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|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Form 5500-SF</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | <b>Short Form Annual Return/Report of Small Employee Benefit Plan</b><br><br>This form is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA), and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).<br><br><b>► Complete all entries in accordance with the instructions to the Form 5500-SF.</b> | OMB Nos. 1210-0110<br>1210-0089<br><br><div style="border: 1px solid black; padding: 5px; text-align: center; font-weight: bold; font-size: 1.2em;">2013</div><br><b>This Form is Open to Public Inspection</b> |
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|                                                                                                          |                                                                                                                                                                                                                                                              |
|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b>                                                                                            | <b>Annual Report Identification Information</b>                                                                                                                                                                                                              |
| For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</u> |                                                                                                                                                                                                                                                              |
| <b>A</b>                                                                                                 | This return/report is for: <input checked="" type="checkbox"/> a single-employer plan <input type="checkbox"/> a multiple-employer plan (not multiemployer) <input type="checkbox"/> a one-participant plan                                                  |
| <b>B</b>                                                                                                 | This return/report is: <input type="checkbox"/> the first return/report <input type="checkbox"/> the final return/report<br><input type="checkbox"/> an amended return/report <input type="checkbox"/> a short plan year return/report (less than 12 months) |
| <b>C</b>                                                                                                 | Check box if filing under: <input checked="" type="checkbox"/> Form 5558 <input type="checkbox"/> automatic extension <input type="checkbox"/> DFVC program<br><input type="checkbox"/> special extension (enter description)                                |

|                                                                                                                            |                                                                                                                                                                                                                                                                                 |
|----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part II</b>                                                                                                             | <b>Basic Plan Information</b> —enter all requested information                                                                                                                                                                                                                  |
| <b>1a</b>                                                                                                                  | Name of plan<br><u>SHINCOR SILICONES, INC. RETIREMENT PLAN FOR U.S. EMPLOYEES</u>                                                                                                                                                                                               |
| <b>1b</b>                                                                                                                  | Three-digit plan number (PN) <u>001</u>                                                                                                                                                                                                                                         |
| <b>1c</b>                                                                                                                  | Effective date of plan <u>08/01/1991</u>                                                                                                                                                                                                                                        |
| <b>2a</b>                                                                                                                  | Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)<br><u>SHIN-ETSU SILICONES OF AMERICA, INC.</u><br><br><u>1150 DAMAR DRIVE</u><br><u>AKRON, OH 44305</u>                                                                 |
| <b>2b</b>                                                                                                                  | Employer Identification Number (EIN) <u>95-4015700</u>                                                                                                                                                                                                                          |
| <b>2c</b>                                                                                                                  | Sponsor's telephone number <u>330-630-9460</u>                                                                                                                                                                                                                                  |
| <b>2d</b>                                                                                                                  | Business code (see instructions) <u>325200</u>                                                                                                                                                                                                                                  |
| <b>3a</b>                                                                                                                  | Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor Name <input type="checkbox"/> Same as Plan Sponsor Address                                                                                                                       |
| <b>3b</b>                                                                                                                  | Administrator's EIN                                                                                                                                                                                                                                                             |
| <b>3c</b>                                                                                                                  | Administrator's telephone number                                                                                                                                                                                                                                                |
| <b>4</b>                                                                                                                   | 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.                                                                                                  |
| <b>a</b>                                                                                                                   | Sponsor's name <u>SHINCOR SILICONES, INC.</u>                                                                                                                                                                                                                                   |
| <b>5a</b>                                                                                                                  | Total number of participants at the beginning of the plan year ..... <u>89</u>                                                                                                                                                                                                  |
| <b>b</b>                                                                                                                   | Total number of participants at the end of the plan year ..... <u>89</u>                                                                                                                                                                                                        |
| <b>c</b>                                                                                                                   | Number of participants with account balances as of the end of the plan year (defined benefit plans do not complete this item).....                                                                                                                                              |
| <b>6a</b>                                                                                                                  | Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.)..... <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                    |
| <b>b</b>                                                                                                                   | Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.)..... <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>If you answered "No" to either line 6a or line 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.</b> |                                                                                                                                                                                                                                                                                 |
| <b>c</b>                                                                                                                   | If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ..... <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not determined                                               |

**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, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, 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.

|                                                                                                           |                                                   |            |                                                              |
|-----------------------------------------------------------------------------------------------------------|---------------------------------------------------|------------|--------------------------------------------------------------|
| <b>SIGN HERE</b>                                                                                          | Filed with authorized/valid electronic signature. | 10/02/2014 | DONNA KUGLICS                                                |
|                                                                                                           | Signature of plan administrator                   | Date       | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b>                                                                                          |                                                   |            |                                                              |
|                                                                                                           | Signature of employer/plan sponsor                | Date       | Enter name of individual signing as employer or plan sponsor |
| Preparer's name (including firm name, if applicable) and address; include room or suite number (optional) |                                                   |            | Preparer's telephone number (optional)                       |
|                                                                                                           |                                                   |            |                                                              |

**Part III Financial Information**

| 7 Plan Assets and Liabilities                                                                 |       | (a) Beginning of Year | (b) End of Year |
|-----------------------------------------------------------------------------------------------|-------|-----------------------|-----------------|
| a Total plan assets .....                                                                     | 7a    | 4661145               | 5281258         |
| b Total plan liabilities .....                                                                | 7b    | 0                     | 0               |
| c Net plan assets (subtract line 7b from line 7a) .....                                       | 7c    | 4661145               | 5281258         |
| 8 Income, Expenses, and Transfers for this Plan Year                                          |       | (a) Amount            | (b) Total       |
| a Contributions received or receivable from:                                                  |       |                       |                 |
| (1) Employers .....                                                                           | 8a(1) | 197420                |                 |
| (2) Participants .....                                                                        | 8a(2) | 0                     |                 |
| (3) Others (including rollovers) .....                                                        | 8a(3) | 0                     |                 |
| b Other income (loss) .....                                                                   | 8b    | 680251                |                 |
| c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b) .....                                  | 8c    |                       | 877671          |
| d Benefits paid (including direct rollovers and insurance premiums to provide benefits) ..... | 8d    | 233639                |                 |
| e Certain deemed and/or corrective distributions (see instructions) ....                      | 8e    | 0                     |                 |
| f Administrative service providers (salaries, fees, commissions) .....                        | 8f    | 23919                 |                 |
| g Other expenses .....                                                                        | 8g    | 0                     |                 |
| h Total expenses (add lines 8d, 8e, 8f, and 8g) .....                                         | 8h    |                       | 257558          |
| i Net income (loss) (subtract line 8h from line 8c) .....                                     | 8i    |                       | 620113          |
| j Transfers to (from) the plan (see instructions) .....                                       | 8j    |                       |                 |

**Part IV Plan Characteristics**

**9a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:  
1A 3H

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

**Part V Compliance Questions**

| 10 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? (See instructions and DOL's Voluntary Fiduciary Correction Program) .....                       | 10a | X  |        |
| b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.) .....                                                                                                      | 10b | X  |        |
| c Was the plan covered by a fidelity bond? .....                                                                                                                                                                                   | 10c | X  | 500000 |
| d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                                   | 10d | X  |        |
| e Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service, or other organization that provides some or all of the benefits under the plan? (See instructions.) ..... | 10e | X  |        |
| f Has the plan failed to provide any benefit when due under the plan? .....                                                                                                                                                        | 10f | X  |        |
| g Did the plan have any participant loans? (If "Yes," enter amount as of year end.) .....                                                                                                                                          | 10g | X  |        |
| h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) .....                                                                                                              | 10h |    |        |
| i If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3 .....                                                       | 10i |    |        |

**Part VI Pension Funding Compliance**

|                                                                                                                                                                                                                           |                                                                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| <b>11</b> Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500) and line 11a below) .....                                              | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>11a</b> Enter the unpaid minimum required contribution for current year from Schedule SB (Form 5500) line 39 .....                                                                                                     | 11a 0                                                               |
| <b>12</b> Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? ..                                                                          | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| (If "Yes," complete line 12a or lines 12b, 12c, 12d, and 12e below, as applicable.)                                                                                                                                       |                                                                     |
| a If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions, and enter the date of the letter ruling granting the waiver. .... Month _____ Day _____ Year _____ |                                                                     |
| If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.                                                                                                                   |                                                                     |
| <b>b</b> Enter the minimum required contribution for this plan year .....                                                                                                                                                 | 12b                                                                 |

|                                                                                                                                                   |                                                                                       |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|--|
| <b>c</b> Enter the amount contributed by the employer to the plan for this plan year .....                                                        | <b>12c</b>                                                                            |  |
| <b>d</b> Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount)..... | <b>12d</b>                                                                            |  |
| <b>e</b> Will the minimum funding amount reported on line 12d be met by the funding deadline? .....                                               | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A |  |

**Part VII Plan Terminations and Transfers of Assets**

|                                                                                                                                                                                                            |                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| <b>13a</b> Has a resolution to terminate the plan been adopted in any plan year? .....                                                                                                                     | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| If "Yes," enter the amount of any plan assets that reverted to the employer this year .....                                                                                                                | <b>13a</b>                                                          |
| <b>b</b> Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? .....                                               | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>c</b> 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.) |                                                                     |
| <b>13c(1)</b> Name of plan(s):                                                                                                                                                                             | <b>13c(2)</b> EIN(s)                                                |
|                                                                                                                                                                                                            |                                                                     |
|                                                                                                                                                                                                            | <b>13c(3)</b> PN(s)                                                 |
|                                                                                                                                                                                                            |                                                                     |

**Part VIII Trust Information (optional)**

|                          |                        |
|--------------------------|------------------------|
| <b>14a</b> Name of trust | <b>14b</b> Trust's EIN |
|                          |                        |

|                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                    |                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE SB</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Single-Employer Defined Benefit Plan</b><br><b>Actuarial Information</b><br><br>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).<br><br>▶ <b>File as an attachment to Form 5500 or 5500-SF.</b> | OMB No. 1210-0110<br><br><b>2013</b><br><br><b>This Form is Open to Public Inspection</b> |
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

▶ **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.

|                                                                                                                                           |                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>SHINCOR SILICONES, INC. RETIREMENT PLAN FOR U.S. EMPLOYEES</u>                                                | <b>B</b> Three-digit plan number (PN) ▶ <u>001</u>                                                                                                      |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF<br><u>SHIN-ETSU SILICONES OF AMERICA, INC.</u>                   | <b>D</b> Employer Identification Number (EIN)<br><u>95-4015700</u>                                                                                      |
| <b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B | <b>F</b> Prior year plan size: <input checked="" type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input type="checkbox"/> More than 500 |

|                                                                                                                                                                                                                |                                       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| <b>Part I</b>                                                                                                                                                                                                  | <b>Basic Information</b>              |
| <b>1</b> Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2013</u>                                                                                                                              |                                       |
| <b>2</b> Assets:                                                                                                                                                                                               |                                       |
| <b>a</b> Market value .....                                                                                                                                                                                    | <b>2a</b> <u>4661048</u>              |
| <b>b</b> Actuarial value .....                                                                                                                                                                                 | <b>2b</b> <u>4661048</u>              |
| <b>3</b> Funding target/participant count breakdown:                                                                                                                                                           |                                       |
| <b>a</b> For retired participants and beneficiaries receiving payment.....                                                                                                                                     | <b>3a</b> <u>18</u> <u>2518889</u>    |
| <b>b</b> For terminated vested participants.....                                                                                                                                                               | <b>3b</b> <u>40</u> <u>1345369</u>    |
| <b>c</b> For active participants:                                                                                                                                                                              |                                       |
| <b>(1)</b> Non-vested benefits .....                                                                                                                                                                           | <b>3c(1)</b> <u>662</u>               |
| <b>(2)</b> Vested benefits .....                                                                                                                                                                               | <b>3c(2)</b> <u>1577217</u>           |
| <b>(3)</b> Total active.....                                                                                                                                                                                   | <b>3c(3)</b> <u>32</u> <u>1577879</u> |
| <b>d</b> Total.....                                                                                                                                                                                            | <b>3d</b> <u>90</u> <u>5442137</u>    |
| <b>4</b> If the plan is in at-risk status, check the box and complete lines (a) and (b)..... <input type="checkbox"/>                                                                                          |                                       |
| <b>a</b> Funding target disregarding prescribed at-risk assumptions .....                                                                                                                                      | <b>4a</b>                             |
| <b>b</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..... | <b>4b</b>                             |
| <b>5</b> Effective interest rate .....                                                                                                                                                                         | <b>5</b> <u>6.38</u> %                |
| <b>6</b> Target normal cost .....                                                                                                                                                                              | <b>6</b> <u>0</u>                     |

**Statement by Enrolled Actuary**

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

|                                                                             |                               |                                        |
|-----------------------------------------------------------------------------|-------------------------------|----------------------------------------|
| <b>SIGN HERE</b>                                                            |                               | <u>09/16/2014</u>                      |
|                                                                             | Signature of actuary          | Date                                   |
| <u>RICHARD F MCCLEARY, EA, MAAA</u>                                         |                               | <u>14-08063</u>                        |
|                                                                             | Type or print name of actuary | Most recent enrollment number          |
| <u>CBIZ</u>                                                                 |                               | <u>216-447-9000</u>                    |
|                                                                             | Firm name                     | Telephone number (including area code) |
| <u>6050 OAK TREE BLVD</u><br><u>SUITE 500</u><br><u>CLEVELAND, OH 44131</u> |                               |                                        |
|                                                                             | Address of the firm           |                                        |

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

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

**Schedule SB (Form 5500) 2013**  
**v. 130118**

| <b>Part II Beginning of Year Carryover and Prefunding Balances</b>                                                                         |                       |                        |
|--------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------|
|                                                                                                                                            | (a) Carryover balance | (b) Prefunding balance |
| <b>7</b> Balance at beginning of prior year after applicable adjustments (line 13 from prior year) .....                                   | 0                     | 3                      |
| <b>8</b> Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....                                | 0                     | 0                      |
| <b>9</b> Amount remaining (line 7 minus line 8) .....                                                                                      | 0                     | 3                      |
| <b>10</b> Interest on line 9 using prior year's actual return of <u>9.94</u> % .....                                                       | 0                     | 0                      |
| <b>11</b> Prior year's excess contributions to be added to prefunding balance:                                                             |                       |                        |
| <b>a</b> Present value of excess contributions (line 38a from prior year) .....                                                            |                       | 13340                  |
| <b>b</b> Interest on (a) using prior year's effective interest rate of <u>7.09</u> % except as otherwise provided (see instructions) ..... |                       | 946                    |
| <b>c</b> Total available at beginning of current plan year to add to prefunding balance .....                                              |                       | 14286                  |
| <b>d</b> Portion of (c) to be added to prefunding balance .....                                                                            |                       | 14286                  |
| <b>12</b> Other reductions in balances due to elections or deemed elections .....                                                          | 0                     | 0                      |
| <b>13</b> Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) .....                                               | 0                     | 14289                  |

| <b>Part III Funding Percentages</b>                                                                                                                                        |           |         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------|
| <b>14</b> Funding target attainment percentage .....                                                                                                                       | <b>14</b> | 85.38 % |
| <b>15</b> Adjusted funding target attainment percentage .....                                                                                                              | <b>15</b> | 85.38 % |
| <b>16</b> Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement ..... | <b>16</b> | 90.05 % |
| <b>17</b> If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage .....                                        | <b>17</b> | %       |

| <b>Part IV Contributions and Liquidity Shortfalls</b>                                    |                                   |                                 |                          |                                   |                                 |
|------------------------------------------------------------------------------------------|-----------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|
| <b>18</b> Contributions made to the plan for the plan year by employer(s) and employees: |                                   |                                 |                          |                                   |                                 |
| (a) Date<br>(MM-DD-YYYY)                                                                 | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
| 04/15/2013                                                                               | 32133                             | 0                               |                          |                                   |                                 |
| 07/15/2013                                                                               | 32133                             | 0                               |                          |                                   |                                 |
| 10/15/2013                                                                               | 32133                             | 0                               |                          |                                   |                                 |
| 01/15/2014                                                                               | 32133                             | 0                               |                          |                                   |                                 |
| 09/15/2014                                                                               | 68888                             | 0                               |                          |                                   |                                 |
|                                                                                          |                                   |                                 |                          |                                   |                                 |
| <b>Totals ►</b>                                                                          |                                   |                                 | <b>18(b)</b>             | 197420                            | <b>18(c)</b> 0                  |

|                                                                                                                                                                                             |            |        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--------|
| <b>19</b> Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:                                                        |            |        |
| <b>a</b> Contributions allocated toward unpaid minimum required contributions from prior years. ....                                                                                        | <b>19a</b> | 0      |
| <b>b</b> Contributions made to avoid restrictions adjusted to valuation date .....                                                                                                          | <b>19b</b> | 0      |
| <b>c</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date .....                                                                     | <b>19c</b> | 185400 |
| <b>20</b> Quarterly contributions and liquidity shortfalls:                                                                                                                                 |            |        |
| <b>a</b> Did the plan have a "funding shortfall" for the prior year? ..... <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                              |            |        |
| <b>b</b> If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ..... <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |            |        |
| <b>c</b> 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 |
|                                                            |         |         |         |

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

|                                                                                                                                                                                              |                       |                       |                        |                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|------------------------|-----------------------------------------------------|
| <b>21</b> Discount rate:                                                                                                                                                                     |                       |                       |                        |                                                     |
| <b>a</b> Segment rates:                                                                                                                                                                      | 1st segment:<br>4.94% | 2nd segment:<br>6.15% | 3rd segment:<br>6.76 % | <input type="checkbox"/> N/A, full yield curve used |
| <b>b</b> Applicable month (enter code).....                                                                                                                                                  |                       |                       |                        | <b>21b</b> 4                                        |
| <b>22</b> Weighted average retirement age .....                                                                                                                                              |                       |                       |                        | <b>22</b> 62                                        |
| <b>23</b> Mortality table(s) (see instructions) <input checked="" type="checkbox"/> Prescribed - combined <input type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute |                       |                       |                        |                                                     |

**Part VI Miscellaneous Items**

|                                                                                                                                                                        |                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| <b>24</b> Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. .... | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>25</b> Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ....                                      | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>26</b> Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ....                            | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>27</b> If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....                                    | <b>27</b>                                                           |

**Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years**

|                                                                                                                                     |           |   |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------|---|
| <b>28</b> Unpaid minimum required contributions for all prior years .....                                                           | <b>28</b> | 0 |
| <b>29</b> Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)..... | <b>29</b> | 0 |
| <b>30</b> Remaining amount of unpaid minimum required contributions (line 28 minus line 29) .....                                   | <b>30</b> | 0 |

**Part VIII Minimum Required Contribution For Current Year**

|                                                                                                                                                                                      |                     |                    |               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|---------------|
| <b>31</b> Target normal cost and excess assets (see instructions):                                                                                                                   |                     |                    |               |
| <b>a</b> Target normal cost (line 6).....                                                                                                                                            | <b>31a</b>          | 0                  |               |
| <b>b</b> Excess assets, if applicable, but not greater than line 31a .....                                                                                                           | <b>31b</b>          | 0                  |               |
| <b>32</b> Amortization installments:                                                                                                                                                 | Outstanding Balance | Installment        |               |
| <b>a</b> Net shortfall amortization installment.....                                                                                                                                 | 794432              | 198743             |               |
| <b>b</b> Waiver amortization installment .....                                                                                                                                       | 0                   | 0                  |               |
| <b>33</b> 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 ..... | <b>33</b>           |                    |               |
| <b>34</b> Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...                                                            | <b>34</b>           | 198743             |               |
|                                                                                                                                                                                      | Carryover balance   | Prefunding balance | Total balance |
| <b>35</b> Balances elected for use to offset funding requirement.....                                                                                                                | 0                   | 13343              | 13343         |
| <b>36</b> Additional cash requirement (line 34 minus line 35).....                                                                                                                   | <b>36</b>           | 185400             |               |
| <b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....                                                   | <b>37</b>           | 185400             |               |
| <b>38</b> Present value of excess contributions for current year (see instructions)                                                                                                  |                     |                    |               |
| <b>a</b> Total (excess, if any, of line 37 over line 36) .....                                                                                                                       | <b>38a</b>          | 0                  |               |
| <b>b</b> Portion included in line 38a attributable to use of prefunding and funding standard carryover balances .....                                                                | <b>38b</b>          | 0                  |               |
| <b>39</b> Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) .....                                                                      | <b>39</b>           | 0                  |               |
| <b>40</b> Unpaid minimum required contributions for all years .....                                                                                                                  | <b>40</b>           | 0                  |               |

**Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)**

|                                                                                                |                                                                                                                         |  |  |
|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|--|--|
| <b>41</b> If an election was made to use PRA 2010 funding relief for this plan:                |                                                                                                                         |  |  |
| <b>a</b> Schedule elected .....                                                                | <input type="checkbox"/> 2 plus 7 years <input type="checkbox"/> 15 years                                               |  |  |
| <b>b</b> Eligible plan year(s) for which the election in line 41a was made .....               | <input type="checkbox"/> 2008 <input type="checkbox"/> 2009 <input type="checkbox"/> 2010 <input type="checkbox"/> 2011 |  |  |
| <b>42</b> Amount of acceleration adjustment .....                                              | <b>42</b>                                                                                                               |  |  |
| <b>43</b> Excess installment acceleration amount to be carried over to future plan years ..... | <b>43</b>                                                                                                               |  |  |

# SCHEDULE SB ATTACHMENT

## Line 26 - Schedule of Active Participant Data

**Plan Name: Shincor Silicones, Inc. Retirement Plan for U.S. Employees**

**EIN/PN: 95-4015700/001**

**Valuation Date: January 1, 2013**

Counts and Compensation. Cells with under 20 participants will not show compensation.

| Att.<br>Age: | Years of Credited Service |   |   |   |   |           |             |             |             |             |             |             |            | Total |
|--------------|---------------------------|---|---|---|---|-----------|-------------|-------------|-------------|-------------|-------------|-------------|------------|-------|
|              | Under<br>1                | 1 | 2 | 3 | 4 | 5 to<br>9 | 10 to<br>14 | 15 to<br>19 | 20 to<br>24 | 25 to<br>29 | 30 to<br>34 | 35 to<br>39 | 40 &<br>Up |       |
| Under<br>25  | -                         | - | - | - | - | -         | -           | -           | -           | -           | -           | -           | -          | -     |
| 25 to<br>29  | -                         | - | - | - | 1 | 1         | -           | -           | -           | -           | -           | -           | -          | 2     |
| 30 to<br>34  | -                         | - | - | - | - | 6         | 1           | -           | -           | -           | -           | -           | -          | 7     |
| 35 to<br>39  | -                         | - | - | - | - | 2         | -           | -           | -           | -           | -           | -           | -          | 2     |
| 40 to<br>44  | -                         | - | - | - | - | 3         | -           | 2           | -           | -           | -           | -           | -          | 5     |
| 45 to<br>49  | -                         | - | - | - | - | -         | -           | 1           | 2           | -           | -           | -           | -          | 3     |
| 50 to<br>54  | -                         | - | - | - | - | 2         | 1           | 1           | 1           | -           | 1           | -           | -          | 6     |
| 55 to<br>59  | -                         | - | - | - | - | -         | -           | 1           | 4           | 1           | -           | -           | -          | 6     |
| 60 to<br>64  | -                         | - | - | - | - | -         | -           | -           | -           | -           | -           | -           | -          | -     |
| 65 to<br>69  | -                         | - | - | - | - | -         | 1           | -           | -           | -           | -           | -           | -          | 1     |
| 70 &<br>Up   | -                         | - | - | - | - | -         | -           | -           | -           | -           | -           | -           | -          | -     |
| Total        | -                         | - | - | - | 1 | 14        | 3           | 5           | 7           | 1           | 1           | -           | -          | 32    |

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## Section XI

### SUMMARY of ASSUMPTIONS

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**Census Date** 1/1/2013

**Valuation Interest Rates** IRS-Prescribed Three-Segment Rates, for the fourth month prior to the valuation date (Sep).

|              | 24-Month Segment Rates (unadjusted) | 24-Month Segment Rates (Limited to the 25-Year Rate Corridor) |
|--------------|-------------------------------------|---------------------------------------------------------------|
| Segment I:   | 1.75%                               | 4.94%                                                         |
| Segment II:  | 4.62%                               | 6.15%                                                         |
| Segment III: | 5.72%                               | 6.76%                                                         |

The effective rate for the 2013 Plan Year was 6.38%.

**Valuation Mortality** IRS Prescribed Optional Combined Mortality for Males and Females (1.430(h)(3)-1) for the current Plan Year.

**Valuation Assets** Assets are equal to their Fair Market Value plus receivable contributions.

**Expenses** N/A.

**ASC 960 Assumptions** N/A.

**Salary Scale** A constant increase of 5.00% was assumed.

**Taxable Wage Base Increase Assumption** N/A.

**Inflation** N/A.

**Marriage** 100% of Males and 100% of Females are assumed to be married.

**Cost Method** The Unit Credit cost method was used to determine the liabilities and normal costs.

**Retirement Rates** Employees were assumed to retire at age 62.

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## Section XI

### SUMMARY of ASSUMPTIONS

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#### Withdrawal Rates

T-7 LESS GA51M. Below is a sample of representative rates:

| Age | Males  | Females |
|-----|--------|---------|
| 20  | 0.0994 | 0.0994  |
| 25  | 0.0967 | 0.0967  |
| 30  | 0.0930 | 0.0930  |
| 35  | 0.0871 | 0.0871  |
| 40  | 0.0775 | 0.0775  |
| 45  | 0.0635 | 0.0635  |
| 50  | 0.0422 | 0.0422  |
| 55  | 0.0155 | 0.0155  |
| 60  | 0.0015 | 0.0015  |

#### Disability Rates

N/A.

#### Disability Mortality

IRS Prescribed Optional Combined Mortality for Males and Females (1.430(h)(3)-1) for the current Plan Year. Below is a sample of representative rates:

| Age | Males  | Females |
|-----|--------|---------|
| 65  | 0.0097 | 0.0088  |
| 70  | 0.0164 | 0.0149  |
| 75  | 0.0288 | 0.0240  |
| 80  | 0.0532 | 0.0401  |
| 85  | 0.0969 | 0.0691  |
| 90  | 0.1700 | 0.1244  |
| 95  | 0.2575 | 0.1872  |
| 100 | 0.3381 | 0.2330  |
| 105 | 0.3979 | 0.2931  |

#### Changes in non-prescribed assumptions since the last valuation

None.

#### Estimated Funded Status Using 2016 Assumptions

The liability projecting assumptions as of 2016 use the same assumptions, census, plan benefits and measurement date as the valuation, except for the following rate: 4.75%.

#### Estimated Lump Sum Funded Status

The liability estimating Lump Sums as of the valuation date uses the same assumptions, census, plan benefits and measurement date as the valuation, except for the following Segment Rates: 1.00%, 3.57%, 4.47%, and the use of the following mortality table: The table specified under §417(e) for the Plan Year.

|                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                    |                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE SB</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Single-Employer Defined Benefit Plan</b><br><b>Actuarial Information</b><br><br>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).<br><br>▶ <b>File as an attachment to Form 5500 or 5500-SF.</b> | OMB No. 1210-0110<br><br><b>2013</b><br><br><b>This Form is Open to Public Inspection</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

▶ **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.

|                                                                                                                                           |                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A</b> Name of plan<br>SHINCOR SILICONES, INC. RETIREMENT PLAN FOR U.S. EMPLOYEES                                                       | <b>B</b> Three-digit plan number (PN) ▶ 001                                                                                                             |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF<br>Shin-Etsu Silicones of America, Inc.                          | <b>D</b> Employer Identification Number (EIN)<br>95-4015700                                                                                             |
| <b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B | <b>F</b> Prior year plan size: <input checked="" type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input type="checkbox"/> More than 500 |

|                                                                                                                                                                                                                |                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| <b>Part I</b>                                                                                                                                                                                                  | <b>Basic Information</b> |
| <b>1</b> Enter the valuation date: Month 01 Day 01 Year 2013                                                                                                                                                   |                          |
| <b>2</b> Assets:                                                                                                                                                                                               |                          |
| <b>a</b> Market value .....                                                                                                                                                                                    | <b>2a</b> 4661048        |
| <b>b</b> Actuarial value .....                                                                                                                                                                                 | <b>2b</b> 4661048        |
| <b>3</b> Funding target/participant count breakdown:                                                                                                                                                           |                          |
| <b>a</b> For retired participants and beneficiaries receiving payment.....                                                                                                                                     | <b>3a</b> 18 2518889     |
| <b>b</b> For terminated vested participants.....                                                                                                                                                               | <b>3b</b> 40 1345369     |
| <b>c</b> For active participants:                                                                                                                                                                              |                          |
| <b>(1)</b> Non-vested benefits .....                                                                                                                                                                           | <b>3c(1)</b> 662         |
| <b>(2)</b> Vested benefits .....                                                                                                                                                                               | <b>3c(2)</b> 1577217     |
| <b>(3)</b> Total active.....                                                                                                                                                                                   | <b>3c(3)</b> 32 1577879  |
| <b>d</b> Total.....                                                                                                                                                                                            | <b>3d</b> 90 5442137     |
| <b>4</b> If the plan is in at-risk status, check the box and complete lines (a) and (b)..... <input type="checkbox"/>                                                                                          |                          |
| <b>a</b> Funding target disregarding prescribed at-risk assumptions .....                                                                                                                                      | <b>4a</b>                |
| <b>b</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..... | <b>4b</b>                |
| <b>5</b> Effective interest rate .....                                                                                                                                                                         | <b>5</b> 6.38%           |
| <b>6</b> Target normal cost.....                                                                                                                                                                               | <b>6</b> 0               |

**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.

|                                                       |                                         |                                        |
|-------------------------------------------------------|-----------------------------------------|----------------------------------------|
| <b>SIGN HERE</b>                                      | RICHARD F MCCLEARY, EA, MAAA <i>RFM</i> | 09/16/2014                             |
|                                                       | Signature of actuary                    | Date                                   |
| RICHARD F MCCLEARY, EA, MAAA                          |                                         | 1408063                                |
|                                                       | Type or print name of actuary           | Most recent enrollment number          |
| CBIZ                                                  |                                         | 216-447-9000                           |
|                                                       | Firm name                               | Telephone number (including area code) |
| 6050 Oak Tree Blvd<br>Suite 500<br>Cleveland OH 44131 |                                         |                                        |
|                                                       | Address of the firm                     |                                        |

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

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

**Schedule SB (Form 5500) 2013**

| <b>Part II</b>                                                                                                                            | <b>Beginning of Year Carryover Prefunding Balances</b> |                        |
|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|------------------------|
|                                                                                                                                           | (a) Carryover balance                                  | (b) Prefunding balance |
| <b>7</b> Balance at beginning of prior year after applicable adjustments (line 13 from prior year) .....                                  | 0                                                      | 3                      |
| <b>8</b> Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....                               | 0                                                      | 0                      |
| <b>9</b> Amount remaining (line 7 minus line 8) .....                                                                                     | 0                                                      | 3                      |
| <b>10</b> Interest on line 9 using prior year's actual return of <u>9.94%</u> .....                                                       | 0                                                      | 0                      |
| <b>11</b> Prior year's excess contributions to be added to prefunding balance:                                                            |                                                        |                        |
| <b>a</b> Present value of excess contributions (line 38a from prior year) .....                                                           |                                                        | 13340                  |
| <b>b</b> Interest on (a) using prior year's effective interest rate of <u>7.09%</u> except as otherwise provided (see instructions) ..... |                                                        | 946                    |
| <b>c</b> Total available at beginning of current plan year to add to prefunding balance .....                                             |                                                        | 14286                  |
| <b>d</b> Portion of (c) to be added to prefunding balance .....                                                                           |                                                        | 14286                  |
| <b>12</b> Other reductions in balances due to elections or deemed elections .....                                                         | 0                                                      | 0                      |
| <b>13</b> Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) .....                                              | 0                                                      | 14289                  |

| <b>Part III</b>                                                                                                                                                            | <b>Funding Percentages</b> |         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------|
| <b>14</b> Funding target attainment percentage .....                                                                                                                       | <b>14</b>                  | 85.38 % |
| <b>15</b> Adjusted funding target attainment percentage .....                                                                                                              | <b>15</b>                  | 85.38 % |
| <b>16</b> Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement ..... | <b>16</b>                  | 90.05 % |
| <b>17</b> If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage .....                                        | <b>17</b>                  | %       |

| <b>Part IV</b>                                                                           | <b>Contributions and liquidity shortfalls</b> |                                 |                          |                                   |                                 |
|------------------------------------------------------------------------------------------|-----------------------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|
| <b>18</b> Contributions made to the plan for the plan year by employer(s) and employees: |                                               |                                 |                          |                                   |                                 |
| (a) Date<br>(MM-DD-YYYY)                                                                 | (b) Amount paid by<br>employer(s)             | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
| 04/15/2013                                                                               | 32133                                         | 0                               |                          |                                   |                                 |
| 07/15/2013                                                                               | 32133                                         | 0                               |                          |                                   |                                 |
| 10/15/2013                                                                               | 32133                                         | 0                               |                          |                                   |                                 |
| 01/15/2014                                                                               | 32133                                         | 0                               |                          |                                   |                                 |
| 09/15/2014                                                                               | 68888                                         | 0                               |                          |                                   |                                 |
|                                                                                          |                                               |                                 |                          |                                   |                                 |
|                                                                                          |                                               |                                 |                          |                                   |                                 |
|                                                                                          |                                               |                                 |                          |                                   |                                 |
|                                                                                          |                                               |                                 |                          |                                   |                                 |
|                                                                                          |                                               |                                 |                          |                                   |                                 |
|                                                                                          |                                               |                                 |                          |                                   |                                 |
|                                                                                          |                                               |                                 |                          |                                   |                                 |
|                                                                                          |                                               |                                 |                          |                                   |                                 |
|                                                                                          |                                               |                                 |                          |                                   |                                 |
|                                                                                          |                                               |                                 |                          |                                   |                                 |
|                                                                                          |                                               |                                 |                          |                                   |                                 |
| <b>Totals ▶</b>                                                                          |                                               |                                 | <b>18(b)</b>             | 197420                            | <b>18(c)</b>                    |
|                                                                                          |                                               |                                 |                          |                                   | 0                               |

|                                                                                                                                                                                        |            |         |         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|---------|---------|
| <b>19</b> Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:                                                   |            |         |         |
| <b>a</b> Contributions allocated toward unpaid minimum required contributions from prior years. ....                                                                                   | <b>19a</b> | 0       |         |
| <b>b</b> Contributions made to avoid restrictions adjusted to valuation date .....                                                                                                     | <b>19b</b> | 0       |         |
| <b>c</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date .....                                                                | <b>19c</b> | 185400  |         |
| <b>20</b> Quarterly contributions and liquidity shortfalls:                                                                                                                            |            |         |         |
| <b>a</b> Did the plan have a "funding shortfall" for the prior year? ..... <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                         |            |         |         |
| <b>b</b> If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ..... <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |            |         |         |
| <b>c</b> If 20a is "Yes," see instructions and complete the following table as applicable:                                                                                             |            |         |         |
| Liquidity shortfall as of end of quarter of this plan year                                                                                                                             |            |         |         |
| (1) 1st                                                                                                                                                                                | (2) 2nd    | (3) 3rd | (4) 4th |
|                                                                                                                                                                                        |            |         |         |

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

|                                                                                                                                                                                              |                          |                          |                          |                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|-----------------------------------------------------|
| <b>21</b> Discount rate:                                                                                                                                                                     |                          |                          |                          |                                                     |
| <b>a</b> Segment rates:                                                                                                                                                                      | 1st segment:<br>4 . 94 % | 2nd segment:<br>6 . 15 % | 3rd segment:<br>6 . 76 % | <input type="checkbox"/> N/A, full yield curve used |
| <b>b</b> Applicable month (enter code).....                                                                                                                                                  |                          |                          |                          | <b>21b</b> 4                                        |
| <b>22</b> Weighted average retirement age .....                                                                                                                                              |                          |                          |                          | <b>22</b> 62                                        |
| <b>23</b> Mortality table(s) (see instructions) <input checked="" type="checkbox"/> Prescribed - combined <input type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute |                          |                          |                          |                                                     |

**Part VI Miscellaneous Items**

|                                                                                                                                                                        |                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| <b>24</b> Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. .... | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>25</b> Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ....                                      | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>26</b> Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ....                            | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>27</b> If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....                                    | <b>27</b>                                                           |

**Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years**

|                                                                                                                                     |           |   |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------|---|
| <b>28</b> Unpaid minimum required contributions for all prior years .....                                                           | <b>28</b> | 0 |
| <b>29</b> Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)..... | <b>29</b> | 0 |
| <b>30</b> Remaining amount of unpaid minimum required contributions (line 28 minus line 29) .....                                   | <b>30</b> | 0 |

**Part VIII Minimum Required Contribution For Current Year**

|                                                                                                                                                                                      |                     |                    |               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|---------------|
| <b>31</b> Target normal cost and excess assets (see instructions):                                                                                                                   |                     |                    |               |
| <b>a</b> Target normal cost (line 6).....                                                                                                                                            | <b>31a</b>          | 0                  |               |
| <b>b</b> Excess assets, if applicable, but not greater than line 31a .....                                                                                                           | <b>31b</b>          | 0                  |               |
| <b>32</b> Amortization installments:                                                                                                                                                 | Outstanding Balance | Installment        |               |
| <b>a</b> Net shortfall amortization installment.....                                                                                                                                 | 794432              | 198743             |               |
| <b>b</b> Waiver amortization installment .....                                                                                                                                       | 0                   | 0                  |               |
| <b>33</b> 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 ..... | <b>33</b>           |                    |               |
| <b>34</b> Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...                                                            | <b>34</b>           | 198743             |               |
|                                                                                                                                                                                      | Carryover balance   | Prefunding balance | Total balance |
| <b>35</b> Balances elected for use to offset funding requirement.....                                                                                                                | 0                   | 13343              | 13343         |
| <b>36</b> Additional cash requirement (line 34 minus line 35).....                                                                                                                   | <b>36</b>           | 185400             |               |
| <b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....                                                   | <b>37</b>           | 185400             |               |
| <b>38</b> Present value of excess contributions for current year (see instructions)                                                                                                  |                     |                    |               |
| <b>a</b> Total (excess, if any, of line 37 over line 36) .....                                                                                                                       | <b>38a</b>          | 0                  |               |
| <b>b</b> Portion included in line 38a attributable to use of prefunding and funding standard carryover balances .....                                                                | <b>38b</b>          | 0                  |               |
| <b>39</b> Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) .....                                                                      | <b>39</b>           | 0                  |               |
| <b>40</b> Unpaid minimum required contributions for all years .....                                                                                                                  | <b>40</b>           | 0                  |               |

**Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)**

|                                                                                                |                                                                                                                         |  |  |
|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|--|--|
| <b>41</b> If an election was made to use PRA 2010 funding relief for this plan:                |                                                                                                                         |  |  |
| <b>a</b> Schedule elected .....                                                                | <input type="checkbox"/> 2 plus 7 years <input type="checkbox"/> 15 years                                               |  |  |
| <b>b</b> Eligible plan year(s) for which the election in line 41a was made .....               | <input type="checkbox"/> 2008 <input type="checkbox"/> 2009 <input type="checkbox"/> 2010 <input type="checkbox"/> 2011 |  |  |
| <b>42</b> Amount of acceleration adjustment .....                                              | <b>42</b>                                                                                                               |  |  |
| <b>43</b> Excess installment acceleration amount to be carried over to future plan years ..... | <b>43</b>                                                                                                               |  |  |

# SCHEDULE SB ATTACHMENT

## Line 19 - Discounted Employer Contributions

**Plan Name: Shincor Silicones, Inc. Retirement Plan for U.S. Employees**

**EIN/PN: 95-4015700/001**

**Valuation Date: January 1, 2013**

**Total Contributed: \$ 197,420.00**

**Total Discounted to Valuation Date: \$ 185,400.00**

| Date       | Amount | Plan Year | Effective<br>Rate of<br>Interest | Amount<br>Discounted | Penalty<br>Rate of<br>Interest | Additional<br>Amount<br>Discounted | Present<br>Value<br>on Date of<br>Valuation |
|------------|--------|-----------|----------------------------------|----------------------|--------------------------------|------------------------------------|---------------------------------------------|
| 04/15/2013 | 32,133 | 2013      | 6.38%                            | 561                  | 0.00%                          | -                                  | 31,572                                      |
| 07/15/2013 | 32,133 | 2013      | 6.38%                            | 1,044                | 0.00%                          | -                                  | 31,089                                      |
| 10/15/2013 | 32,133 | 2013      | 6.38%                            | 1,525                | 0.00%                          | -                                  | 30,608                                      |
| 01/15/2014 | 32,133 | 2013      | 6.38%                            | 1,999                | 0.00%                          | -                                  | 30,134                                      |
| 09/15/2014 | 68,888 | 2013      | 6.38%                            | 6,891                | 0.00%                          | -                                  | 61,997                                      |

## **SCHEDULE SB ATTACHMENT**

### **Line 22 - Weighted Average Retirement Age**

**Plan Name: Shincor Silicones, Inc. Retirement Plan for U.S. Employees**

**EIN/PN: 95-4015700/001**

**Valuation Date: January 1, 2013**

Each participant is assumed to retire at his/her normal retirement age of 62.

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## Section XII SUMMARY of PLAN BENEFITS

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| <b>Plan Effective Date</b>      | August 1, 1991. The plan was last restated effective January 1, 2012 and most recently amended effective July 1, 2013.                                                                                                                                                                                                                                                                                                                                                              |     |        |    |       |    |       |    |       |    |       |    |       |    |       |    |       |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|--------|----|-------|----|-------|----|-------|----|-------|----|-------|----|-------|----|-------|
| <b>Eligibility Requirements</b> | None.                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |     |        |    |       |    |       |    |       |    |       |    |       |    |       |    |       |
| <b>Vesting</b>                  | 100% vesting upon earning 5 Years of Vesting Service.                                                                                                                                                                                                                                                                                                                                                                                                                               |     |        |    |       |    |       |    |       |    |       |    |       |    |       |    |       |
| <b>Accrued Benefit Formula</b>  | 1.2% of Average Monthly Compensation per Year of Service.                                                                                                                                                                                                                                                                                                                                                                                                                           |     |        |    |       |    |       |    |       |    |       |    |       |    |       |    |       |
| <b>Average Compensation</b>     | Average Compensation is the highest consecutive three year average of pensionable earnings, out of the last ten calendar years.                                                                                                                                                                                                                                                                                                                                                     |     |        |    |       |    |       |    |       |    |       |    |       |    |       |    |       |
| <b>Credited Service</b>         | Elapsed time method.                                                                                                                                                                                                                                                                                                                                                                                                                                                                |     |        |    |       |    |       |    |       |    |       |    |       |    |       |    |       |
| <b>Vesting Service</b>          | Elapsed time method.                                                                                                                                                                                                                                                                                                                                                                                                                                                                |     |        |    |       |    |       |    |       |    |       |    |       |    |       |    |       |
| <b>Normal Retirement Age</b>    | Upon attainment of 65.                                                                                                                                                                                                                                                                                                                                                                                                                                                              |     |        |    |       |    |       |    |       |    |       |    |       |    |       |    |       |
| <b>Early Retirement</b>         | <p><u>Eligibility:</u> Upon attainment of age 55 and completion of 5 Years of Service.</p> <p><u>Benefit:</u> The accrued benefit multiplied by the appropriate factor below:</p> <table><tr><th>Age</th><th>Factor</th></tr><tr><td>55</td><td>0.720</td></tr><tr><td>56</td><td>0.785</td></tr><tr><td>57</td><td>0.850</td></tr><tr><td>58</td><td>0.880</td></tr><tr><td>59</td><td>0.910</td></tr><tr><td>60</td><td>0.940</td></tr><tr><td>61</td><td>0.970</td></tr></table> | Age | Factor | 55 | 0.720 | 56 | 0.785 | 57 | 0.850 | 58 | 0.880 | 59 | 0.910 | 60 | 0.940 | 61 | 0.970 |
| Age                             | Factor                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |     |        |    |       |    |       |    |       |    |       |    |       |    |       |    |       |
| 55                              | 0.720                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |     |        |    |       |    |       |    |       |    |       |    |       |    |       |    |       |
| 56                              | 0.785                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |     |        |    |       |    |       |    |       |    |       |    |       |    |       |    |       |
| 57                              | 0.850                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |     |        |    |       |    |       |    |       |    |       |    |       |    |       |    |       |
| 58                              | 0.880                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |     |        |    |       |    |       |    |       |    |       |    |       |    |       |    |       |
| 59                              | 0.910                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |     |        |    |       |    |       |    |       |    |       |    |       |    |       |    |       |
| 60                              | 0.940                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |     |        |    |       |    |       |    |       |    |       |    |       |    |       |    |       |
| 61                              | 0.970                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |     |        |    |       |    |       |    |       |    |       |    |       |    |       |    |       |
| <b>Disability Retirement</b>    | None.                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |     |        |    |       |    |       |    |       |    |       |    |       |    |       |    |       |

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## Section XII SUMMARY of PLAN BENEFITS

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### **Pre-Retirement Death**

Eligibility: Upon earning 5 Years of Service.

Benefit: The spouse is eligible for 50% of the benefit that would have been payable, if the Participant had live to Early Retirement Eligibility and elected a 50% Qualified Joint and Survivor Annuity. The benefit is payable upon the Participant's Early Retirement Eligibility date.

### **Normal Form of Payment**

Unless otherwise elected, the benefit payable a participant who has been married at least one year is an actuarially equivalent 50% Joint and Survivor benefit. For unmarried participants, the Normal Form is a single life annuity.

### **Optional Forms**

Benefits may be elected from:

- 50%, 75% and 100% Joint and Survivor
- 5 Year Certain and Continuous
- Lump Sum
- Single Life Annuity

### **Changes in Plan Benefits recognized since the last valuation**

None.

## SCHEDULE SB ATTACHMENT

### Line 32 - Amortization Bases Used in the Valuation

Plan Name: Shincor Silicones, Inc. Retirement Plan for U.S. Employees

EIN/PN: 95-4015700/001

Valuation Date: January 1, 2013

| Original<br>Valuation | Remaining<br>Years | Amortization<br>Type | Outstanding<br>Balance | Current<br>Year<br>Amortization |
|-----------------------|--------------------|----------------------|------------------------|---------------------------------|
| 1/1/2013              | 7                  | 7 year               | 420,697                | 70,211                          |
| 1/1/2012              | 6                  | 7 year               | (105,154)              | (19,867)                        |
| 1/1/2011              | 5                  | 7 year               | 217,751                | 47,848                          |
| 1/1/2010              | 4                  | 7 year               | 64,976                 | 17,437                          |
| 1/1/2009              | 3                  | 7 year               | 106,638                | 37,273                          |
| 1/1/2008              | 2                  | 7 year               | 89,524                 | 45,841                          |