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

2012

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2012 or fiscal plan year beginning 10/01/2012 and ending 09/30/2013

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
ASHLAND HERCULES PENSION PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1913

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

ASHLAND INC

P O BOX 14000
LEXINGTON, KY 40512

3499 BLAZER PARKWAY
LEXINGTON, KY 40509

2b Employer Identification Number (EIN)
20-0865835

2c Sponsor's telephone number
859-357-7777

2d Business code (see instructions)
424600

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.	07/10/2014	ROBIN SWANSON
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	07/10/2014	ROBIN SWANSON
	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

Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)

Preparer's telephone number (optional)

3a Plan administrator's name and address [X] Same as Plan Sponsor Name [ ] Same as Plan Sponsor Address	**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:	**4b** EIN	
a Sponsor's name	**4c** PN	
5 Total number of participants at the beginning of the plan year	**5**	53957
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**	4975
b Retired or separated participants receiving benefits	**6b**	20950
c Other retired or separated participants entitled to future benefits	**6c**	22833
d Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	48758
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	4372
f Total. Add lines **6d** and **6e**	**6f**	53130
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**	43
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 Characteristics Codes in the instructions:
1A 1G 3H

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

9a Plan funding arrangement (check all that apply)

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

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

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

b General Schedules

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

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

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

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

OMB No. 1210-0110

2012

This Form is Open to Public Inspection

For calendar plan year 2012 or fiscal plan year beginning 10/01/2012 and ending 09/30/2013

▶ **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
ASHLAND HERCULES PENSION PLAN

B Three-digit plan number (PN) ▶ 001

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

D Employer Identification Number (EIN)
20-0865835

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

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

Part I Basic Information

1 Enter the valuation date: Month 10 Day 01 Year 2012

2	Assets:			
	a Market value		**2a**	2701274856
	b Actuarial value		**2b**	2617600631
3	Funding target/participant count breakdown:		**(1)** Number of participants	**(2)** Funding Target
	a For retired participants and beneficiaries receiving payment	**3a**	24957	1534650249
	b For terminated vested participants	**3b**	23910	616395018
	c For active participants:			
	(1) Non-vested benefits	**3c(1)**		21743034
	(2) Vested benefits	**3c(2)**		433216351
	(3) Total active	**3c(3)**	5405	454959385
	d Total	**3d**	54272	2606004652
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**	6.96 %
6	Target normal cost		**6**	28087667

Statement by Enrolled Actuary

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

SIGN HERE

Signature of actuary

07/07/2014
Date

GARY D DICKSON
Type or print name of actuary

14-03764
Most recent enrollment number

MERCER
Firm name

513-632-2600
Telephone number (including area code)

525 VINE STREET
SUITE 1600
CINCINNATI, OH 45202-3124
Address of the firm

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

Part II Beginning of Year Carryover Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	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)	0	0
10	Interest on line 9 using prior year's actual return of 12.39%		
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		4579
	b Interest on (a) using prior year's effective interest rate of 5.57% except as otherwise provided (see instructions)		255
	c Total available at beginning of current plan year to add to prefunding balance		4834
	d Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections		
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding Percentages

14	Funding target attainment percentage	14	100.44 %
15	Adjusted funding target attainment percentage	15	100.44 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	80.00 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls

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

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
06/13/2014	2572990				
10/15/2013	3710630				
07/15/2013	3711717				
04/15/2013	3711717				
01/15/2013	3711717				
			Totals ► 18(b)	17418771	18(c)

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
	a Contributions allocated toward unpaid minimum required 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	16495680

20 Quarterly contributions and liquidity shortfalls:

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

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
5.50%	6.85%	7.52 %	☐ 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 subject to 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**	28087667
b Excess assets, if applicable, but not greater than line 31a	**31b**	11595979

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment		

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**	16491688

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement			0

36 Additional cash requirement (line 34 minus line 35)	**36**	16491688
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	16495680

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

a Total (excess, if any, of line 37 over line 36)	**38a**	3992
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	0
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 an election was made to use PRA 2010 funding relief for this plan:

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

2012

This Form is Open to Public Inspection.

For calendar plan year 2012 or fiscal plan year beginning 10/01/2012 and ending 09/30/2013

A Name of plan
ASHLAND HERCULES PENSION PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
ASHLAND INC

D Employer Identification Number (EIN)
20-0865835

Part I Service Provider Information (see instructions)

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

UBS O'CONNOR LLC

06-1569842

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

TACONIC CAPITAL ADVISORS LP

20-5826144

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

STEADFAST FINANCIAL

03-0481537

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

SILVER CREEK CAPITAL MGMT LLC

91-1997788

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

SAMLYN CAPITAL LLC

20-5854094

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

REGIMENT CAPITAL MGMT LLC

04-3411614

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

PARTNER FUND MGMT LP

26-2000428

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

OZ MANAGEMENT LP

13-3980578

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

OWL CREEK ASSET MGMT LP

13-4177075

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

OMEGA ADVISORS INC

13-3628307

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

MILLENIUM MANAGEMENT LLC

13-3804139

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

MASON CAPITAL MGMT LLC

13-4121993

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

MARSHALL WACE NORTH AMERICA LP

47-0943020

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

MARSHALL WACE LLP

98-0430284

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

LUXOR CAPITAL GROUP LP

20-1394199

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

INDUS CAPITAL PARTNERS LLC

13-4129229

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

HIGHBRIDGE CAPITAL MGMT LLC

20-1901985

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

HELIOS ADVISORS LLC

46-0491123

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

HEALTHCOR MANAGEMENT LP

20-2893581

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

GRAMERCY FUNDS MANAGEMENT

20-0859356

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

FIR TREE INC

13-3745261

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

FIR TREE LLC

20-2556936

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

ETON PARK CAPITAL MGMT LP

11-3719116

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

ETON PARK ASSOCIATES LP

04-3796209

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

ERIM LLP

9 CLOAK LANE 5TH FLOOR
LONDON, GREAT BRITAIN ECR4 2RU UK

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

ELLINGTON MANAGEMENT GROUP

06-1141140

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

DAVIDSON KEMPNER ADVISERS INC

13-3594752

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

DAVIDSON KEMPNER CAPITAL MGMT LLC

13-4021240

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

BROOKSIDE CAPITAL LLC

04-3517074

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

BRIDGEWATER ASSOCIATES LP

ONE GLENDINNING PLACE
WESTPORT, CT 06880

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

BREVAN HOWARD CAPITAL MGMT LP

4TH FLOOR ONE ESPLANADE
ST HELIER JERSEY, CHANNEL ISLANDS JE2 3QA UK

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

BLUECREST CAPITAL MGMT LLP

98-0607511

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

BASSO CAPITAL MGMT LP

20-0406508

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

AURELIUS CAPITAL GP LLC

33-1115691

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

AURELIUS CAPITAL MGMG LP

33-1115695

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

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

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

STANDISH MELLON ASSET MGMT

25-1890416

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	INVESTMENT MANAGER	510228	Yes [ ] No [X]	Yes [ ] No [X]	0	Yes [ ] No [X]

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

PORTFOLIO ADVISORS LLC

06-1487853

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	INVESTMENT MANAGER	138274	Yes [ ] No [X]	Yes [ ] No [X]	0	Yes [ ] No [X]

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

XEROX CORP

16-0468020

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
65	SERVICE PROVIDER	149704	Yes [ ] No [X]	Yes [ ] No [X]	0	Yes [ ] No [X]

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)

ZEPHYR ASSOCIATES

88-0316430

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
65	SERVICE PROVIDER	7866	Yes [ ] No [X]	Yes [ ] No [X]	0	Yes [ ] No [X]

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

PACIFIC INVESTMENT MGMT CO LLC

33-0629048

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	INVESTMENT MANAGER	1326323	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [X]

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

NISA INVESTMENT ADVISORS LLC

48-1140940

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	INVESTMENT MANAGER	476500	Yes [ ] No [X]	Yes [ ] No [X]	0	Yes [ ] No [X]

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

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

MERCER US INC

13-2834414

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11 16	ACTUARY	675262	Yes [ ] No [X]	Yes [ ] No [X]	0	Yes [ ] No [X]

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

JOHNSON INVESTMENT COUNSEL

31-1801770

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	INVESTMENT MANAGER	464693	Yes [ ] No [X]	Yes [ ] No [X]	0	Yes [ ] No [X]

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

WESTERN ASSET MGMT CO

95-2705767

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	INVESTMENT MANAGER	1168334	Yes [ ] No [X]	Yes [ ] No [X]	0	Yes [ ] No [X]

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)

BNY MELLON

25-6078093

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	INVESTMENT MANAGER	471848	Yes [ ] No [X]	Yes [ ] No [X]	0	Yes [ ] No [X]

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

BLUE & CO LLC

35-1178661

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	AUDITOR	69986	Yes [ ] No [X]	Yes [ ] No [X]	0	Yes [ ] No [X]

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

BLOOMBERG FINANCE LP

06-1818168

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
65	SERVICE PROVIDER	17477	Yes [ ] No [X]	Yes [ ] No [X]	0	Yes [ ] No [X]

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)

BLACKROCK INTERNATIONAL LIMITED

06-1543710

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 50 51	INVESTMENT MANAGER	1012309	Yes [ ] No [X]	Yes [ ] No [X]	0	Yes [ ] No [X]

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

THE BANK OF NEW YORK MELLON

13-5160382

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
18 99	CUSTODIAN	1247382	Yes [ ] No [X]	Yes [ ] No [X]	0	Yes [ ] No [X]

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

ASSOCIATION OF FINANCE PROFESSIONAL

58-1424769

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
65 99	5501		Yes [ ] No [X]	Yes [ ] No [X]	0	Yes [ ] No [X]

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)

ASHLAND INC

20-0865835

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
65	SERVICE PROVIDER	377179	Yes [ ] No [X]	Yes [ ] No [X]	0	Yes [ ] No [X]

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

ALBOURNE AMERICA LLC

91-2164625

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
70	CONSULTANT	373626	Yes [ ] No [X]	Yes [ ] No [X]	0	Yes [ ] No [X]

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

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

Part I Service Provider Information (continued)

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

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

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

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

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

OMB No. 1210-0110

2012

This Form is Open to Public Inspection.

For calendar plan year 2012 or fiscal plan year beginning 10/01/2012 and ending 09/30/2013

A Name of plan
ASHLAND HERCULES PENSION PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
ASHLAND INC

D Employer Identification Number (EIN)
20-0865835

Part I **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: DB MASTER PENSION TRUST

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

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
20-0865835-103	M	2652422124

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

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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

2012

This Form is Open to Public Inspection

For calendar plan year 2012 or fiscal plan year beginning 10/01/2012 and ending 09/30/2013

A Name of plan
ASHLAND HERCULES PENSION PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
ASHLAND INC

D Employer Identification Number (EIN)
20-0865835

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	77307797	6283620
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)	2625539159	2652422124
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	2702846956	2658705744
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	2702846956	2658705744

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)	17418771	
	(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)		17418771
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
	(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

		(a) Amount	(b) Total
(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)		132784077
(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		150202848
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	193996438	
(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)		193996438
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)	27560	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	5958618	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		5986178
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		199982616
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		-49779768
l Transfers of assets:			
(1) To this plan	2l(1)		5638555
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: BLUE & CO LLC **(2)** EIN: 35-1178661

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

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

Part IV Compliance Questions

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

During the plan year:

		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	

			Yes	No	Amount
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		15000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n		X	

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

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

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

Part V Trust Information (optional)

6a Name of trust	**6b** Trust's EIN

CPAS / ADVISORS

blue

Blue & Co., LLC / 250 West Main Street, Suite 2900 / Lexington, KY 40507
main 859.253.1100 fax 859.253.1384 email blue@blueandco.com

REPORT OF INDEPENDENT AUDITORS

To the Plan Administrator
Ashland Hercules Pension Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Ashland Hercules Pension Plan (the Plan), which comprise the statements of net assets available for benefits as of September 30, 2013 and 2012, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by The Bank of New York Mellon, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended September 30, 2013 and 2012, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Blue & Co., LLC

Lexington, Kentucky
June 30, 2014

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

2012

This Form is Open to Public Inspection

For calendar plan year 2012 or fiscal plan year beginning 10/01/2012 and ending 09/30/2013

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

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

A Name of plan

THE ASHLAND HERCULES PENSION PLAN

B Three-digit plan number (PN) ▶ 001

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

ASHLAND INC.

D Employer Identification Number (EIN)

20-0865835

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

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

Part I Basic Information

1 Enter the valuation date: Month 10 Day 1 Year 2012

2	Assets:			
	a Market value		**2a**	2,701,274,856
	b Actuarial value		**2b**	2,617,600,631
3	Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
	a For retired participants and beneficiaries receiving payment	**3a**	24,957	1,534,650,249
	b For terminated vested participants	**3b**	23,910	616,395,018
	c For active participants:			
	(1) Non-vested benefits	**3c(1)**		21,743,034
	(2) Vested benefits	**3c(2)**		433,216,351
	(3) Total active	**3c(3)**	5,405	454,959,385
	d Total	**3d**	54,272	2,606,004,652
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**	6.96 %
6	Target normal cost		**6**	28,087,667

Statement by Enrolled Actuary

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

SIGN HERE

Gary D Dickson / ALM

Signature of actuary

7-7-14

Date

Gary D. Dickson

Type or print name of actuary

14-03764

Most recent enrollment number

Mercer

Firm name

(513) 632-2600

Telephone number (including area code)

525 Vine Street
Suite 1600
Cincinnati OH 45202-3124

Address of the firm

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

Part II Beginning of Year Carryover Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	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)	0	0
10	Interest on line 9 using prior year's actual return of 12.39 %		
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		4,579
	b Interest on (a) using prior year's effective interest rate of 5.57 % except as otherwise provided (see instructions)		255
	c Total available at beginning of current plan year to add to prefunding balance		4,834
	d Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections		
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding Percentages

14	Funding target attainment percentage	14	100.44 %
15	Adjusted funding target attainment percentage	15	100.44 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	80.00 %
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
01/15/2013	3,711,717				
04/15/2013	3,711,717				
07/15/2013	3,711,717				
10/15/2013	3,710,630				
06/13/2014	2,572,990				
			Totals ▶ 18(b)	17,418,771	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	16,495,680

20 Quarterly contributions and liquidity shortfalls:

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

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
5.54 %	6.85 %	7.52 %	☐ 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 subject to 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**	0
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**	28,087,667
b Excess assets, if applicable, but not greater than line 31a	**31b**	11,595,979

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment		

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**	16,491,688

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0

36 Additional cash requirement (line 34 minus line 35)	**36**	16,491,688
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	16,495,680
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	**38a**	3,992
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	0
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 an election was made to use PRA 2010 funding relief for this plan:

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 SB, Part V — Statement of Actuarial Assumptions/Methods

Actuarial Assumptions for October 1, 2012 Funding Valuation

Discount rate sponsor elections

• Segment rates or full yield curve	Segment	
• Look-back months	4	
	Stabilized rates	Nonstabilized rates
• First 5 years	5.54%	1.84%
• Next 15 years	6.85%	4.79%
• Over 20 years	7.52%	5.90%

Mortality sponsor elections

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

Other economic assumptions

• Salary increases	3.75% per year
• Social Security wage base	3.25% per year
• Inflation	2.5% per year
• Expected investment return	7.75% per year for years 2010 through 2012
• Expenses	$8,788,245 added to current year normal cost (prior year administrative expense).
• Cash Balance Interest Credit	4.25% compounded annually
• LESOP Stock Appreciation	6.15% increase from market price on valuation date compounded annually.
• LESOP Share Price	Market price as of valuation date of $71.60.

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

Demographic assumptions

- Withdrawal - Affiliates

During first 5 years of sercice:

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

After five or more years of service:

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

**Rates linearly interpolated between above ages.*

- Withdrawal - Hercules

Experience rates – sample rates as follows:

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

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

- Disability incidence

Experience rates for Hercules and Affiliates:

Age	Disability Rate
20	0.0012
30	0.0012
35	0.0013
40	0.0015
45	0.0020
50	0.0036
55	0.0068

- Retirement age – Affiliates

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

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

- Retirement age – Hercules

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

- Benefit commencement age for current and future vested
  - Affiliates — Age 65 with the following exceptions:
    Tanner: Age 62
    RGA participants: (age 55)
  - Hercules — Age 65

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

	Male participants	Female participants
• Spouse assumptions		
— Percentage married	80%	80% - Affiliates 50% - Hercules
— Spouse age difference	3 years younger	3 years older

Form of payment	
• Active retirements	Grandfathered Affiliates participants and Hercules not eligible for 51% lump sum: 100% single life annuity. RGA participants and Hercules eligible for 51% lump sum: 100% of available lump sum.
• Future disability	Grandfathered participants and all Hercules: 100% single life annuity. RGA participants: 100% lump sum.
• Future death	Grandfathered participants and all Hercules: 100% single life annuity. RGA participants: 100% lump sum.
• Future vested deferred	Grandfathered participants and all Hercules: 100% single life annuity. RGA participants: 100% lump sum.
• Current vested deferred	Grandfathered participants and Hercules: 100% single life annuity. RGA participants: 100% lump sum.
Lump sum conversion	5% and 417(e) applicable mortality
Unpredictable contingent event assumptions	Not applicable
Additional at-risk assumptions	N/A

Actuarial Methods for Funding

Asset Methods

The asset valuation method is an average of the adjusted market value for each year during the last 2 years preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110 percent and no less than 90 percent of the fair market value, as defined in IRC Section 430.

A characteristic of this asset method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than the market value.

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

Participant Methods

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

- **Participants included:** The plan sponsor provides us with data on all employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Insurance contracts**: The plan does not have any insurance contracts

Minimum Funding Methods

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

A detailed description of the calculation follows:

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

Schedule SB, line 26 — Schedule of Active Participant Data

Distribution of Active Participants as of October 1, 2012 – Affiliates

Attained age	Years of credited service										
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & up	Total
Under 25		3 * *									3
25-29		32 59,580 1,949	53 57,027 5,429	2 * *							87
30-34		48 58,348 2,851	111 64,466 8,386	54 72,684 16,414	12 * *						225
35-39		26 71,377 3,469	110 76,942 12,403	90 70,219 21,534	163 39,322 8,666	7 * *					396
40–44		24 73,917 4,279	87 79,720 15,973	111 71,332 25,028	210 51,711 14,761	142 62,998 2,254	12 * *				586
45-49		37 79,240 5,341	74 83,461 16,681	83 73,655 35,596	176 53,390 21,162	225 70,207 893	152 65,216 978	8 * *			755
50-54		26 72,168 5,770	62 81,678 20,907	72 73,120 37,226	149 54,955 27,525	151 67,635 967	209 68,233 2,575	205 65,198 865	25 72,981 0		899
55-59		9 * *	40 79,737 19,669	35 71,415 58,105	115 48,258 34,030	124 65,789 1,656	113 74,732 1,749	198 77,744 2,508	177 72,384 2,278	18 * *	829
60-64		9 * *	14 * *	29 64,924 58,447	74 53,164 51,391	65 55,871 2,313	58 51,444 267	60 64,165 3,481	71 78,099 1,590	48 66,129	428
65-69			3 * *	8 * *	20 * *	9 * *	10 * *	8 * *	9 * *	8 * *	75
70 & up				1 * *	9 * *	3 * *		3 * *	1 * *		17
Total	0	214	554	485	928	726	554	482	283	74	4,300

In each cell, the top number is the count of active participants for each age/service combination The middle number is average 2012 valuation pay limited to $250,000, and the bottom number is average 2012 cash balance. Average pay and cash balance is not shown for cells with fewer than 20 participants.

Schedule SB, line 26 — Schedule of Active Participant Data

Distribution of Active Participants as of October 1, 2012 - Hercules

Attained age	Years of credited service										
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & up	Total
Under 25											0
25-29	1	4	7								12
30-34	1	4	22 85,474	7							34
35-39	2	8	16	37 88,990	4	2					69
40--44		3	25 76,720	29 79,965	25 107,115	12	4				98
45-49		3	23 77,888	43 102,633	20 100,875	40 111,211	23 107,616	9			161
50-54		3	11	33 102,351	19	53 94,863	71 111,038	55 97,796	6		251
55-59		2	7	23 108,454	17	27 96,068	47 107,911	91 96,161	68 81,356	6	288
60-64			3	14	5	11	25 101,922	27 95,064	53 91,385	27 71,747	165
65-69				3		1	5	7	4	5	25
70 & up			1							1	2
Total	4	27	115	189	90	146	175	189	131	39	1,105

In each cell, the top number is the count of active participants for each age/service combination and the bottom number is average 2012 valuation pay limited to $250,000. Average pay is not shown for cells with fewer than 20 participants.

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

Actuarial Assumptions for October 1, 2012 Funding Valuation

Discount rate sponsor elections

• Segment rates or full yield curve	Segment	
• Look-back months	4	
	Stabilized rates	Nonstabilized rates
• First 5 years	5.54%	1.84%
• Next 15 years	6.85%	4.79%
• Over 20 years	7.52%	5.90%

Mortality sponsor elections

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

Other economic assumptions

• Salary increases	3.75% per year
• Social Security wage base	3.25% per year
• Inflation	2.5% per year
• Expected investment return	7.75% per year for years 2010 through 2012
• Expenses	$8,788,245 added to current year normal cost (prior year administrative expense).
• Cash Balance Interest Credit	4.25% compounded annually
• LESOP Stock Appreciation	6.15% increase from market price on valuation date compounded annually.
• LESOP Share Price	Market price as of valuation date of $71.60.

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

Demographic assumptions

- Withdrawal - Affiliates

During first 5 years of sercice:

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

After five or more years of service:

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

**Rates linearly interpolated between above ages.*

- Withdrawal - Hercules

Experience rates – sample rates as follows:

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

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

- Disability incidence

Experience rates for Hercules and Affiliates:

Age	Disability Rate
20	0.0012
30	0.0012
35	0.0013
40	0.0015
45	0.0020
50	0.0036
55	0.0068

- Retirement age – Affiliates

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

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

- Retirement age – Hercules

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

- Benefit commencement age for current and future vested
  - Affiliates — Age 65 with the following exceptions:
    Tanner: Age 62
    RGA participants: (age 55)
  - Hercules — Age 65

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

	Male participants	Female participants
• Spouse assumptions		
— Percentage married	80%	80% - Affiliates 50% - Hercules
— Spouse age difference	3 years younger	3 years older

Form of payment	
• Active retirements	Grandfathered Affiliates participants and Hercules not eligible for 51% lump sum: 100% single life annuity. RGA participants and Hercules eligible for 51% lump sum: 100% of available lump sum.
• Future disability	Grandfathered participants and all Hercules: 100% single life annuity. RGA participants: 100% lump sum.
• Future death	Grandfathered participants and all Hercules: 100% single life annuity. RGA participants: 100% lump sum.
• Future vested deferred	Grandfathered participants and all Hercules: 100% single life annuity. RGA participants: 100% lump sum.
• Current vested deferred	Grandfathered participants and Hercules: 100% single life annuity. RGA participants: 100% lump sum.
Lump sum conversion	5% and 417(e) applicable mortality
Unpredictable contingent event assumptions	Not applicable
Additional at-risk assumptions	N/A

Actuarial Methods for Funding

Asset Methods

The asset valuation method is an average of the adjusted market value for each year during the last 2 years preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110 percent and no less than 90 percent of the fair market value, as defined in IRC Section 430.

A characteristic of this asset method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than the market value.

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

Participant Methods

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

- **Participants included:** The plan sponsor provides us with data on all employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Insurance contracts**: The plan does not have any insurance contracts

Minimum Funding Methods

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

A detailed description of the calculation follows:

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

Schedule SB, Part V — Summary of Plan Provisions

Benefits Included or Excluded

Unless noted below, all benefits provided by the plan, as restated and amended through September 30, 2010, are included in this valuation.

- **Most recent plan amendments included (Merged Plan, Ashland Excess, Hercules Excess):** The Merged Plan document was amended and restated September 30, 2010
- **Plan amendments excluded:** None
- **Internal Revenue Code limitations:** The limitations of Internal Revenue Code Sections 415(b) and 401(a)(17) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether the Merged plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60 percent of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.

Plan Provisions Specific to Funding

Additional Benefits Included or Excluded

- **IRC Section 436 benefit restrictions:**
  - *Unpredictable contingent event benefits:* This valuation excludes restricted contingent event benefits that occurred before the valuation date but includes contingent event benefits which are expected to occur on or after the valuation date regardless of anticipated funding-based limitations.
  - *Plan amendments:* See above.
  - *Prohibited payments:* Limitations on prohibited benefits (if any) are reflected for annuity starting dates before the valuation date but are ignored for annuity starting dates on or after the valuation date.
  - *Benefit accruals:* The plan's funding target does not reflect any limitation on benefit accruals. The target normal cost does not reflect any limitation on benefit accruals.
- **Unpredictable contingent event benefits:** The plan does not have any unpredictable contingent event benefits.

Plan Provision Changes Since Prior Valuation

Maximum compensation amounts and maximum benefit amounts under IRS rules were updated from 2011 to 2012.

Schedule SB, Part V — Summary of Plan Provisions

Summary of Major Plan Provisions

Affiliates Members

Effective date and plan year	Original plan: March 1, 1951 Restated plan: July 1, 2003
Status of the plan	The plan has ongoing benefit accruals and new employees are eligible to participate in the plan once they satisfy the participation requirements. Effective January 1, 2011 no new entrants are allowed into the plan.
Significant events that occurred during the year	None
Definitions	
• Participation	One year of service and age 21. Effective January 1, 2011 no new entrants are allowed into the plan.
• Employee contributions	None
• Employer contributions	Entire cost of the Plan
• Credited service	Continuous service from most recent date of hire
• Final average compensation	Average of highest 3 years earnings during last 10 years of service, limited as required by the Tax Reform Act of 1986. Effective January 1, 2011, the final average compensation began transitioning from a 3-year average to a 4-year average, and effective January 1, 2016, the final average compensation begins transitioning from a 4-year average to a 5-year average for grandfathered annuity participants.
Normal retirement	
• Eligibility	Age 65

Schedule SB, Part V — Summary of Plan Provisions

- Benefit

For members with 10 or more years of service on July 1, 2003 (referred to as Annuity Participants):

Greatest of (1) and (2) offset by annuity purchased as of October 1, 1986 and the benefit attributable to 50% of the LESOP balance

1.
   A. Prior to 4/1/1976 – Benefit accrued to 3/31/1976 in accordance with terms of plan in effect on that date
   B. Beginning 4/1/1976 through 9/30/1989 - 1.50% of annual compensation under $12,000 plus 2.25% of annual compensation over $12,000.
   C. Beginning 10/1/1989 – no further accruals under this formula.
2. 1.08% of final average compensation up to $10,700 plus 1.50% of such average compensation in excess of $10,700 multiplied by years of credited service (maximum of 35).

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

1. Opening Balance – Present value of accrued benefit as of 6/30/2003 (present value based on 5.5% interest and GATT 2003 mortality).
2. Interest Credits – Average of United States Treasury Constant Maturity Rates for August preceding the beginning of the plan year plus 1%, the rate shall never be less than 4% or more than 7%.
3. Contribution Credits – As determined from the following table:

Age + continuous service at end of plan year	Contribution credit
Less than 30	3%
30 – 39	4%
40 – 49	5%
50 – 59	6%
60 – 69	7%
70 – 79	9%
80 or more	11%

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

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

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

Schedule SB, Part V — Summary of Plan Provisions

Early retirement

- Eligibility

Eligible for early retirement if either:

1. Age 55 and 5 years of vesting service.
2. Age plus years of vesting service equal to 80 or more.

- Benefit

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

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

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

Deferred retirement benefit

- Eligibility

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

Deferred vested

- Eligibility

Five or more years of vesting service

- Benefit

100% vested, reduced based on the following table:

Retirement age	Percentage of accrued benefit
55	50%
56	54%
57	58%
58	62%
59	66%
60	70%
61	76%
62	82%
63	88%
64	94%
65	100%

Schedule SB, Part V — Summary of Plan Provisions

Disability	
• Eligibility	Total and permanent disability
• Benefit	Benefits continue to accrue until Normal Retirement Date. Future service benefits after disability will accrue based on the member's compensation rate on October 1 of the year prior to his disability.
Pre-retirement death	
• Benefit	Annuity Participants – A member is eligible if vested and survived by a spouse. His spouse will receive a survivor annuity equal to 50% of the pension the Member would have received had he retired under the qualified Joint and Survivor option on his date of death. RGA Participants – Value of RGA account reduced by any LESOP offset
Post-retirement death	
• Benefit	In accordance with annuity form elected by Member.
Form of benefits	
• Automatic form for unmarried participants	Joint and 50% Survivor annuity in amount actuarially equivalent to single life annuity.
• Automatic form for married participants	Life annuity
• Optional forms	50%, 66-2/3%, 75% and 100% contingent annuities, life with 10 years guaranteed, and single life annuity with no guarantee. A lump sum option is also available for RGA participants.
• Optional form conversion	6% and GAM 1971 Male mortality, set back 5 years for the spouse
Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2012, the limit is $250,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2012, the limit is $200,000.

Schedule SB, Part V — Summary of Plan Provisions

Hercules Members

Represented Employees of Heritage Hercules

Effective date and plan year	Original plan: 1913 Restated plan: January 1, 2005
Status of the plan	The plan has ongoing benefit accruals and new employees are eligible to participate in the plan once they satisfy the participation requirements.
Significant events that occurred during the year	None
Definitions	
• Participation	All regular full-time represented employees.
• Employee contributions	None
• Credited service	Continuous service from most recent date of hire.
• Pensionable earnings	Salary and wages including overtime, holidays, vacations, commissions and non-occupational and temporary occupational disability benefits.
• Final average earnings	Average of highest five years' earnings during the last ten years of service, limited as required by the Tax Reform Act of 1986.
• Social security earnings base	Twelve times the 35-year average monthly compensation used under the Social Security Act to calculate a maximum unreduced primary Social Security benefit in the calendar year prior to the year in which retirement or termination occurs.
• Normal retirement date	First of the month following attainment of age 65.
Normal retirement	
• Eligibility	Age 65

Schedule SB, Part V — Summary of Plan Provisions

- Benefit

1. Except as noted below: 1.15% of final average earnings up to the Social Security earnings base plus 1.35% of final average earnings in excess of such base multiplied by years of service.
2. Bacchus wage employees:
   From June 1, 1996 — $33.75 per month for each year of service.
   At no time shall the benefit be less than the benefit as described in (1) above, with earnings frozen as of October 31, 1986
3. McGregor wage employees:
   From September 15, 1994 — $23.00 per month for each year of service.
   At no time shall the benefit be less than the benefit as described in (1) above, with both earnings and service frozen as of June 30, 1989.
   McGregor employees age 55 and older as of July 1, 1989 will receive the benefit as described in (1) above.
4. Hattiesburg, Jefferson, MCW, Gibbstown, Savannah, Parlin Powerhouse, and Milwaukee employees:
   The benefits available to non-represented participants covered by this plan. All employees who were represented participants in this plan on the effective date maintain rights to the benefits determined in accordance with their representation immediately preceding the effective date.

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

Schedule SB, Part V — Summary of Plan Provisions

Early retirement

- Eligibility

Unreduced Benefits: Eligibility for unreduced early retirement is as follows:

Age	Service
55	35
56	32
57	29
58	26
59	23
60	20
61	18
62	16
63	14
64	12

Reduced Benefits: Eligibility for reduced early retirement benefits is age 50 and 10 years of service (except in cases of dishonesty, misconduct, etc.).

- Benefit

Unreduced Benefits: As described in normal retirement benefits.
Reduced Benefits: Actuarial reduction from the earliest date that the employee would have been eligible for unreduced benefits.

Deferred vested

- Eligibility

1. Five years of service where one year of vesting service is granted by any anniversary computation period in which an employee receives compensation for any six months.
2. Prior disability pensioner whose disability has terminated and who has not been offered suitable work.
3. Attainment of age 65.

- Benefit

Same as early retirement benefit

Disability

- Eligibility

Ten years of service and unable to perform the employee's normal work.

- Benefit

1. For employees receiving Social Security disability benefits, benefit as described in normal retirement benefits.
2. For employees who fail to qualify or remain qualified for Social Security disability benefits, 1.15% of final average earnings multiplied by years of service or any other pension payable under this plan.

Pre-retirement death

- Eligibility

Spousal or nonspousal beneficiaries of active participants who are vested and who have elected this coverage; also, spousal beneficiaries of vested terminated participants who have elected this coverage.

Schedule SB, Part V — Summary of Plan Provisions

<table>
<tr><td>• Benefit</td><td>Benefit that would have been payable to beneficiary under the 50% contingent annuity option if the participant had elected retirement on his date of death (or if the participant had terminated employment on his date of death and commenced benefits on the earliest possible date). In addition, active employees who are eligible for retirement benefit may elect the 100% contingent annuity option.</td></tr>
<tr><td>• Cost of benefit</td><td>All benefits under the plan reduced as follows:
1. 50% contingent annuity option — See table below. There is no charge for active employees at the Hopewell and Parlin locations who elect this coverage for spousal beneficiaries.
<table><tr><th></th><th colspan="2">Charge per month of coverage</th></tr><tr><th>Age at coverage</th><th>For active employees</th><th>Coverage for vested terminated employees</th></tr><tr><td>Up to age 45</td><td>.00083%</td><td>.00833%</td></tr><tr><td>45 to 50</td><td>.00833</td><td>.02083</td></tr><tr><td>50 and over</td><td>.04167</td><td>.04167</td></tr></table>2. 100% contingent annuity option—.075% for each month option is in effect.</td></tr>
<tr><td>Postretirement death</td><td>None except as elected by optional forms of benefits.</td></tr>
<tr><td>Postponed retirement</td><td></td></tr>
<tr><td>• Eligibility</td><td>Employee option.</td></tr>
<tr><td>• Benefit</td><td>Benefit as described in normal retirement benefits based on earnings and service at actual retirement date.</td></tr>
<tr><td>Form of benefits</td><td></td></tr>
<tr><td>• Automatic form for unmarried participants</td><td>Life annuity.</td></tr>
<tr><td>• Automatic form for married participants</td><td>50% joint and survivor annuity, actuarially reduced.</td></tr>
<tr><td>• Optional forms</td><td>50%, 75% and 100% contingent annuities; also, Bacchus wage, Jefferson, Hattiesburg, Gibbstown, Milwaukee, Savannah, Parlin Powerhouse, and MCW employees and employees at the Parlin location may select a 51% lump sum combined with a 49% annuity.</td></tr>
<tr><td>• Optional form conversion</td><td>5% and 417(e) applicable mortality</td></tr>
<tr><td>Benefits for former CPD employees (now Hexcel)</td><td>Accrued benefit as of July 1, 1996 based on service and benefit level in effect on that date, increased by 4.25% for each year employee remains employed by Hexcel, with a minimum of five years applied.</td></tr>
<tr><td>Miscellaneous</td><td></td></tr>
<tr><td>• Maximum compensation</td><td>Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2012, the limit is $250,000.</td></tr>
<tr><td>• Maximum benefits</td><td>Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2012, the limit is $200,000.</td></tr>
</table>

Schedule SB, Part V — Summary of Plan Provisions

Hercules Members

Non-Represented Employees of Heritage Hercules

Effective date and plan year	Original plan: January 1, 2005
Status of the plan	The plan has ongoing benefit accruals and new employees are eligible to participate in the plan once they satisfy the participation requirements.
Significant events that occurred during the year	None
Definitions	
• Participation	Any person not represented by a union, who is employed either at a location at which the Predecessor Plan was in effect or at a location to which this Plan has been extended by the Board. For represented employees participating in Schedule D (the career average pay formula) and for all non-represented employees, individuals hired on or after January 1, 2005 will not become participants in this plan.
• Employee contributions	None
• Vesting service	At least six months of Earnings are required for one year of vesting service. Prior service under Hercules Incorporated's Pension Plan is included.
• Credited service	Each month in which Earnings are accrued. The total months of Credited Service divided by 12 are the years of Credited Service, whether or not consecutive. Prior service under Hercules Incorporated's Pension Plan is included. For former employees of SP Microwave, Inc., no Credited Service is granted prior to January 1, 1968.
• Pensionable earnings	Salary or wages including overtime, holidays, vacations, commissions, sales incentives, MICP bonuses and nonoccupational and temporary occupational disability benefits paid to an employee up to the first day of the calendar month following date of retirement or termination. Effective January 1, 2011, variable pay is added and overtime is excluded going forward.
• Final average earnings	Average monthly earnings for the highest five consecutive years during the last ten years of service, limited as required by the Tax Reform Act of 1986. Effective January 1, 2005, the averaging period of five years extends one additional month for each month that the individual is employed beyond January 1, 2005. (Note that the extended averaging period does not apply to the represented employees at MCW).
• Social security integration point	One-half of the Social Security tax base in effect for 12 months immediately prior to the effective date of retirement or termination month.

Schedule SB, Part V — Summary of Plan Provisions

Normal retirement	
• Eligibility	Age 65
• Benefit	Prospective Monthly Benefit: 1.20% of Final Average Earnings up to the Social Security Integration Point plus 1.60% of Final Average Earnings in excess of such integration point multiplied by years and months of Credited Service. Predecessor Plan: All participants who participated in the Predecessor Plan in effect on December 31, 1984 maintain rights to the benefits determined in accordance with such Plan. Former Employees of SP Microwave, Inc.: The minimum benefit under this plan is the benefit accrued as of June 30, 1987 under the SP Microwave, Inc. Plan. Former Employees of Aqualon Company Pension Plan (Kenedy): The minimum benefit under this plan is the accrued benefit as of December 31, 1992 under the Aqualon Company Pension Plan (Kenedy).
Early retirement	
• Eligibility	Unreduced Benefits: Eligibility: Attainment of age 62. Reduced Benefits: Attainment of age 55 and completion of ten years of Service.
• Benefit	Unreduced Benefits: As described in normal retirement benefits. Reduced Benefits: As described in normal retirement benefits (Prospective Monthly Benefit), but reduced for each month by which the date of retirement precedes age 60, minimum of benefit based on Predecessor Plan. The reduction is equal to 150% divided by an individual's Service for each year prior to age 60. The maximum annual reduction is 5%. Effective January 1, 2011, the early retirement factors described above are replaced with the following early retirement factors:

Retirement age	Percentage of accrued benefit
55	75%
56	80%
57	84%
58	88%
59	91%
60	94%
61	97%
62 or older	100%

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

Deferred vested	
• Eligibility	Five years of vesting service.

Schedule SB, Part V — Summary of Plan Provisions

- Benefit

As described in normal retirement. A participant may elect to receive payment of a vested benefit as early as age 55 by proper application. The benefit that would have been payable at age 65 will be actuarially reduced as described in the following table:

Retirement age	Percentage of accrued benefit
55	50%
56	54%
57	58%
58	62%
59	66%
60	70%
61	76%
62	82%
63	88%
64	94%
65 or older	100%

Disability

- Eligibility

Not applicable

- Benefit

None (continued service credit while receiving benefits under Company long-term disability plan).

Pre-retirement death

- Eligibility

Spousal or nonspousal beneficiaries of active participants who are vested and who have elected this coverage; also, spousal beneficiaries of vested terminated participants who have elected this coverage.

- Benefit

Benefit that would have been payable to beneficiary under the 50% contingent annuity option if the participant elected retirement on his date of death (or if the participant had terminated employment on his date of death and commenced benefits on the earliest possible date). In addition, active employees who are eligible for retirement benefits may elect the 100% contingent annuity option.

- Cost of benefit

All benefits under the plan reduced as follows:

1. 50% contingent annuity option — See table below. There is no charge for active employees at the Hopewell and Parlin locations who elect this coverage for spousal beneficiaries.

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

2. 100% contingent annuity option—.0333% for each month option is in effect.

Schedule SB, Part V — Summary of Plan Provisions

Postretirement Death	None except as elected by optional forms of benefits.
Postponed retirement	
• Eligibility	Employee option.
• Benefit	Benefit as described in normal retirement benefit based on earnings and service at actual retirement date.
Form of benefits	
• Automatic form for unmarried participants	Life annuity.
• Automatic form for married participants	50% joint and survivor annuity, actuarially reduced.
• Optional forms	50%, 75% and 100% joint and survivor annuities, 51% lump sum combined with a 49% annuity. As of January 1, 2005, the 51% lump sum is only applicable to benefits earned through the end of 2004.
• Optional form conversion	5% and 417(e) applicable mortality
July 1, 1993 Pension Adjustment	For all pensioners and beneficiaries receiving benefits pursuant to a joint and survivor option who were receiving benefits as of April 1, 1993 (and in addition, all 1992 curtailed employees who were retirement eligible, even if they are not in payment status as of April 1, 1993) the pension benefits were increased as follows: 0.125% per month of retirement from January 1, 1985 through December 31, 1992. Minimum increase was equal to the greater of (i) $20 per month of retirement or (ii) 3% of the pension benefit being paid. The increase is not payable to individuals (or beneficiaries) in pay status who started to receive benefits from status as vested terminated participants with a right to a deferred benefit.
Benefits for former E&PD employees (now MacDermid)	Accrued benefit as of January 1, 1996 based on Credited Service and Final Average Earnings at that date, increased by 4.25% for each year the employee remains employed by MacDermid.
Benefits for former CPD employees (now Hexcel)	Accrued benefit as of July 1, 1996 based on Credited Service and Final Average Earnings at that date, increased by 4.25% for each year the employee remains employed by Hexcel, with a maximum of five years applied.
Benefits for employees of the FiberVisions Joint Venture	Accrued benefit as of July 1, 1997 based on Credited Service and Final Average Earnings at that date, increased by 4.25% for each year the employee remains employed by FiberVisions, with a maximum of five years applied.
Miscellaneous	
• **Maximum compensation**	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2012, the limit is $250,000.
• **Maximum benefits**	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2012, the limit is $200,000.

Schedule SB, Part V — Summary of Plan Provisions

Hercules Members

Heritage BetzDearborn Employees

Key provisions	• Averaging period for pay of three years extends one additional month for each month that the individual is employed beyond January 1, 2005. • The 51% lump sum provision is available to new retirees based on benefits earned through the end of 2004. • Employees hired on or after January 1, 2005 do not become participants in the plan.
Effective date and plan year	Original plan: January 1, 1953. Merged into Hercules Pension Plan January 1, 1999. Restated plan: January 1, 2002
Status of the plan	The plan has ongoing benefit accruals and new employees are eligible to participate in the plan once they satisfy the participation requirements.
Significant events that occurred during the year	None
Definitions	
• Participation	January 1 or July 1 following attainment of age 21 and completion of one year of service.
• Employee contributions	None
• Credited service	Each year in which a participant completes 1,000 hours. Effective January 1, 2005, each month in which earnings are accrued.
• Pensionable earnings	Salary or wages including shift premium, overtime, incentive, commissions, bonuses, holidays, vacations and nonoccupational and temporary occupational disability benefits paid to an employee up to the first day of the calendar month following date of retirement or termination.
• Final average earnings	Average annual earnings for the highest three consecutive years excluding those years in which the participant did not complete a year of service. Effective January 1, 2005, average monthly earnings for each year of service from the later of January 1, 2002 or date of hire.
• Covered Compensation	35-year average of Social Security wage bases ending with the year the participant attains Social Security Retirement Age.
• Social security integration point	One-half of the Social Security tax base in effect for 12 months immediately prior to the effective date of retirement or termination month.
Normal retirement	
• Eligibility	Attain age 65 with five years of participation.

Schedule SB, Part V — Summary of Plan Provisions

• Benefit	1. 1.2% of Final Average Earnings multiplied by Credited Service up to a maximum of 35 years. 2. 0.6% of Final Average Earnings exceeding Covered Compensation multiplied by Credited Service up to a maximum of 35 years. 3. W.R. Grace Benefit Effective January 1, 2005: (1) – (2): 1. 1.20% of Final Average Earnings up to the Social Security Integration Point plus 1.60% of Final Average Earnings in excess of such integration point multiplied by years and months of Credited Service. 2. W.R. Grace Benefit
Early Retirement (Prior to January 1, 2005)	
• Eligibility	Attainment of age 55 and completion of ten years of service.
• Benefit	As described normal retirement benefit, but reduced 1/180 for each of the first 60 months and 1/300 for each of the next 60 months commencement precedes Normal Retirement Date.
Rule-of-85 early retirement	
• Eligibility	Attainment of age 55 and age plus service equals at least 85 years; also, certain individuals who terminate by October 2000 are deemed to have satisfied Rule of 85.
• Benefit	As described in normal retirement benefit, but (i) is reduced 1/240 for each month commencement precedes age 60, and in (ii) is reduced 1/180 for each of the first 60 months and 1/300 for each of the next 60 months commencement precedes Normal Retirement Date.
Early Retirement (effective January 1, 2005)	
• Eligibility	Unreduced: Attainment of age 60 and completion of ten years of Service. Reduced: Attainment of age 55 and completion of ten years of Service.
• Benefit	Unreduced: As described in normal retirement benefit with no adjustment. Reduced: As described normal retirement benefit, but reduced for each month by which the date of retirement precedes age 60. The reduction is equal to 150% divided by an individual's Service for each year prior to age 60. The maximum annual reduction is 5%.
Rule-of-85 Minimum	
• Eligibility	Attainment of age 55 and age plus service equals at least 85 years; also, certain individuals who terminate by October 2000 are deemed to have satisfied Rule of 85.
• Benefit	As described normal retirement benefit using earnings and service as of December 31, 2004, but (i) is reduced 1/240 for each month commencement precedes age 60, and in (ii) is reduced 1/180 for each of the first 60 months and 1/300 for each of the next 60 months commencement precedes Normal Retirement Date.

Schedule SB, Part V — Summary of Plan Provisions

Deferred vested	
• Eligibility	Five years of participation.
• Benefit	As described in normal retirement benefit.
Disability	
• Eligibility	Not applicable
• Benefit	None (continued service credit while receiving benefits under Company long-term disability plan).
Pre-retirement death	
• Eligibility	Spousal beneficiaries of active participants who are vested; also, spousal beneficiaries of vested terminated participants.
• Benefit	Benefit that would have been payable to beneficiary under the 50% contingent annuity option if the participant elected retirement on his date of death (or if the participant had terminated employment on his date of death and commenced benefits on the earliest possible date).
Postretirement death	None except as elected by optional forms of benefits.
Postponed retirement	
• Eligibility	Employee option
• Benefit	As described normal retirement benefit based on earnings and service at actual retirement date.
Form of benefits	
• Automatic form for unmarried participants	Life annuity.
• Automatic form for married participants	50% joint and survivor annuity, actuarially reduced.
• Optional forms	50%, 75% and 100% joint and survivor annuities and a 5-year certain and continuous annuity. A 51% lump sum combined with 49% annuity is available on the benefits earned through the end of 2004.
• Optional form conversion	5% and 417(e) applicable mortality
Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2012, the limit is $250,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2012, the limit is $200,000.

Schedule SB, line 24 — Change in Actuarial Assumptions

Actuarial Assumption Changes Since Prior Valuation

Funding

- Mortality tables were updated from 2011 PPA static annuitant / non-annuitant tables to the 2012 PPA tables.
- LESOP share price was updated from September 30, 2011 market price of $44.14 to the September 30, 2012 market price of $71.60.
- The expenses assumption decreased from $9,866,011 to $8,788,245

Statements of Net Assets Available for Benefits

(in thousands)	September 30 2013	2012
Assets		
Investments, at fair value:		
Participating units in the Ashland Inc. Pension Trust	$ 2,652,422	$ 2,625,539
Contributions receivable	6,284	77,307
Net assets available for benefits	$ 2,658,706	$ 2,702,846

See accompanying notes to financial statements.

Ashland Hercules Pension Plan

Statements of Changes in Net Assets Available for Benefits

(in thousands)	Years Ended September 30 2013	2012
Additions:		
Plan interest in the Ashland Inc. Pension Trust investment income	$ 132,784	$ 286,140
Employer contributions	17,420	158,939
Total additions	150,204	445,079
Deductions:		
Benefits paid to participants	193,996	184,122
Administrative and other investment expenses	5,986	6,827
Total deductions	199,982	190,949
Transfers:		
From Ashland Inc. Leveraged Employee Stock Ownership Plan	5,638	3,896
Net change in assets	(44,140)	258,026
Net assets available for benefits, beginning of year	2,702,846	2,444,820
Net assets available for benefits, end of year	$ 2,658,706	$ 2,702,846

See accompanying notes to financial statements.