

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2011</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☒
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>U.S. BORAX INC. RETIREMENT PLAN FOR BORON HOURLY EMPLOYEES</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>002</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>10/01/1963</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>002</u>	1c Effective date of plan <u>10/01/1963</u>	
1b Three-digit plan number (PN) ▶	<u>002</u>				
1c Effective date of plan <u>10/01/1963</u>					
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>U.S. BORAX, INC.</u> <u>4700 DAYBREAK PARKWAY</u> <u>SOUTH JORDAN, UT 84095</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>98-0047580</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>801-204-2000</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>325600</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>98-0047580</u>	2c Sponsor's telephone number <u>801-204-2000</u>	2d Business code (see instructions) <u>325600</u>	
2b Employer Identification Number (EIN) <u>98-0047580</u>					
2c Sponsor's telephone number <u>801-204-2000</u>					
2d Business code (see instructions) <u>325600</u>					

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2012	NICHOLAS CHERONIS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") U.S. BORAX, INC. 4700 DAYBREAK PARKWAY SOUTH JORDAN, UT 84095	3b Administrator's EIN 98-0047580 3c Administrator's telephone number 801-204-2000
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name USB-BORON RE. PN/HR EES USBI	4b EIN 98-0047580 4c PN 002	
5 Total number of participants at the beginning of the plan year	5	1452
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	621
b Retired or separated participants receiving benefits.....	6b	487
c Other retired or separated participants entitled to future benefits.....	6c	239
d Subtotal. Add lines 6a , 6b , and 6c	6d	1347
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	97
f Total. Add lines 6d and 6e	6f	1444
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 3H

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

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) ☐ Insurance	(1) ☐ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust	(3) ☒ Trust
(4) ☐ General assets of the sponsor	(4) ☐ General assets of the sponsor

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

a Pension Schedules

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

b General Schedules

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

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection
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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 <u>U.S. BORAX INC. RETIREMENT PLAN FOR BORON HOURLY EMPLOYEES</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>U.S. BORAX, INC.</u>	D Employer Identification Number (EIN) <u>98-0047580</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1	Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2011</u>
2	Assets:
a	Market value 2a <u>150167660</u>
b	Actuarial value 2b <u>138830695</u>
3	Funding target/participant count breakdown:
	(1) Number of participants (2) Funding Target
a	For retired participants and beneficiaries receiving payment 3a <u>527</u> <u>79593043</u>
b	For terminated vested participants 3b <u>271</u> <u>8407849</u>
c	For active participants:
(1)	Non-vested benefits 3c(1) <u>4481507</u>
(2)	Vested benefits 3c(2) <u>50431781</u>
(3)	Total active 3c(3) <u>654</u> <u>54913288</u>
d	Total 3d <u>1452</u> <u>142914180</u>
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 <u>6.28 %</u>
6	Target normal cost 6 <u>2637586</u>

Statement by Enrolled Actuary

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

SIGN HERE	<u>10/01/2012</u>
Signature of actuary	Date
<u>CARLOS DIAZ</u>	<u>11-05725</u>
Type or print name of actuary	Most recent enrollment number
<u>BUCK CONSULTANTS, LLC</u>	<u>310-282-8232</u>
Firm name	Telephone number (including area code)
<u>1801 CENTURY PARK EAST, SUITE 500</u> <u>LOS ANGELES, CA 90067</u>	
Address of the firm	

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

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

Schedule SB (Form 5500) 2011
v.012611

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)	497950	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)	497950	0
10	Interest on line 9 using prior year's actual return of <u>12.54</u> %	62443	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38 from prior year)		13423740
b	Interest on (a) using prior year's effective rate of <u>6.69</u> % except as otherwise provided (see instructions)		898048
c	Total available at beginning of current plan year to add to prefunding balance		14321788
d	Portion of (c) to be added to prefunding balance		14000000
12	Other reductions in balances due to elections or deemed elections	560393	5221209
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	8778791

Part III		Funding percentages	
14	Funding target attainment percentage	14	91.00 %
15	Adjusted funding target attainment percentage	15	91.00 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	90.99 %
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
Totals ►			18(b)	0	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
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:	
Liquidity shortfall as of end of quarter of this plan year	
(1) 1st	(2) 2nd
0	0
(3) 3rd	(4) 4th
0	0

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

21 Discount rate:				
a Segment rates:	1st segment: 3.78%	2nd segment: 6.31%	3rd segment: 6.57%	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

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

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contributions for all prior years	28	0
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	2637586	
b Excess assets, if applicable, but not greater than 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	12862276	2367004	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	5004590	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....		5004590	5004590
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b		
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		
43 Excess installment acceleration amount to be carried over to future plan years	43		

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		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 <u>U.S. BORAX INC. RETIREMENT PLAN FOR BORON HOURLY EMPLOYEES</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>U.S. BORAX, INC.</u>	D Employer Identification Number (EIN) <u>98-0047580</u>

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)..... ☐ 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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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 ☐

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: TANNER LLC	b EIN: 20-2253063
c Position: ACCOUNTANT	
d Address: 36 SOUTH STATE STREET, SUITE 600 SALT LAKE CITY, UT 84111-1400	e Telephone: 801-532-7444

Explanation: A BUSINESS DECISION WAS MADE TO CHANGE AUDITORS.

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 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 U.S. BORAX INC. RETIREMENT PLAN FOR BORON HOURLY EMPLOYEES	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 U.S. BORAX, INC.	D Employer Identification Number (EIN) 98-0047580	

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)		
(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)	151025279	142577266
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	151025279	142577266

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	116985	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	116985	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	150908294	142577266
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(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)		0
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)		-392572
(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		-392572

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	7938456	
(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)		7938456
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)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		7938456

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		-8331028
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: MCGLADREY LLP

(2) EIN: 42-0714325

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

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

Part IV Compliance Questions

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

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		20000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?

If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

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

5b(1) Name of plan(s)

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

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>U.S. BORAX INC. RETIREMENT PLAN FOR BORON HOURLY EMPLOYEES</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>U.S. BORAX, INC.</u>	D Employer Identification Number (EIN) <u>98-0047580</u>

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	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>04-3581074</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>0</u>

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

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

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: 51% Investment-Grade Debt: 38% High-Yield Debt: 1% Real Estate: 5% Other: 5%

- 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):

U.S. Borax Inc. Retirement Plan for Represented Hourly Employees

Financial Report
December 31, 2011

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Independent Auditor's Report

To the Rio Tinto America Benefit Governance Committee
U.S. Borax Inc. Retirement Plan for Represented Hourly Employees

We were engaged to audit the accompanying statement of net assets available for benefits of the U.S. Borax Inc. Retirement Plan for Represented Hourly Employees (the Plan) as of December 31, 2011, and the related statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's management. The financial statements of the Plan as of and for the year ended December 31, 2010, were audited by other auditors, whose report dated October 14, 2011, did not express an opinion on the 2010 financial statements for the same reasons described in the following paragraph.

As permitted by 29 CFR 2520.103-8 of the United States Department of Labor's (DOL) 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 4, which was certified or provided by State Street Bank and Trust Company, the trustee of the Plan, except for comparing this information with the related information included in the financial statements. We have been informed by the Plan Administrator that the trustee holds the Plan's assets and executes transactions. The Plan Administrator has obtained a certification from the trustee regarding the correctness and completeness, to the best of their knowledge and belief, of the information summarized in Note 4 that was provided to the Plan Administrator by the trustee as of and for the year ended December 31, 2011.

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 2011 financial statements taken as a whole. The form and content of the information included in the 2011 financial statements, other than that derived from the information certified or provided by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

McGladrey LLP

Minneapolis, Minnesota
October 12, 2012

U.S. Borax Inc. Retirement Plan for Represented Hourly Employees

**Statements of Net Assets Available for Benefits
December 31, 2011 and 2010**

	2011	2010
Assets:		
Investments, at fair value (Notes 4, 5 and 7):		
Plan interest in the Rio Tinto America Master Retirement Trust	\$ 142,577,266	\$ 151,025,279
Liabilities:		
Accrued administrative expenses	-	116,985
Net assets available for benefits	\$ 142,577,266	\$ 150,908,294

See Notes to Financial Statements.

U.S. Borax Inc. Retirement Plan for Represented Hourly Employees

Statements of Changes in Net Assets Available for Benefits Years Ended December 31, 2011 and 2010

	2011	2010
Additions:		
Investment results (Notes 4 and 5):		
Plan interest in the Rio Tinto America Master Retirement Trust		
investment income	\$ 330,411	\$ 15,099,597
Employer contributions	-	17,900,000
Total additions	330,411	32,999,597
Deductions:		
Benefits paid to participants and beneficiaries	7,938,456	6,986,974
Administrative expenses	722,983	559,537
Total deductions	8,661,439	7,546,511
Net increase (decrease)	(8,331,028)	25,453,086
Net assets available for benefits:		
Beginning of year	150,908,294	125,455,208
End of year	\$ 142,577,266	\$ 150,908,294

See Notes to Financial Statements.

U.S. Borax Inc. Retirement Plan for Represented Hourly Employees

Notes to Financial Statements

Note 1. Description of the Plan

The following brief description of the U.S. Borax Inc. Retirement Plan for Represented Hourly Employees (the Plan) provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

General: On December 31, 2010, the U.S. Borax Inc. Retirement Plan for Wilmington Hourly Employees was merged into the U.S. Borax Inc. Retirement Plan for Represented Hourly Employees to form the Plan. The Plan is a defined benefit pension plan covering all eligible hourly represented employees of U.S. Borax Inc. (the Company or Employer) at its sites in Boron, California, and Wilmington, California, as defined in the plan document. Employees begin participating in the Plan when they have completed at least one year of service (1,000 hours in a 12-month period). The Company is a subsidiary of Rio Tinto America, Inc., which is an indirect wholly owned subsidiary of Rio Tinto plc (the Parent). The Plan is intended to be a qualified retirement plan under the Internal Revenue Code (IRC) and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Company has appointed State Street Bank and Trust Company (State Street) to be the trustee and invest and manage the assets of the Plan. Under terms of the Plan, participants are eligible for monthly benefit payments upon reaching regular retirement age.

Pension benefits: Pension payments are calculated using years of service. Participants receive varying monthly benefit amounts based on years of service. The monthly benefit amount per year of service is \$75 for all future retirements. For participants that retire early, a reduced retirement benefit will be received.

A participant vests fully in retirement benefits after performing five years of vesting service, as defined, or upon reaching retirement age while still employed by the Company or termination of the Plan. A reduced early retirement benefit is available after attainment of age 55 and completion of five years of vesting service. Participants will receive a lump-sum distribution in the event that the actuarial present value of the participant's entire vested benefit is \$5,000 or less. The basic forms of retirement benefits available under the Plan are a lump-sum benefit, a monthly life annuity or, for a married participant, a qualified joint and survivor annuity.

Information regarding the vesting and benefit provisions of the Plan is contained in the Summary Plan Description. Copies of this booklet are available from the human resources department of the Company.

Termination of the Plan: Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions 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:

- a. Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under the plan provisions in effect at any time during the five years preceding plan termination.
- b. Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC) (a U.S. government agency) up to the applicable limitations (discussed below).

U.S. Borax Inc. Retirement Plan for Represented Hourly Employees

Notes to Financial Statements

Note 1. Description of the Plan (Continued)

- c. All other vested benefits (that is, vested benefits not insured by the PBGC).
- d. All nonvested benefits.

Certain benefits under the Plan are insured by the PBGC, if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivors' pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees. For plan terminations occurring during 2012, that ceiling is \$4,653 per month. That ceiling applies to those pensioners who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or plan termination, whichever comes later. For younger annuitants, or for those who elect to receive their benefits in some form more valuable than a single-life annuity, the corresponding ceilings are actuarially adjusted downward. Benefit improvements may not be fully guaranteed even though total benefit entitlements fall below the aforementioned ceilings. After the effective date of benefit improvements, the PBGC would guarantee 20 percent of any benefit improvements that resulted in benefits below the ceiling, with an additional 20 percent guaranteed each year the Plan continued beyond the effective date. If the amount of the benefit increase below the ceiling is also less than \$100, \$20 of the increase (rather than 20 percent) becomes guaranteed by the PBGC each year following the effective date of the amendment.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Company and the level of benefits guaranteed by the PBGC.

Note 2. Summary of Significant Accounting Policies

Basis of accounting and change in basis of presentation: The financial statements of the Plan are prepared on the accrual basis of accounting. The statement of accumulated plan benefits and statement of changes in accumulated plan benefits are presented as a component of Note 3 to the 2011 financial statements. These statements were presented as separate stand-alone financial statements in the 2010 financial statements.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires plan management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

Plan contributions and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee compensation and demographics. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions will occur in the near term that could be material to the financial status of the Plan.

U.S. Borax Inc. Retirement Plan for Represented Hourly Employees

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

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

The Master Trust invests in securities with contractual cash flows, such as credit default and interest rate swaps. The value, liquidity and related income of these securities are sensitive to changes in economic conditions, including real estate values, delinquencies and/or defaults, and may be adversely affected by a shift in the market's perception of the issuers and changes in interest rates.

Investment valuation and income recognition: Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 7 for a discussion of fair value measurements.

Interest income is recorded on the accrual basis, and dividends are recorded on the ex-dividend date. Realized gains and losses related to the sales of investments are recorded on a trade-date basis.

Valuation of investment in the Master Trust: The Master Trust commenced on April 1, 2010. The Master Trust is a multiple-plan trust, ownership of which is divided among the plans based on allocated units of participation. Each participation unit has a value equal to the total fair value of the Master Trust's net assets divided by the total participation units outstanding. State Street is the trustee of the Master Trust.

The Plan has an undivided interest in certain assets and changes therein of the Master Trust's underlying investments. The Plan's investment in the Master Trust is 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 (loss) income, less actual distributions and actual and allocated administrative expenses. The net investment income (loss) and administrative expenses attributable to the Master Trust that are not plan-specific are allocated by the trustee to the Plan based on the Plan's pro rata share of each of the underlying assets of the Master Trust on a monthly basis. The Plan presents in the statements of changes in net assets available for benefits its interest in the net investment income or loss of the Master Trust, which consists of the realized gains or losses, unrealized appreciation or depreciation, interest, and dividends of the Master Trust's investments.

Funding policy: The Company contributes to the Plan at such times and in such amounts as considered necessary so that contributions are sufficient to provide benefits as actuarially calculated under the terms of the Plan. The Plan has currently met all minimum funding requirements of ERISA. The principal or income of the trust cannot be used for any purpose other than for the exclusive benefit of the plan participants or their beneficiaries.

Payment of benefits: Benefit are recorded when paid by the Plan.

Administrative expenses: The Company pays a portion of the costs and expenses incurred in administering the Plan, with the Plan paying the remaining costs and expenses. The Company provides accounting and other services for the Plan at no cost to the Plan.

U.S. Borax Inc. Retirement Plan for Represented Hourly Employees

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Tax status: The Internal Revenue Service has determined and informed the Company by a letter dated August 27, 2003, that the Plan and related trust are designed in accordance with the applicable requirements of the IRC. The Plan has been amended since receiving the determination letter; however, the Plan Administrator and the Plan's legal counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

The Plan Administrator has evaluated the Plan's tax positions and concluded that the Plan had taken no uncertain tax positions that would require adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements. With few exceptions, the Plan is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2008.

Pension Protection Act: The Pension Protection Act of 2006, as amended by the Worker, Retiree and Employer Recovery Act of 2008, imposes certain benefit restrictions for qualified defined benefit plans that do not meet certain funding thresholds. The "At-Risk" status is referred to as the Funding Target Attainment Percentage (FTAP). A plan's funded percentage is referred to as the Adjusted Funding Target Attainment Percentage (AFTAP). The 2011 AFTAP for the Plan is 91 percent. Because the Plan's AFTAP equals or exceeds 80 percent, the Plan is not subject to any benefit restrictions.

Recent accounting pronouncements: In January 2010, the Financial Accounting Standards Board (FASB) issued an amendment, *Fair Value Measurements and Disclosures—Improving Disclosures about Fair Value Measurements*, which requires new disclosures and reasons for transfers of financial assets and liabilities between Levels 1 and 2. This amendment also clarifies that fair value measurements and disclosures are required for each class of financial assets and liabilities, and disclosures about inputs and valuation techniques are required for both Level 2 and Level 3 measurements. It further clarifies that the reconciliation of Level 3 measurements should separately present purchases, sales, issuances, and settlements instead of netting these changes. The disclosures required under this guidance are provided in Note 7.

In May 2011, the FASB issued Accounting Standards Update, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*. The updated amended Fair Value Measurements and Disclosures converge the fair value measurement guidance in GAAP and International Financial Reporting Standards (IFRS). Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle in Fair Value Measurements and Disclosures. In addition, the update requires additional fair value disclosures. The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011. Plan management is currently evaluating the effect that the provisions of the update will have on the Plan's 2012 financial statements.

Subsequent events: The Plan Administrator evaluated subsequent events and transactions occurring through October 12, 2012, the date on which the financial statements were available to be issued.

U.S. Borax Inc. Retirement Plan for Represented Hourly Employees

Notes to Financial Statements

Note 3. Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions for service rendered by employees as of the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees with vested rights or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits payable under all circumstances—retirement, death, disability and termination of employment—are included to the extent they are deemed attributable to employee services rendered prior to the valuation date.

The actuarial present value of accumulated plan benefits is determined by the Plan's independent consulting actuary. It results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected future payment dates.

The actuarial valuation was performed as of January 1, 2011. There were no significant differences between the assumptions at December 31, 2010, and January 1, 2011, which would cause the actuarial valuation not to be representative of the Plan's obligations as of December 31, 2010.

The following are the significant assumptions underlying the actuarial computations as of December 31, 2010:

Investment earnings rate	6.60%
Mortality basis	RP-2000 Employees Table projected to 2025
Retirement age	Earlier of age 62 and 5 years of vesting service or age 65

These actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

The actuarial present value of accumulated plan benefits as of December 31, 2010, is summarized as follows:

Vested benefits:

Participants currently receiving benefits	\$ 75,158,533
Other participants	65,169,725
	<hr/> 140,328,258

Nonvested benefits	6,325,671
Total actuarial present value of accumulated plan benefits	<hr/> <hr/> \$ 146,653,929

U.S. Borax Inc. Retirement Plan for Represented Hourly Employees

Notes to Financial Statements

Note 3. Actuarial Present Value of Accumulated Plan Benefits (Continued)

Below is a summary of significant changes in the actuarial present value of accumulated plan benefits for the year ended December 31, 2010:

Actuarial present value of accumulated plan benefits, beginning of year	<u>\$ 109,611,066</u>
Increase (decrease) during the year attributable to:	
Benefits paid	(5,652,124)
Increase in interest due to the decrease in discount period	7,905,822
Plan merger*	24,190,605
Change in actuarial assumptions	8,584,048
Benefits accumulated, net of actuarial gains/losses	<u>2,014,512</u>
Net increase	<u>37,042,863</u>
Actuarial present value of accumulated plan benefits, end of year	<u><u>\$ 146,653,929</u></u>

*On December 31, 2010, the U.S. Borax Inc. Retirement Plan for Wilmington Hourly Employees was merged into the Plan.

The present value of accrued and vested benefits is calculated on an ongoing plan basis and does not represent the amount required in the event of plan termination.

Note 4. Information Certified or Provided by State Street Bank and Trust Company, the Plan Trustee

The following is a summary of the Plan's asset information as of December 31, 2011 and 2010, and for the years then ended, included throughout the Plan's financial statements, that was prepared by or derived from information provided by the trustee and furnished to the Plan Administrator. The Plan Administrator has obtained certifications from the trustee that the information provided to the Plan Administrator by the trustee related to the following assets is complete and correct to the best of their knowledge and belief. Accordingly, as permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan Administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to information that appears throughout the financial statements related to the following assets:

	December 31	
	2011	2010
Investments:		
Plan's interest in Rio Tinto America Master Retirement Trust*	\$ 142,701,184	\$ 150,284,645

State Street also certified to the best of their knowledge and belief the completeness and correctness of investment results on the Plan's interest in the Master Trust for the years ended December 31, 2011 and 2010, as follows:

	Years Ended December 31	
	2011	2010
Investment results:		
Plan's interest in Rio Tinto America Master Retirement Trust*	\$ 454,330	\$ 11,054,552

*Subsequent to the issuance of the December 31, 2011, certified statements, the fair value of an individual investment was adjusted, resulting in a reduction of the Plan's interest in the Master Trust assets and related income of approximately \$124,000.

U.S. Borax Inc. Retirement Plan for Represented Hourly Employees

Notes to Financial Statements

Note 5. Interest in Rio Tinto America Master Retirement Trust

Since April 1, 2010, the Plan has participated in the Rio Tinto America Master Retirement Trust as permitted by the plan agreement. The Plan has an undivided interest of 8.6 percent and 6.4 percent in the net assets of the Master Trust as of December 31, 2011 and 2010, respectively.

The Master Trust financial information disclosed in this note and Note 6 represents 100 percent of the Master Trust net assets and the related changes in net assets in which the Plan has an undivided interest as of and for the years ended December 31, 2011 and 2010.

Rio Tinto America Master Retirement Trust: The net assets of the Master Trust as of December 31, 2011 and 2010, are as follows:

	Unaudited	
	2011	2010
Assets:		
Cash	\$ 1,614,946	\$ 7,488,895
Investments, at fair value:		
Interest-bearing cash and cash equivalents	51,910,484	68,120,046
U.S. and foreign government securities	207,388,365	274,000,671
Corporate debt	270,499,499	233,437,310
Preferred stocks	2,269,649	4,091,114
Common stocks	285,987,713	433,554,422
Partnerships/joint ventures	124,538,963	90,790,595
Loans secured by mortgages	6,640,910	24,026,284
Common collective trusts	697,430,304	693,243,703
Registered investment companies	10,810,495	15,323,052
	<u>1,657,476,382</u>	<u>1,836,587,197</u>
Receivables:		
Due from broker	453,138	3,762,633
Dividends receivable	385,240	638,303
Interest receivable	6,351,443	7,265,216
Other	419,687	508,319
	<u>7,609,508</u>	<u>12,174,471</u>
Total assets	<u>1,666,700,836</u>	<u>1,856,250,563</u>
Liabilities:		
Due to other plans	147,203	-
Due to broker	19,497,794	2,653,501
Unrealized appreciation/depreciation nonsecurities	1,292,692	769,028
	<u>20,937,689</u>	<u>3,422,529</u>
Net assets	<u>\$ 1,645,763,147</u>	<u>\$ 1,852,828,034</u>

U.S. Borax Inc. Retirement Plan for Represented Hourly Employees

Notes to Financial Statements

Note 5. Interest in Rio Tinto America Master Retirement Trust (Continued)

The changes in the net assets and investment results of the Master Trust for the years ended December 31, 2011 and 2010, are summarized as follows:

	2011	2010
Investment results:		
Net appreciation (depreciation):		
U.S. and foreign government securities	\$ 12,239,696	\$ 3,590,387
Corporate debt	13,170,101	4,753,134
Preferred stocks	360,753	180,552
Common stocks	(13,402,005)	86,629,279
Partnerships/joint ventures	11,918,598	15,922,681
Loans secured by mortgages	(657,997)	1,350,056
Common collective trusts	(56,554,114)	120,550,414
Registered investment companies	(2,313,647)	3,831,920
Other	844,029	(1,740,296)
	<u>(34,394,586)</u>	<u>235,068,127</u>
Interest	36,831,894	13,797,396
Dividends	4,761,110	3,287,110
Currency gain/loss and other	581,820	1,723,517
	<u>7,780,238</u>	<u>253,876,150</u>
Administrative expenses	<u>(6,920,035)</u>	<u>(3,233,307)</u>
Net investment results	860,203	250,642,843
Transfers from Alcan Trust	-	891,798,886
Transfers to former Master Trust participating plans	(169,403,396)	-
Net purchases (redemptions)	<u>(38,521,694)</u>	<u>710,386,305</u>
Net increase (decrease) in net assets	<u>\$ (207,064,887)</u>	<u>\$ 1,852,828,034</u>

U.S. Borax Inc. Retirement Plan for Represented Hourly Employees

Notes to Financial Statements

Note 6. Investments

The following table presents the fair values of investments that represent 5 percent or more of the Master Trust's net assets:

	December 31	
	2011	2010
Investments, at fair value:		
Common collective trusts:		
PIMCO Long Duration Corporate Bond Portfolio	\$ 139,021,710	\$ -
The Sprucegrove US International Pooled Fund	118,599,111	*
MFS Institutional International Equity Fund	104,505,335	127,074,263
Pyramis Concentrated International Small Cap		
Commingled Pool	86,078,938	-
State Street Global Advisors Russell 1000 Index Fund	83,212,661	125,671,136
Russell 1000 Growth Fund	*	115,569,249
Capital Guardian All Country World Equity Master Fund	-	132,225,314

*Represents less than 5 percent of Master Trust net assets in the year indicated.

Note 7. Fair Value Measurements

Accounting guidance provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

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

Level 2: Inputs to the valuation methodology include quoted market prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets within the Master Trust measured at fair value. There have been no significant changes in the methodologies used at December 31, 2011 and 2010.

Interest-bearing cash and cash equivalents: Interest-bearing cash and cash equivalents are valued based on cost, including the effects of foreign currency, which approximates fair value.

U.S. Borax Inc. Retirement Plan for Represented Hourly Employees

Notes to Financial Statements

Note 7. Fair Value Measurements (Continued)

U.S. and foreign government securities and corporate and other obligations: U.S. and foreign government securities and corporate and other obligations are valued based on pricing matrices or models from pricing vendors used by the trustee.

Common and preferred stocks: Common and preferred stocks are valued based on the last sales price on the primary exchange.

Credit default and interest rate swaps: Credit default and interest rate swaps are valued based on pricing matrices or models from pricing vendors used by the trustee. The net liability position of approximately \$1,262,000 is included with corporate debt for purposes of the fair value measurement disclosures.

Partnerships/joint ventures: Partnerships/joint ventures are valued based on the estimated fair value of the participation owned by the Master Trust as determined by the general partner or investment manager of the respective partnership/joint venture. The net asset value of the partnerships/joint ventures are based on the fair values of the underlying investments. The valuation inputs are derived primarily from audited financial statements and other financial data. partnerships/joint ventures include eight private equity fund of funds limited partnerships that invest in private equity both domestically and internationally. These investments are considered illiquid and are meant to be held for the life of the funds but, if necessary, sales can be arranged through the secondary market. Distributions are received through the liquidation of the underlying assets of the funds. It is estimated that the underlying assets will be liquidated over the next two to eight years. Unfunded commitments of the Master Trust approximate \$59.7 million for these eight funds.

Partnerships/joint ventures also include four investments in domestic and international real estate fund limited partnerships and two investments in direct real estate funds. The fair values of these investments are estimated using the net asset value (NAV) of the trust's ownership interest in partners' capital. The valuation inputs of these investments are derived from third-party appraisals. These investments are considered illiquid, but sales can be arranged on the secondary market or, in the case of the two direct real estate funds, can be redeemed over time. Distributions from each fund are received as income is generated through the investments and as the underlying assets of the funds are liquidated over the next two to eight years. Unfunded commitments of the Master Trust approximate \$59.2 million for the six investments.

Loans secured by mortgages: Loans secured by mortgages are valued on the basis of their principal and interest payments discounted at prevailing interest rates for similar investments.

Common collective trusts: The common collective trusts are valued based on the NAV of units held at year-end as provided by the fund administrator. Generally, under ordinary market conditions, all common collective trust positions provide daily market liquidity to the Master Trust. Certain Master Trust-directed withdrawals may be subject to market value adjustments calculated in accordance with the provisions of the investment contracts.

U.S. Borax Inc. Retirement Plan for Represented Hourly Employees

Notes to Financial Statements

Note 7. Fair Value Measurements (Continued)

Registered investment companies: Registered investment companies are valued based on the last sales price on the primary exchange.

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 trustee of the Master Trust believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. To assess the appropriate classification of investments within the fair value hierarchy, the availability of market data is monitored. Changes in economic conditions or valuation techniques may require the transfer of investments from one fair value level to another. Management evaluates the significance of transfers between levels based upon the nature of the investment and size of the transfer relative to total net assets available for benefits. For the year ended December 31, 2011, there were no transfers in or out of Levels 1, 2 or 3.

The following tables set forth by level, within the fair value hierarchy, the Master Trust's fair value measurements as of December 31, 2011 and 2010:

	Assets at Fair Value as of December 31, 2011			
	Level 1	Level 2	Level 3	Total
Interest-bearing cash and cash equivalents	\$ -	\$ 51,910,484	\$ -	\$ 51,910,484
Fixed-income investments:				
U.S. government securities	-	122,170,194	-	122,170,194
Foreign government securities	-	85,218,171	-	85,218,171
Corporate bonds	-	270,499,499	-	270,499,499
Common stocks:				
U.S. large cap	143,472,827	-	-	143,472,827
U.S. mid cap	121,944,401	-	-	121,944,401
U.S. small cap	20,570,485	-	-	20,570,485
Preferred stocks	-	2,269,649	-	2,269,649
Partnerships/joint ventures	-	-	124,538,963	124,538,963
Loans secured by mortgages	-	6,640,910	-	6,640,910
Common collective trusts:				
Domestic equity	-	313,538,028	-	313,538,028
International equity	-	383,892,276	-	383,892,276
Registered investment companies	10,810,495	-	-	10,810,495
Total investment assets at fair value	\$ 296,798,208	\$ 1,236,139,211	\$ 124,538,963	\$ 1,657,476,382

U.S. Borax Inc. Retirement Plan for Represented Hourly Employees

Notes to Financial Statements

Note 7. Fair Value Measurements (Continued)

	Assets at Fair Value as of December 31, 2010			
	Level 1	Level 2	Level 3	Total
Interest-bearing cash and cash equivalents	\$ -	\$ 68,120,046	\$ -	\$ 68,120,046
Fixed-income investments:				
U.S. government securities	-	181,853,241	-	181,853,241
Foreign government securities	-	92,147,430	-	92,147,430
Corporate bonds	-	233,437,310	-	233,437,310
Common stocks:				
U.S. large cap	204,633,207	-	-	204,633,207
U.S. mid cap	144,421,232	-	-	144,421,232
U.S. small cap	15,882,776	-	-	15,882,776
International	68,617,207	-	-	68,617,207
Preferred stocks	-	4,091,114	-	4,091,114
Partnerships/joint ventures	-	-	90,790,595	90,790,595
Loans secured by mortgages	-	24,026,284	-	24,026,284
Common collective trusts:				
Domestic equity	-	241,254,426	-	241,254,426
International equity	-	424,046,427	-	424,046,427
Domestic bonds	-	27,942,850	-	27,942,850
Registered investment companies	15,323,052	-	-	15,323,052
Total investment assets at fair value	\$ 448,877,474	\$ 1,296,919,128	\$ 90,790,595	\$ 1,836,587,197

The following table sets forth a summary of changes in fair value of the Master Trust's Level 3 investment assets for the years ended December 31, 2011 and 2010:

	Level 3 Assets, Partnerships/Joint Ventures	
	2011	2010
Balance, beginning of year	\$ 90,790,595	\$ 23,468,475
Transfer from Alcan Trust	-	41,845,263
Realized losses	(615,982)	(1,718,374)
Unrealized gains relating to instruments still held at the reporting date	12,373,343	17,641,055
Purchases, sales, issuances and settlements, net	-	9,554,176
Purchases	(14,195,611)	-
Sales	36,186,618	-
Balance, end of year	\$ 124,538,963	\$ 90,790,595

U.S. Borax Inc. Retirement Plan for Represented Hourly Employees

Notes to Financial Statements

Note 7. Fair Value Measurements (Continued)

The Plan follows guidance on how entities should estimate fair value of certain alternative investments. The fair value of investments within the scope of the guidance can be determined using NAV per share as a practical expedient, when fair value is not readily determinable, unless it is probable the investment will be sold at something other than NAV.

The following tables categorize investments within the Master Trust where NAV is available as a practical expedient as of December 31, 2011 and 2010:

Asset Category	2011			
	Fair Value Estimated Using Net Asset Value per Share			
	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Common collective trusts:				
Domestic equity (a)	\$ 313,538,028	\$ -	Immediate	None
International equity (b)	383,892,276	-	Immediate	None
Partnerships/joint ventures (d)	124,538,963	118,900,000	Varies	Varies
	<u>\$ 821,969,267</u>	<u>\$ 118,900,000</u>		

Asset Category	2010			
	Fair Value Estimated Using Net Asset Value per Share			
	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Common collective trusts:				
Domestic equity (a)	\$ 241,254,426	\$ -	Immediate	None
International equity (b)	424,046,427	-	Immediate	None
Domestic bonds (c)	27,942,850	-	Immediate	None
Partnerships/joint ventures (d)	90,790,595	103,600,000	Varies	Varies
	<u>\$ 784,034,298</u>	<u>\$ 103,600,000</u>		

- (a) Domestic equity—The objective of the funds is to seek income by investing in a portfolio of corporate fixed-income investments and collective investment funds.
- (b) International equity—The objective of the funds is to seek capital appreciation by investing in international companies.
- (c) Domestic bonds—The objective of the fund is to obtain maximum total return, consistent with preservation of capital and prudent investment management.
- (d) Partnerships/joint ventures—The objective of these investments is to obtain a return of 3 percent, net, above public market indices in a full cycle.

U.S. Borax Inc. Retirement Plan for Represented Hourly Employees

Notes to Financial Statements

Note 8. Party in Interest

The Master Trust invests in the following investments managed by the trustee or affiliated companies that qualify as party-in-interest transactions:

	December 31	
	2011	2010
State Street Bank & Trust Co. Short Term Investment Fund	\$ 50,747,484	\$ 67,106,190
State Street Global Advisors Russell 1000 Index Fund	83,212,661	125,671,136
State Street Global Advisors MSCI EAFE Index Fund	-	28,991,017
Capital Guardian All Country World Equity Master Fund	-	132,225,314
Russell 1000 Growth Fund	73,793,473	115,569,249
AXA Capital Europe	6,896,178	4,691,817
AXA Private Equity Fund II	3,002,021	3,661,718
AXA Capital America LP	4,569,500	3,307,134
AXA Secondary Fund V	7,748,953	-

These transactions are not, however, considered prohibited transactions under ERISA regulations.

Certain administrative functions are performed by officers or employees of the Company, for which no compensation is received from the Plan.

Note 9. Derivative Financial Instruments

As of December 31, 2011, a fixed-income manager of the Master Trust utilizes derivative financial instruments consisting of credit default and interest rate swaps. This manager uses these financial instruments to manage exposure to interest rate and credit risks and to achieve the overall desired duration under the Master Trust's fixed-income mandate.

Credit default swap agreements involve one party (referred to as the buyer of protection) making a stream of payments to another party (the seller of protection) in exchange for the right to receive a specified return in the event of a default or other credit event for the referenced entity, obligation or index. As a seller of protection on credit default swap agreements, the Master Trust will generally receive from the buyer of protection a fixed rate of income throughout the term of the swap, provided that there is no credit event.

If a credit event occurs, as defined under the terms of that particular swap agreement, the Master Trust will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation, other deliverable obligation, or underlying securities comprising the referenced index or (ii) pay a net settlement in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.

U.S. Borax Inc. Retirement Plan for Represented Hourly Employees

Notes to Financial Statements

Note 9. Derivative Financial Instruments (Continued)

The maximum potential amount of future payments (undiscounted) that the Master Trust as a seller of protection could be required to make under a credit default swap agreement would be an amount equal to the notional amount of the agreement. Notional amounts of all credit default swap agreements outstanding as of December 31, 2011, for which the Master Trust is a seller of protection are disclosed below. These potential amounts would be partially offset by any recovery values of the respective referenced obligations, upfront payments received upon entering into the agreement, or net amounts received from the settlement of the credit default swap agreements entered into by the Master Trust for the same referenced entity or entities.

The notional values summarized below provide an indication of the extent of the Plan's involvement in such instruments. Notional amounts of derivative financial instruments do not necessarily represent amounts exchanged by parties and, therefore, are not a direct measure of the Plan's exposure from its use of derivatives.

December 31, 2011						
	Location	Notional/Par Value	Cost	Current Fair value	Coupon Rate	Maturity
Credit default swaps:						
Swap 1	Corporate bonds	\$ 96,000,000	\$ (1,780,283)	\$ (900,841)	1.00%	December 20, 2016
Swap 2	Corporate bonds	4,700,000	(129,147)	(126,032)	1.00%	December 20, 2016
Swap 3	Corporate bonds	4,000,000	(105,221)	(93,229)	1.00%	December 20, 2016

Swap 1 is an index of individual credit default swaps. This security represents selling protection on the Markit North American Investment Grade Index, which is composed of 125 equally weighted credit default swaps on investment grade entities, distributed among six subsidiaries: high volatility, consumer, energy, financial, industrial and technology, and media and telecommunications. The indices roll every six months in March and September. Swaps 2 and 3 are sovereign credit default swaps where the portfolio has sold protection on debt issued by the Brazilian and Mexican governments, respectively.

Interest rate swap agreements involve the exchange by the Master Trust with a counterparty of their respective commitments to pay or receive interest, e.g., an exchange of floating-rate payments for fixed-rate payments, with respect to the notional amount of principal. These swaps are used to adjust interest rate and yield curve exposure and substitute for physical securities. Long swap positions ("receive fixed") increase exposure to long-term interest rates; short positions ("pay fixed") decrease exposure. As of December 31, 2011, the net liability position of the interest rate swaps is approximately \$142,000.

Plan Name	U. S. BORAX INC. RETIREMENT PLAN FOR REPRESENTED HOURLY EMPLOYEES
Plan Sponsor EIN	98-0047580
ERISA Plan #	002
Plan Year Ending	12-31-2011

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U.S. Borax Inc. Retirement Plan for Boron Hourly Employees
FEIN: 98-0047580 / 002
Plan Year Ending December 31, 2011

Schedule R, Line 18 – Funded Percentage of Plans Contributing to the Liabilities of Plan Participants:

Plan Name	EIN	Plan Number	Funding Percentage
U.S. Borax Inc. Retirement Plan For Boron Hourly Employees	98-0047580	002	90.99
U.S. Borax Inc. Retirement Plan For Wilmington Hourly Employees	98-0047580	003	128.77

See Supplemental Schedules attached to the IQPA Opinion and Financial Statements

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</small>	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
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For calendar plan year 2011 or fiscal plan year beginning _____ and ending _____	
Round off amounts to nearest dollar. Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.	
A Name of plan U.S. Borax Inc. Retirement Plan for Represented Hourly Employees	B Three-digit plan number (PN) 002
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF U.S. Borax Inc.	D Employer Identification Number (EIN) 98-0047580
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B ☐ Other F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500	

Part I Basic Information			
1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2011</u>			
2 Assets:			
a Market value	2a		150,167,660
b Actuarial value	2b		138,830,695
3 Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment.....	3a	527	79,593,043
b For terminated vested participants.....	3b	271	8,407,849
c For active participants:			
(1) Non-vested benefits.....	3c(1)		4,481,507
(2) Vested benefits.....	3c(2)		50,431,781
(3) Total active.....	3c(3)	654	54,913,288
d Total.....	3d	1,452	142,914,180
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	6.28 %	
6 Target normal cost	6	2,637,586	

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	<div style="font-size: 2em; font-family: cursive;">CD</div>	<div style="font-size: 1.5em; font-family: cursive;">10/1/12</div>
	Signature of actuary	Date
	Type or print name of actuary	Most recent enrollment number
	Firm name	Telephone number (including area code)
	Address of the firm	

Carlos Diaz
 Buck Consultants, LLC
 1801 Century Park East, Suite 500
 Los Angeles CA 90067

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).....	497,950	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).....	497,950	0
10 Interest on line 9 using prior year's actual return of <u>12.54</u> %.....	62,443	
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38 from prior year)		13,423,740
b Interest on (a) using prior year's effective rate of <u>6.69</u> % except as otherwise provided (see Instructions).....		898,048
c Total available at beginning of current plan year to add to prefunding balance.....		14,321,788
d Portion of (c) to be added to prefunding balance.....		14,000,000
12 Other reductions in balances due to elections or deemed elections.....	560,393	5,221,209
13 Balance at beginning of current year (line 9 + line 10 + line 11d - line 12).....	0	8,778,791

Part III Funding percentages

14 Funding target attainment percentage	14	91.00 %
15 Adjusted funding target attainment percentage	15	91.00 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	90.99 %
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
Totals •			18(b)	0	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	0
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No	
b If 20a is "Yes," were required quarterly instalments for the current year made in a timely manner?	☒ Yes ☐ No	
c If 20a is "Yes," see instructions and complete the following table as applicable:		

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

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

21 Discount rate:			
a Segment rates:	1st segment: 3.78 %	2nd segment: 6.31 %	3rd segment: 6.57 %
			☐ N/A, full yield curve used
b Applicable month (enter code)			21b 4
22 Weighted average retirement age			22 62
23 Mortality table(s) (see Instructions)	☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute		

Part VI Miscellaneous items

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

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contributions for all prior years	28	0
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	2,637,586	
b Excess assets, if applicable, but not greater than 31a	31b	0	
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment	12,862,276		2,367,004
b Waiver amortization installment	0		0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	5,004,590	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement		5,004,590	5,004,590
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b		
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		
43 Excess installment acceleration amount to be carried over to future plan years	43		

U.S. BORAX INC.
Retirement Plan for Represented Hourly Employees
EIN: 98-0047580 PN: 002

Schedule SB – Notes for 2011 Plan Year

In preparing Schedule SB, the actuary relied on the following information, which was provided by other parties:

- (a) Contribution information, as provided by the trustee.
- (b) Financial information, as provided by the trustee.
- (c) Data on Participants covered by the Plan, as provided by the Company. While not verifying the data at source, the actuary performed tests for consistency and reasonability.
- (d) Information on the Plan provisions, as provided by the Company.

The U.S. Borax Inc. Retirement plan for Boron Hourly Employees merged with the U.S. Borax Inc. Retirement Plan for Wilmington Hourly Employees on December 31, 2010.

U.S. BORAX INC.
Retirement Plan for Represented Hourly Employees
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**Schedule SB, Line 7 – Explanation of Discrepancy in Prior Year Funding Standard
Carryover Balance or Prefunding Balance**

The U.S. Borax Inc. Retirement Plan for Boron Hourly Employees (EIN/PN = 98-0047580/002) merged with the U.S. Borax Inc. Retirement Plan for Wilmington Hourly Employees (EIN/PN = 98-0047580/003) on December 31, 2010. The merged plan was renamed the U.S. Borax Inc. Retirement Plan for Represented Hourly Employees (EIN/PN = 98-0047580/002).

2011 Schedule SB, Line 7, Prior Year Balances represent the respective sums of the Carryover and Prefunding Balances:

	Carryover balance	Prefunding balance
Line 13 from prior year (EIN/PN = 98-0047580/002)	\$0	\$0
Line 13 from prior year (EIN/PN = 98-0047580/003)	\$497,950	\$0
Total Line 13 from prior year	\$497,950	\$0

U.S. BORAX INC.
Retirement Plan for Represented Hourly Employees
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Schedule SB, Line 22 – Description of Weighted Average Retirement Age

The age is derived by applying the following retirement assumption to the current active population.

Retirement Age: Age 65, or if earlier, age 62 with 5 years of vesting service

The probability of retirement is:

Under age 65 with under 5 years of vesting service 0%

Age 62 with 5 years of vesting service 100%

Age 63 with 5 years of vesting service 100%

Age 64 with 5 years of vesting service 100%

Age 65 and over regardless of vesting service 100%

U.S. BORAX INC.
Retirement Plan for Represented Hourly Employees
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Schedule SB, Part V – Summary of Plan Provisions

Effective date	Boron and Wilmington hourly effective October 1, 1963; plans were merged on December 31, 2010.
Covered employees	Regular, full-time Boron and Wilmington hourly employees, excluding union members who have not accepted the plan.
Participation date	First day of month after completing one year of service. Participation is frozen as of May 17, 2010 for Boron Hourly employees.
Pensionable service	All service after one year of service, or from date of hire after five years of service. Also, service after January 1, 1968 for Boron Hourly and March 1, 1967 for Wilmington Hourly for contributory benefit not counted.
Eligibility for retirement:	
(a) Normal (unreduced)	Age 65.
(b) Early	Age 55.
	Benefits at early retirement are determined in accordance with the following schedule:

Age at early retirement	Percentage of normal retirement benefit Payable
62	100%
61	96%
60	92%
59	88%
58	84%
57	80%
56	76%
55	72%

U.S. Borax Inc.

Retirement Plan for Represented Hourly Employees

EIN: 98-0047580 PN: 002

Schedule SB, Part V – Summary of Plan Provisions (*continued*)

Normal retirement benefit

Boron Hourly

Date of termination	Monthly benefit per year of pensionable service
November 4, 1980 to November 3, 1981	\$16
November 4, 1981 to August 31, 1983	17
September 1, 1983 to August 31, 1984	19
September 1, 1984 to November 3, 1986	21
November 4, 1986 to November 3, 1987	24
November 4, 1987 to November 3, 1988	26
November 4, 1988 to November 3, 1989	27
November 4, 1989 to November 3, 1992	29
November 4, 1992 to November 3, 1995	32
November 4, 1995 to November 3, 1997	37
November 4, 1997 to November 3, 1998	38
November 4, 1998 to November 3, 2001	45
November 4, 2001 to November 3, 2002	55
November 4, 2002 to November 3, 2003	58
November 4, 2003 to November 3, 2004	60
November 4, 2004 to November 3, 2005	72
November 4, 2005 to November 3, 2006	74
November 4, 2006 and thereafter	75

Wilmington Hourly

Date of termination	Monthly benefit per year of pensionable service
June 15, 1980 to June 14, 1981	\$16
June 15, 1981 to June 16, 1983	17
June 17, 1983 to June 16, 1984	19
June 17, 1984 to June 16, 1986	20
June 17, 1986 to June 16, 1987	23
June 17, 1987 to June 16, 1988	25
June 17, 1988 to June 16, 1989	27
June 17, 1989 to June 16, 1992	29
June 17, 1992 to June 16, 1995	32
June 17, 1995 to June 16, 1998	37
June 17, 1998 to June 16, 2001	43
June 17, 2001 to June 16, 2002	53
June 17, 2002 to June 16, 2003	56
June 17, 2003 to June 16, 2004	58
June 17, 2004 to June 16, 2005	60
June 17, 2005 to June 16, 2006	62
June 17, 2006 and thereafter	73

U.S. Borax Inc.

Retirement Plan for Represented Hourly Employees

EIN: 98-0047580 PN: 002

Schedule SB, Part V – Summary of Plan Provisions (*continued*)

Death benefit

Return of accumulated employee contributions with credited interest to date of death.

Pre-retirement spouse benefit

If a participant dies (i) after attainment of age 55 and he is actively employed on his 55th birthday, or (ii) while actively employed after completing at least 25 years of pensionable service, a benefit is payable to his surviving spouse for life equal to 50% of his accrued pension at date of death.

If a vested participant dies prior to meeting the requirements described above, his spouse will receive a reduced benefit equal to the survivor portion of the 50% joint and survivor annuity.

A death benefit is payable to the dependent children of a single participant who has at least 15 years of service at date of death.

Termination benefit

- (i) Vesting is 100% after the earlier of attaining age 55 or completing five years of vesting service.
- (ii) Prior to vesting: Benefit is return of employee contributions, if any, with credited interest to date of termination.
- (iii) After vesting: Accrued vested benefit deferred to age 65. Vested terminees may receive benefits as early as age 55 with actuarial reduction.
- (iv) Vested terminee with deferred benefits may withdraw his contributions, if any, with credited interest at termination or during deferred period in lieu of deferred contributory benefits.

U.S. Borax Inc.
Retirement Plan for Represented Hourly Employees

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Schedule SB, Part V – Summary of Plan Provisions (*continued*)

Disability income benefit

Eligibility: 10 years of pensionable service.

Benefit:

<u>Years of Service</u>	<u>Percentage of Final-Average Earnings</u>
10-15	15%
15-25	15%-25%
Over 25	25%

Reduced by workers' compensation and 50% of Social Security benefit. Not payable while participant receives benefits from LTD Plan.

Forms of payment

The normal form of benefit is a life annuity. The automatic form of payment for a participant married as of retirement date is a 50% joint and survivor annuity. Other forms available are:

- (i) Joint and survivor.
- (ii) Guaranteed period and life.
- (iii) Social Security level income.

Maximum on benefits

All benefits are subject to limitations as defined in the Plan.

Summary of Changes from the January 1, 2010 Valuation

- 1) Plans were merged as of December 31, 2010.
- 2) Participation was frozen for Boron Hourly employees as of May 17, 2010.

U.S. BORAX INC.
Retirement Plan for Represented Hourly Employees
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Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Funding interest rates

Current Year:

Segment Rates with four month lookback:

First Segment Rate	3.78%
Second Segment Rate	6.31%
Third Segment Rate	6.57%
Effective Interest Rate	6.28%

Prior Year:

Segment Rates with four month lookback:

First Segment Rate	5.03%
Second Segment Rate	6.73%
Third Segment Rate	6.82%
Effective Interest Rate – Boron Hourly	6.69%
Effective Interest Rate – Wilmington Hourly	6.64%

Mortality – for funding purposes

Mortality tables mandated by PPA as specified in IRS Regulation 1.430(h)(3)-1, applied on a static basis, projected 7 years from the valuation date for annuitants and 15 years for non-annuitants.

Actuarial cost method

Unit Credit Method. The Funding Target is the present value of accrued benefits and based on service to date. The Target Normal Cost is the present value of benefits expected to be accrued during the current plan year, including expected administrative and investment expenses to be paid from plan assets during the year.

U.S. Borax Inc.
Retirement Plan for Represented Hourly Employees
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Schedule SB, Part V – Statement of Actuarial Assumptions/Methods *(continued)*

Expenses

Expected plan administrative and investment expenses of \$482,000 were added to the Target Normal Cost.

Frequency of optional payment forms

Based on experience.

Benefit Form	Assumption
Single Life Annuity	45%
Joint and 50% Survivor Annuity	30%
Joint and 100% Survivor Annuity	15%
10 Year Certain and Life Annuity	5%
Level Income Annuity	5%

Marital percentage

80% of participants are assumed to be married. Husbands are assumed to be 3 years older than their wives.

Retirement Assumption

Age 65 or, if earlier, age 62 and 5 years of vesting service.

Sample withdrawal rates for participants not eligible for retirement

Age	Withdrawal Rate
20	10.5%
30	5.8%
40	2.7%
50	1.2%
60	0.0%

U.S. Borax Inc.
Retirement Plan for Represented Hourly Employees
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Schedule SB, Part V – Statement of Actuarial Assumptions/Methods *(continued)*

Asset valuation method

The Actuarial Value of Assets is determined using a method that spreads asset gains/(losses) over two years. The gain/(loss) for each period is determined as the actual return during the period less the expected return based on an assumed earnings rate chosen by the actuary but required by PPA to be not greater than the applicable third segment rate. The resulting value is constrained to be within a corridor of 90% to 110% of market value. The discounted value of accrued contributions, if any, is included in the Actuarial Value of Assets.

The expected return on plan assets is 8.00% per annum, limited by PPA to the applicable Third Segment Rate as follows:

2010 measurement period:	6.82%
2009 measurement period:	6.69%

Summary of Changes from the January 1, 2010 Valuation

- 1) Interest rate and mortality table used to value funding liabilities were updated as prescribed by PPA.
- 2) The expense load was updated to \$482,000 to reflect anticipated future expenses.

U.S. BORAX INC.
Retirement Plan for Represented Hourly Employees
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Schedule SB, Line 24 – Change in Actuarial Assumptions

Change in expense load to target normal cost

The expense load was updated to \$482,000 to reflect anticipated future expenses.

U.S. BORAX INC.
Retirement Plan for Represented Hourly Employees
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Schedule SB, Line 26 Schedule of Active Participant Data

Age	0-1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
Under 25	1	12	0	0	0	0	0	0	0	0	13
25-29	0	23	9	0	0	0	0	0	0	0	32
30-34	2	31	19	10	0	0	0	0	0	0	62
35-39	7	20	12	20	3	0	0	0	0	0	62
40-44	3	20	11	23	9	6	0	0	0	0	72
45-49	0	8	15	19	11	7	10	1	0	0	71
50-54	3	21	17	26	17	10	17	47	2	0	160
55-59	1	6	11	16	7	3	9	36	23	2	114
60-64	2	5	4	11	5	3	6	7	10	9	62
65-69	0	2	1	0	0	0	1	1	0	0	5
70+	0	0	0	0	1	0	0	0	0	0	1
Total	19	148	99	125	53	29	43	92	35	11	654

U.S. BORAX INC.
Retirement Plan for Represented Hourly Employees
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Schedule SB, Line 32 – Schedule of Amortization Bases

Date Established	Initial Amount	Remaining Installments	Shortfall Amortization Installment	Present Value of Remaining Installments as of January 1, 2011
January 1, 2009	\$ 6,202,324	5	\$ 1,100,594	\$ 5,116,435
January 1, 2010	(417,548)	6	(70,270)	(378,419)
January 1, 2011	8,124,260	7	<u>1,336,680</u>	<u>8,124,260</u>
Total			\$ 2,367,004	\$ 12,862,276

All bases are shortfall bases; there are no waiver bases.

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
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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	
	☒ a single-employer plan;	☐ a DFE (specify) _____	
B This return/report is:	☐ the first return/report;	☐ the final return/report;	
	☐ an amended return/report;	☐ a short plan year return/report (less than 12 months).	
C If the plan is a collectively-bargained plan, check here.	☒		
D Check box if filing under:	☒ Form 5558;	☐ automatic extension;	☐ the DFVC program;
	☐ special extension (enter description) _____		

Part II Basic Plan Information—enter all requested information			
1a Name of plan U.S. BORAX INC. RETIREMENT PLAN FOR BORON HOURLY EMPLOYEES	1b Three-digit plan number (PN) ▶	002	
		10/01/1963	
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) U.S. BORAX, INC. 4700 DAYBREAK PARKWAY SOUTH JORDAN UT 84095	2b Employer Identification Number (EIN) 98-0047580	2c Sponsor's telephone number (801) 204-2000	2d Business code (see instructions) 325600

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		10/9/12	JEFF FORKER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE		10.12.12	CORI PETERSEN
	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") SAME	3b Administrator's EIN 3c Administrator's telephone number
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 USB-BORON RE. PN/HR EES USBI	4b EIN 98-0047580 4c PN 002
5 Total number of participants at the beginning of the plan year	5 1,452
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 621
b Retired or separated participants receiving benefits.....	6b 487
c Other retired or separated participants entitled to future benefits	6c 239
d Subtotal. Add lines 6a, 6b, and 6c.	6d 1,347
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e 97
f Total. Add lines 6d and 6e.....	6f 1,444
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 3H

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

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

a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information - Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)
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