Period: Expiration of the period in which an employee is receiving weekly accident and sickness benefits under the group insurance plan.

Plan Name: Pen Agreement Rockford Powertrain Inc & UAW and Its Local 803
EIN / PN: 36-3585049/001
Plan Sponsor: GKN Rockford, Inc.
Valuation Date: January 1, 2011

# SCHEDULE SB ATTACHMENTS

**Vested Benefits Upon Termination of Service**

Vesting: Five years of vesting service

Termination Benefit: Accrued normal retirement benefit at age 65 reduced for early commencement for former employees who are at least age 60 or at least age 55 but less than age 60 with age plus service greater than or equal to 85. The reduction is 5/9 of 1% for each complete calendar month that the benefit commencement date precedes age 65.

**Pre-Retirement Death Benefits**

Eligibility: Participants who are vested and die prior to the commencement of their benefits are entitled to a surviving spouse benefit.

Benefit: Spouse receives 60% of accrued normal retirement benefit reduced for Joint and Survivor option and early commencement, payable immediately or deferred to the earliest date the participant would have been eligible for retirement.

**Optional Forms of Retirement Income in Lieu of Normal Form**

A married participant may elect to receive a pension under the Single Life Annuity form of payment or reduced 75% Joint and Survivor forms of payment.

**Changes in Plan Provisions since Last Actuarial Valuation**

None.

**Substantive Commitments**

No substantive commitments other than the above plan provisions have been included in this valuation.

# 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

**2011**

**This Form is Open to Public Inspection**

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

▶ **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

Pen Agreement Rockford Powertrain Inc & UAW and Its Local 803

**B** Three-digit plan number (PN) ▶ 001

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

GKN ROCKFORD, INC.

**D** Employer Identification Number (EIN)

36-3585049

**E** Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

**F** Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

## Part I Basic Information

**1** Enter the valuation date: Month 1 Day 1 Year 2011

| | | | | |
|---|---|---|---|---|
| **2** | Assets: | | | |
| | **a** Market value | | **2a** | 30,161,787 |
| | **b** Actuarial value | | **2b** | 28,169,331 |
| **3** | Funding target/participant count breakdown: | | (1) Number of participants | (2) Funding Target |
| | **a** For retired participants and beneficiaries receiving payment | **3a** | 555 | 30,448,296 |
| | **b** For terminated vested participants | **3b** | 45 | 1,043,404 |
| | **c** For active participants: | | | |
| | (1) Non-vested benefits | **3c(1)** | | 133 |
| | (2) Vested benefits | **3c(2)** | | 5,412,463 |
| | (3) Total active | **3c(3)** | 58 | 5,412,596 |
| | **d** Total | **3d** | 658 | 36,904,296 |
| **4** | If the plan is in at-risk status, check the box and complete lines (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 in at-risk status for fewer than five consecutive years and disregarding loading factor | | **4b** | |
| **5** | Effective interest rate | | **5** | 6.09 % |
| **6** | Target normal cost | | **6** | 279,213 |

**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** Richard Speelman RS — Signature of actuary — 10/04/2012 — Date

Richard Speelman — Type or print name of actuary — 11-05639 — Most recent enrollment number

Towers Watson Delaware Inc. — Firm name — (312) 525-2500 — Telephone number (including area code)

191 North Wacker Drive Suite 2100

Chicago IL 60606 — 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 [ ]

## 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 (line 13 from prior year) | 615,648 | 0 |
| 8 | Portion elected for use to offset prior year's funding requirement (line 35 from prior year) | 0 | 0 |
| 9 | Amount remaining (line 7 minus line 8) | 615,648 | 0 |
| 10 | Interest on line 9 using prior year's actual return of 12.31% | 75,786 | |
| 11 | Prior year's excess contributions to be added to prefunding balance: | | |
| a | Present value of excess contributions (line 38 from prior year) | | 768,277 |
| b | Interest on (a) using prior year's effective rate of 6.45% except as otherwise provided (see instructions) | | 49,554 |
| c | Total available at beginning of current plan year to add to prefunding balance | | 817,831 |
| d | Portion of (c) to be added to prefunding balance | | 0 |
| 12 | Other reductions in balances due to elections or deemed elections | 0 | 0 |
| 13 | Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) | 691,434 | 0 |

## Part III Funding percentages

| | | | |
|---|---|---|---|
| 14 | Funding target attainment percentage | 14 | 74.45 % |
| 15 | Adjusted funding target attainment percentage | 15 | 74.45 % |
| 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 | 81.67 % |
| 17 | If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage | 17 | % |

## Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

| (a) Date (MM-DD-YYYY) | (b) Amount paid by employer(s) | (c) Amount paid by employees | (a) Date (MM-DD-YYYY) | (b) Amount paid by employer(s) | (c) Amount paid by employees |
|---|---|---|---|---|---|
| 04/15/2011 | 381,696 | | | | |
| 10/14/2011 | 381,696 | | | | |
| 01/13/2012 | 381,696 | | | | |
| 09/14/2012 | 805,812 | | | | |
| | | | | | |
| | | | | | |
| | | | Totals • 18(b) | 1,950,900 | 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 contributions from prior years | 19a | |
| b | Contributions made to avoid restrictions adjusted to valuation date | 19b | |
| c | Contributions allocated toward minimum required contribution for current year adjusted to valuation date | 19c | 1,827,318 |

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] 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: | 2nd segment: | 3rd segment: | ☐ N/A, full yield curve used |
|---|---|---|---|
| 3.78 % | 6.31 % | 6.57 % | |

| | | |
|---|---|---|
| **b** Applicable month (enter code) | **21b** | 4 |
| **22** Weighted average retirement age | **22** | 65 |

**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 contributions for all prior years | **28** | |
| **29** Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a) | **29** | |
| **30** Remaining amount of unpaid minimum required contributions (line 28 minus line 29) | **30** | 0 |

## Part VIII Minimum required contribution for current year

| | | | |
|---|---|---|---|
| **31** Target normal cost and excess assets (see instructions): | | | |
| **a** Target normal cost (line 6) | **31a** | | 279,213 |
| **b** Excess assets, if applicable, but not greater than 31a | **31b** | | 0 |
| **32** Amortization installments: | | Outstanding Balance | Installment |
| **a** Net shortfall amortization installment | | 9,426,399 | 1,917,713 |
| **b** Waiver amortization installment | | | 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 (lines 31a - 31b + 32a + 32b - 33) | **34** | | 2,196,926 |

| | Carryover balance | Prefunding balance | Total balance |
|---|---|---|---|
| **35** Balances elected for use to offset funding requirement | 369,728 | 0 | 369,728 |

| | | |
|---|---|---|
| **36** Additional cash requirement (line 34 minus line 35) | **36** | 1,827,198 |
| **37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) | **37** | 1,827,318 |
| **38** Present value of excess contributions for current year (see instructions) | | |
| **a** Total (excess, if any, of line 37 over line 36) | **38a** | 120 |
| **b** Portion included in line 38a attributable to use of prefunding and funding standard carryover balances | **38b** | 120 |
| **39** Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) | **39** | 0 |
| **40** Unpaid minimum required contributions for all years | **40** | 0 |

## Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

**41** If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:

**a** Schedule elected ☐ 2 plus 7 years ☐ 15 years

**b** Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

| | | |
|---|---|---|
| **42** Amount of acceleration adjustment | **42** | 0 |
| **43** Excess installment acceleration amount to be carried over to future plan years | **43** | 0 |

# Pension Agreement Between GKN Rockford, Inc. and The UAW And Its Local Union No. 803

**Financial Report**

**December 31, 2011**

# Pension Agreement Between GKN Rockford, Inc. and The UAW And Its Local Union No. 803

## Contents


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plante moran

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# Independent Auditor's Report

To the Plan Administrator
Pension Agreement Between GKN Rockford, Inc. and
The UAW And Its Local Union No. 803

We were engaged to audit the statement of net assets available for benefits of Pension Agreement Between GKN Rockford, Inc. and The UAW And Its Local Union No. 803 (the "Plan") as of December 31, 2011 and 2010, the related statement of changes in net assets available for benefits for the years then ended, the statement of accumulated plan benefits as of December 31, 2010 and 2009, and the related statement of changes in accumulated plan benefits for the years then ended, 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 Prudential Retirement Insurance and Annuity Company, the custodian 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 Custodian holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the Custodian as of December 31, 2011 and 2010 and for the years then ended that the information provided to the plan administrator by the Custodian is complete and accurate.

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

Plante & Moran, PLLC

Auburn Hills, Michigan
September 20, 2012

Praxity
MEMBER
GLOBAL ALLIANCE OF INDEPENDENT FIRMS

# Pension Agreement Between GKN Rockford, Inc. and The UAW And Its Local Union No. 803

## Statement of Net Assets Available for Benefits

| | December 31, 2011 | December 31, 2010 |
|---|---|---|
| **Assets** | | |
| Investments - Plan's interest in the GKN North America Pension Plan Master Trust (Note 4) | $ 27,453,803 | $ 29,295,779 |
| Contributions receivable | 1,187,508 | 495,341 |
| **Net Assets Available for Benefits** | **$ 28,641,311** | **$ 29,791,120** |

See Notes to Financial Statements.

# Pension Agreement Between GKN Rockford, Inc. and The UAW And Its Local Union No. 803

## Statement of Changes in Net Assets Available for Benefits

| | Year Ended December 31, 2011 | Year Ended December 31, 2010 |
|---|---|---|
| **Additions to Net Assets** | | |
| Employer contributions | $ 2,345,833 | $ 2,508,487 |
| Investment (loss) income - Plan's share of the GKN North America Pension Plan Master Trust investment (loss) income (Note 4) | (70,393) | 3,313,857 |
| Total additions | 2,275,440 | 5,822,344 |
| **Deductions from Net Assets** | | |
| Benefits paid directly to participants or beneficiaries | 3,252,682 | 3,365,012 |
| Administrative expenses | 172,567 | 191,981 |
| Total deductions | 3,425,249 | 3,556,993 |
| **Net (Decrease) Increase** | (1,149,809) | 2,265,351 |
| **Net Assets Available for Benefits** | | |
| Beginning of year | 29,791,120 | 27,525,769 |
| End of year | **$ 28,641,311** | **$ 29,791,120** |

See Notes to Financial Statements.

# Pension Agreement Between GKN Rockford, Inc. and The UAW And Its Local Union No. 803

## Statement of Accumulated Plan Benefits

| | December 31, 2010 | December 31, 2009 |
|---|---|---|
| **Actuarial Present Value of Accumulated Plan Benefits** | | |
| Vested benefits: | | |
| Participants currently receiving benefit payments | $ 27,480,264 | $ 28,359,913 |
| Other vested participants | 5,629,776 | 5,539,737 |
| Total vested benefits | 33,110,040 | 33,899,650 |
| Nonvested benefits | 119 | 8,516 |
| Total actuarial present value of accumulated plan benefits | **$ 33,110,159** | **$ 33,908,166** |

See Notes to Financial Statements.

# Pension Agreement Between GKN Rockford, Inc. and The UAW And Its Local Union No. 803

## Statement of Changes in Accumulated Plan Benefits

| | Year Ended | |
|---|---|---|
| | December 31, 2010 | December 31, 2009 |
| **Actuarial Present Value of Accumulated Plan Benefits** - | | |
| Beginning of year | $ 33,908,166 | $ 35,639,573 |
| Increase (decrease) during the year attributable to: | | |
| Benefits accumulated | 79,523 | 92,122 |
| Actuarial losses (gains) | 6,158 | (926,097) |
| Interest due to the decrease in the discount period | 2,422,889 | 2,548,474 |
| Benefits paid | (3,365,012) | (3,504,087) |
| Change of assumptions | 58,435 | 58,181 |
| Net decrease | (798,007) | (1,731,407) |
| **Actuarial Present Value of Accumulated Plan Benefits** - | | |
| End of year | **$ 33,110,159** | **$ 33,908,166** |

## Note 1 - Plan Description

The following description of Pension Agreement Between GKN Rockford, Inc. and The UAW And Its Local Union No. 803 (formerly referred to as Rockford Powertrain, Inc. Pension Plan for Clutch Plant) (the "Plan") provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

**General** - The Plan is a defined benefit plan covering all full-time employees of GKN Rockford, Inc. (the "Company" and "Plan Sponsor") who are represented by the collective bargaining agreement between the Company and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW and Local No. 803. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan was frozen on November 5, 1990 to new participants.

**Pension Benefits** - The Plan provides for payment of normal retirement, early retirement, disability retirement, and death benefits to its participants. Normal retirement benefits commence at age 65. Participants who have completed 10 years of service may elect to retire early following the attainment of age 60. Participants who have completed 30 years of service may elect to retire early following the attainment of age 55. In such event, the participant's monthly benefit shall be reduced by a certain percentage for each month that the participant's early retirement date precedes his or her normal retirement date. A participant is entitled to receive a disability retirement benefit if he or she becomes permanently disabled after completing 10 years of service. A participant's spouse will receive a monthly benefit provided that the participant was vested and married (for at least one year) at the time of the participant's death.

The normal retirement benefit is based on the participant's years of credited service. The number of years of credited service is multiplied by the benefit unit in effect on the participant's last day of employment.

Distributions are payable upon retirement, death, disability, or termination of employment in the form of various installment annuities. In lieu of receiving a monthly benefit as provided above, a participant may alternatively elect a reduced monthly benefit payment during the lifetime of the retired participant and continuing during the lifetime of the participant's designated beneficiary or spouse.

## Note 1 - Plan Description (Continued)

**Plan Operations** - The Plan is administered by the Company through its designated representatives. Investment management fees, trustee fees, and certain administrative expenses, such as actuarial fees, audit fees, and Pension Benefit Guaranty Corporation (PBGC) premiums, are charged to the GKN North America Pension Plan Master Trust (the "Master Trust") (see Note 4) and allocated to participating plans by the Custodian based on each individual plan's units of participation in the Master Trust or on a specific identification basis.

**Eligibility and Vesting** - Employees become participants in the Plan following completion of the eligibility requirements as described in the Plan and are fully vested for normal retirement upon reaching age 65 or after completing 10 years of service.

**Party-in-interest Transactions** - Certain investment funds held in the GKN North America Pension Plan Master Trust are managed by Prudential Retirement Insurance and Annuity Company or its affiliates. Prudential Retirement Insurance and Annuity Company is the current custodian of the Plan; therefore, these transactions qualify as party-in-interest transactions as defined under ERISA guidelines.

## Note 2 - Summary of Significant Accounting Policies

**Investment Valuation** - The Plan's investments are stated at fair value. The fair value of the Plan's interest in the Master Trust is based on the beginning of year value of the Plan's interest in the Master Trust plus actual contributions and allocated investment income (loss) less actual distributions and allocated administrative expenses (see Note 4). Pooled separate account investments in the Master Trust are valued at the net asset value per share of the funds, which is based on the fair value of the funds' underlying assets. See Note 5 for additional information on the valuation of investments.

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

**Benefit Payments** - Benefits are recorded when paid.

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

## Note 2 - Summary of Significant Accounting Policies (Continued)

**Risks and Uncertainties** - Contributions to the Plan and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, employee compensation, and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions will occur in the near term and, due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. It is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the statement of net assets available for benefits.

**Subsequent Events** - The financial statements and related disclosures include evaluation of events up through and including September 20, 2012, which is the date the financial statements were available to be issued.

## Note 3 - Unaudited Investment Information

Prudential Retirement Insurance and Annuity Company (the "Custodian") holds the Plan's investments and executes all investment transactions. The investment balances and related investment income included in the accompanying financial statements, including Master Trust investment information included in Note 4, are based solely on information provided by the Custodian.

## Note 4 - Interest in Master Trust

The Plan's investments are in the GKN North American Pension Plan Master Trust which was established for the investment of assets of the Plan and several other retirement plans sponsored by related parties. Each participating retirement plan has an undivided interest in the Master Trust. The assets of the Master Trust are held by Prudential Retirement Insurance and Annuity Company. At December 31, 2011 and 2010, the Plan's interest in the net assets of the Master Trust was approximately 7 percent and 8 percent, respectively. Investment income and administrative expenses relating to the Master Trust are allocated to the individual plans based upon the fair value of assets invested by each plan.

The fair values of investments for the Master Trust at December 31, 2011 and 2010 are as follows:

| | 2011 | 2010 |
|---|---|---|
| **Total Master Trust Investments** - Pooled separate accounts | $ 370,486,481 | $ 368,835,802 |

## Note 4 - Interest in Master Trust (Continued)

The investment (loss) income for the Master Trust for the years ended December 31, 2011 and 2010 are as follows:

| | 2011 | 2010 |
|---|---|---|
| Interest and dividend income | $ 8,385,145 | $ 7,536,978 |
| Net realized and unrealized (depreciation) appreciation in pooled separate accounts | (7,365,880) | 33,219,025 |
| Investment expenses | (2,254,532) | (1,951,461) |
| Total investment (loss) income | $ (1,235,267) | $ 38,804,542 |

## Note 5 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Plan's assets measured at fair value on a recurring basis at December 31, 2011 and 2010 and the valuation techniques used by the Plan to determine those fair values.

**Level 1** - In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Plan has the ability to access.

**Level 2** - Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

**Level 3** - Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset. There are no Level 3 inputs for this plan.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Plan's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

## Note 5 - Fair Value Measurements (Continued)

The Master Trust's policy is to recognize transfers between levels of the fair value hierarchy as of the end of the reporting period of the change in circumstances that caused the transfer. There were no significant transfers between levels of the fair value hierarchy during 2011 and 2010.

**Assets Measured at Fair Value on a Recurring Basis at December 31, 2011**

| | Significant Other Observable Inputs (Level 2) |
|---|---|
| **Total Master Trust Investments** - Pooled separate accounts | |
| Equity investments (1) | $ 249,603,997 |
| Fixed-income investments (2) | 111,230,703 |
| Short-term investments (3) | 9,651,781 |
| Total | $ 370,486,481 |

**Assets Measured at Fair Value on a Recurring Basis at December 31, 2010**

| | Significant Other Observable Inputs (Level 2) |
|---|---|
| **Total Master Trust Investments** - Pooled separate accounts | |
| Equity investments (1) | $ 258,819,127 |
| Fixed-income investments (2) | 102,539,347 |
| Short-term investments (3) | 7,477,328 |
| Total | $ 368,835,802 |

(1) This class represents investments in actively managed pooled separate accounts that invest primarily in equity securities, which may include domestic and international common stocks. Investments are valued at the net asset value per share multiplied by the number of shares held as of the measurement date.

(2) This class represents investments in actively managed pooled separate accounts that invest in a variety of fixed-income investments, which may include corporate bonds, both U.S. and non-U.S. municipal securities, interest rate swaps, options, and futures. Investments are valued at the net asset value per share multiplied by the number of shares held as of the measurement date.

## Note 5 - Fair Value Measurements (Continued)

(3) This class invests primarily in actively managed pooled separate accounts which invest in short-term, fixed-income securities including, but not limited to, bonds, government securities, commercial paper, or certificates of deposit with the objective of providing high-current income consistent with the preservation of capital and the maintenance of liquidity. Short-term investments are valued at $1.00/unit, which approximates fair value.

There were no unfunded commitments or redemption restrictions on the investments described above.

## Note 6 - Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments that are attributable under the Plan's provisions to the service that employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. The present value of accumulated plan benefits, which is actuarially determined by Towers Watson, is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment due to death, disability, or retirement between the valuation date and the expected date of payment.

The significant actuarial assumptions used in the valuation as of December 31, 2010 and 2009 were (a) an assumed rate of interest per annum of 7.50 percent in 2010 and 2009, compounded annually, net of investment expenses, (b) the static mortality tables with separate mortality rates for annuitants and non-annuitants in 2010 and 2009, and (c) retirement age assumptions (the assumed average retirement age was 65 in 2010 and 2009). The change in actuarial assumptions in 2009 related to a change in the mortality table used from the PPA 2009 table in 2008 to the PPA 2010 table for 2009. The changes in actuarial assumptions in 2010 related to a change in the mortality table being updated to include one additional year of projected mortality improvements and a change in assumed plan-related expenses.

## Note 7 - Funding Policy

The Plan is funded by the Plan Sponsor. The Plan Sponsor intends to contribute such amounts to the Plan as are necessary to provide assets sufficient to fund pension plan costs accrued, including amortization of past service costs, as determined on an actuarial basis. The Plan has met the ERISA minimum funding requirements for the plan years ended December 31, 2011 and 2010.

## Note 8 - Tax Status

The Plan has received a determination letter from the Internal Revenue Service indicating that the Plan, as designed, is qualified for tax-exempt treatment under the applicable section of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

In accordance with guidance on accounting for uncertainty in income taxes, management evaluated the Plan's tax position and does not believe the Plan has any uncertain tax positions that require disclosure or adjustment to the financial statements. The plan administrator believes the Plan is no longer subject to tax examinations for years prior to 2008.

## Note 9 - Plan Termination

Although it has not expressed any intention to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions set forth in ERISA. In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

1. Provide benefits for all participants or beneficiaries whose benefits have been, or could have been, in pay status for the entire three-year period prior to termination, based on the plan provisions in effect during the five-year period ending on such date under which such benefit would be the least
2. Provide all other benefits guaranteed under Title IV of the Employee Retirement Income Security Act of 1974 (without regard to the limitation of Section 4022(b)(3) or the limitation on benefits payable to "substantial owners" of Section 4022(b)(5))
3. Provide all other vested benefits other than those becoming nonforfeitable solely on account of the termination of the Plan
4. Provide all other benefits under the Plan

The Pension Benefit Guaranty Corporation (PBGC) guarantees the payment of all nonforfeitable basic benefits subject to certain limitations prescribed by ERISA. Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits and may also depend on the level of benefits guaranteed by the PBGC.