

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2013 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information—enter all requested information										
1a Name of plan <u>KOCH INDUSTRIES EMPLOYEES' PENSION PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>11/01/1947</u></td> </tr> <tr> <td colspan="2">2b Employer Identification Number (EIN) <u>48-0484227</u></td> </tr> <tr> <td colspan="2">2c Sponsor's telephone number <u>404-652-2109</u></td> </tr> <tr> <td colspan="2">2d Business code (see instructions) <u>324190</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>11/01/1947</u>		2b Employer Identification Number (EIN) <u>48-0484227</u>		2c Sponsor's telephone number <u>404-652-2109</u>		2d Business code (see instructions) <u>324190</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>										
1c Effective date of plan <u>11/01/1947</u>											
2b Employer Identification Number (EIN) <u>48-0484227</u>											
2c Sponsor's telephone number <u>404-652-2109</u>											
2d Business code (see instructions) <u>324190</u>											
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>KOCH INDUSTRIES INC</u> <u>C/O KOCH BUSINESS SOLUTIONS, LP</u> <u>4111 E. 37TH STREET N, GA029-06</u> <u>WICHITA, KS 67220</u>											

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/09/2014	CARRIE HAZEN, BEN ADM COMMITTEE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/09/2014	WALTER N. MALONE
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☐ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address KOCH BENEFITS ADMINISTRATIVE COMMITTEE C/O KOCH BUSINESS SOLUTIONS, LP 4111 E. 37TH STREET N, GA029-06 WICHITA, KS 67220		3b Administrator's EIN 20-3661223
		3c Administrator's telephone number 404-652-2109
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name		4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5	16779
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants	6a	11883
b Retired or separated participants receiving benefits	6b	1512
c Other retired or separated participants entitled to future benefits.....	6c	4051
d Subtotal. Add lines 6a , 6b , and 6c	6d	17446
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	6e	247
f Total. Add lines 6d and 6e	6f	17693
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6h	382
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 3F 3H		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2013 This Form is Open to Public Inspection
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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.

A Name of plan <u>KOCH INDUSTRIES EMPLOYEES' PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>KOCH INDUSTRIES INC</u>	D Employer Identification Number (EIN) <u>48-0484227</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month _____ Day _____ Year _____	
2 Assets:	
a Market value	2a <u>761293389</u>
b Actuarial value	2b <u>761056200</u>
3 Funding target/participant count breakdown:	
a For retired participants and beneficiaries receiving payment.....	3a <u>1628</u> (1) Number of participants <u>103049108</u> (2) Funding Target
b For terminated vested participants.....	3b <u>4032</u> <u>128356056</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>19399419</u>
(2) Vested benefits	3c(2) <u>499590297</u>
(3) Total active.....	3c(3) <u>11183</u> <u>518989716</u>
d Total.....	3d <u>16843</u> <u>750394880</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b
5 Effective interest rate	5 <u>6.45 %</u>
6 Target normal cost	6 <u>68970995</u>

Statement by Enrolled Actuary

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

SIGN HERE		<u>10/06/2014</u>
Signature of actuary		Date
<u>MICHAEL R. MACE</u>		<u>14-06591</u>
Type or print name of actuary		Most recent enrollment number
<u>TOWERS WATSON PENNSYLVANIA, INC.</u>		<u>314-719-5900</u>
Firm name		Telephone number (including area code)
<u>101 SOUTH HANLEY ROAD</u> <u>ST. LOUIS, MO 63105-3411</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

Part II Beginning of Year Carryover and Prefunding Balances		
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	33648025	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	33648025	0
10 Interest on line 9 using prior year's actual return of <u>9.94</u> %	3344614	
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		29395672
b Interest on (a) using prior year's effective interest rate of <u>7.16</u> % except as otherwise provided (see instructions)		2104730
c Total available at beginning of current plan year to add to prefunding balance		31500402
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	36992639	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding Percentages		
14 Funding target attainment percentage	14	101.42 %
15 Adjusted funding target attainment percentage	15	101.42 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	116.33 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
09/12/2014	166800000				
			Totals ►	18(b)	166800000
				18(c)	0

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

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	150023738

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

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

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

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

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

21 Discount rate:				
a Segment rates:	1st segment: 4.94%	2nd segment: 6.15%	3rd segment: 6.76 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	68970995	
b Excess assets, if applicable, but not greater than line 31a	31b	10661320	
32 Amortization installments:	Outstanding Balance		
a Net shortfall amortization installment.....	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	58309675	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35).....	36	58309675	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	150023738	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	91714063	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

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

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

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2013
		This Form is Open to Public Inspection.

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

A Name of plan <u>KOCH INDUSTRIES EMPLOYEES' PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>KOCH INDUSTRIES INC</u>	D Employer Identification Number (EIN) <u>48-0484227</u>

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

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

36-3943169

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

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

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

HEWITT ASSOCIATES LLC

36-2235791

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15	NONE	731961	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

TOWERS WATSON

23-1159360

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11	NONE	72697	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

BANK OF NEW YORK MELLON

13-5160382

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11 14	TRUSTEE	27576	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

GRANT THORNTON LLP

36-6055558

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	NONE	15000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

RECALL TOTAL INFORMATION MANAGEMENT

36-3795227

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
14	NONE	6755	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

Part I Service Provider Information (continued)

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

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

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

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013		
A Name of plan KOCH INDUSTRIES EMPLOYEES' PENSION PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 KOCH INDUSTRIES INC	D Employer Identification Number (EIN) 48-0484227	

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	33045000	166800000
(2) Participant contributions.....	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	731362864	743155760
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	764407864	909955760

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	593983	191140
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	593983	191140

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	763813881	909764620
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	166800000	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		166800000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		45158954
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		211958954

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	63262142	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		63262142
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	87697	
(2) Contract administrator fees	2i(2)	731961	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	1926415	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		2746073
j Total expenses. Add all expense amounts in column (b) and enter total	2j		66008215

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		145950739
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☒ Yes ☐ No

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

(1) Name: GRANT THORNTON LLP

(2) EIN: 36-6055558

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

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

Part IV Compliance Questions

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

During the plan year:

- a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)
- b** Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
e Was this plan covered by a fidelity bond?	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		X	

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

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

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

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☒ Yes ☐ No ☐ Not determined

Part V Trust Information (optional)

6a Name of trust	6b Trust's EIN

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2013 This Form is Open to Public Inspection.
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan <u>KOCH INDUSTRIES EMPLOYEES' PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>KOCH INDUSTRIES INC</u>	D Employer Identification Number (EIN) <u>48-0484227</u>

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>25-6263968</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>414</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....	6a		
b Enter the amount contributed by the employer to the plan for this plan year.....	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?.....	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☒ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

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

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

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

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

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

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

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

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

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

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

- a** Enter the percentage of plan assets held as:

Stock: 24% Investment-Grade Debt: 39% High-Yield Debt: 4% Real Estate: 4% Other: 29%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☒ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate line 19(b)?

☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Financial Statements and Report of
Independent Certified Public Accountants

Koch Industries Employees' Pension Plan

December 31, 2013 and 2012

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Report of Independent Certified Public Accountants	1
Financial statements:	
Statements of net assets available for benefits	3
Statements of changes in net assets available for benefits	4
Notes to financial statements	5
Note: All schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable	



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Report of Independent Certified Public Accountants

To the Administrative Committee of
Koch Industries Employees' Pension Plan

Report on the financial statements

We were engaged to audit the financial statements of **Koch Industries Employees' Pension Plan** (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2013 and 2012, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

Basis for disclaimer of opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the certified information described in Note 3, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan administrator that the certifying entity meets the requirements of 29 CFR 2520.103-8. The Plan administrator obtained certifications from this entity as of December 31, 2013 and 2012, and for the years then ended, stating that the certified information provided to the Plan administrator is complete and accurate.

Disclaimer of opinion

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

Report on form and content in compliance with DOL rules and regulations

The form and content of the information included in the financial statements, other than that derived from the certified information described in Note 3, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.



Atlanta, Georgia
October 2, 2013

Statements of net assets available for benefits

December 31	2013	2012
Assets:		
Investment in Koch Companies Defined Benefit Master Trust, at fair value	\$743,155,760	\$731,362,864
Employer contributions receivable	166,800,000	33,045,000
Total assets	909,955,760	764,407,864
Liabilities:		
Accrued liabilities	191,140	593,983
Total liabilities	191,140	593,983
Net assets available for benefits	\$909,764,620	\$763,813,881

The accompanying notes are an integral part of these financial statements.

Statements of changes in net assets available for benefits

For the years ended December 31	2013	2012
Additions:		
Net investment gain from Koch Companies Defined Benefit Master Trust	\$ 45,158,954	\$ 63,189,836
Employer contributions	166,800,000	33,045,000
Total additions, net	211,958,954	96,234,836
Deductions:		
Benefit payments to participants and beneficiaries	63,262,142	40,656,234
Administrative expenses	2,746,073	1,738,699
Total deductions	66,008,215	42,394,933
Net increase	145,950,739	53,839,903
Transfer from other Plan	-	1,927,554
Net assets available for benefits, beginning of year	763,813,881	708,046,424
Net assets available for benefits, end of year	\$ 909,764,620	\$ 763,813,881

The accompanying notes are an integral part of these financial statements.

Notes to financial statements

1 Description of the Plan

The following description of the Koch Industries Employees' Pension Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a noncontributory defined benefit plan sponsored by Koch Industries, Inc. (the Company) for the benefit of its full-time employees who have worked at least 1,000 hours in a year at the Company and certain other companies affiliated with the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The trustee of the Plan, Bank of New York Mellon/BNY Mellon, N.A., (the trustee), together with the Koch Industries, Inc. Investment Committee, manages the Plan's investment assets.

Pension Benefits

The monthly normal retirement allowance of a participant who retires on a normal retirement date and expressed as a 10-year life and certain annuity shall be determined by multiplying the participant's years of credited service (limited to 45 years), by 1.25% of the average final monthly compensation, as defined in the Plan document.

Vesting

Participants are 100% vested upon completion of five years of vesting service.

Retirement Benefit Options

In general, the Plan provides for normal retirement benefits upon reaching age 65 and has provisions for early retirement, disability, or death benefits. Participants may elect the following other types of payments: single life annuity, joint and survivor annuity, 10 or 15-year life and certain annuity, periodic monthly payments and lump-sum payment, or a combination of lump-sum and annuity (available only if the participant was hired prior to January 1, 2007).

If a vested participant dies after the commencement of normal benefits, a death benefit will be paid in accordance with the form of benefit payment election in effect. If a vested participant dies prior to the commencement of normal benefits, the beneficiary will receive the current lump-sum equivalent of the deferred vested benefit. If the beneficiary is a spouse, the payment will be made as a single life annuity unless he or she chooses a lump-sum payment.

Funding Policy

Participant contributions were required until December 31, 1979. Since that date, no participant contributions have been permitted. The Company makes annual contributions to the Plan based on the funding recommendations of the Plan's independent consulting actuary to meet the minimum requirements under ERISA. The Plan was in compliance with applicable ERISA funding requirements for 2013 and 2012.

2 Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

Use of Estimates

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

Investment Valuation and Income Recognition

The Plan's investment in the Koch Defined Benefit Master Trust (Koch Master Trust) is stated at fair value (Note 3). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (Note 4).

Investments held by the master trust that are traded on a national securities exchange are valued at the last reported sales price on the last business day of the Plan year. Investments in preferred stocks, government bonds, corporate bonds, other corporate debt securities, and cash equivalents are valued based on yields available on comparable securities. Investments in common trust funds are based on quoted redemption values on the last business day of the Plan year, as determined by the trustee of the Plan. Investments in limited partnerships are valued at appraised values at the end of the Plan year as reported by the partnerships' respective general partners and the trustee of the Plan. Appraised values are developed using various modeling techniques, including, but not limited to, the strong correlation of the underlying security to one or more broad-based securities, market indices and/or other financial instruments. Other investments consist primarily of synthetic equity options that are indexed to specific equity market benchmarks and are valued based upon observable market data. Investments in derivative instruments are marked to market daily based on quoted prices or widely accepted models that use readily observable market parameters as their basis. Amounts owed or due on open derivative contracts are recorded as receivables or payables to the master trust. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Investment related expenses of the master trust, such as trustee and investment manager fees, are paid by the master trust and are netted against (added to) net investment gain (loss) from the master trust.

Payment of Benefits

Benefits are recorded when paid.

Administrative Expenses

Administrative expenses include Pension Benefit Guaranty Corporation premiums, record keeping, legal, and other administration fees directly incurred by the Plan.

Subsequent Events

The Plan administrator has evaluated subsequent events through October 2, 2014, the date the financial statements were available to be issued. In August 2014, Plan management decided to offer vested terminated participants with an actuarially equivalent lump sum valued at less than \$50,000, an option to receive their benefit as a single lump sum distribution. Eligible participants will have until October 29, 2014 to elect the option. Related benefit payments are expected to occur in December 2014.

3 Financial Information of Master Trust

The Koch Master Trust was established for the collective investment of the assets of participating employee benefit plans of Koch Industries, Inc. and certain of its subsidiaries. Fund assets are allocated among participating plans by assigning to each plan those transactions (primarily contributions, benefit payments, and specific administrative expenses) which can be specifically identified. Income and expenses resulting from the collective investment of the assets are allocated (on a monthly or daily basis) in proportion to the fair value of the assets assigned to each plan.

The assets of the Koch Master Trust are accounted for on a units-of-participation basis. At December 31, 2013 and 2012, the Plan held 743,155,760 and 731,362,864 units of the Koch Master Trust with an individual unit estimated fair value of \$1, respectively. The Plan's unit holdings at December 31, 2013 and 2012 had fair values of \$743,155,760 and \$731,362,864, respectively, which represented approximately 14.2% and 14.2% of the net assets of the Koch Master Trust.

The trustee of the Plan has certified the completeness and accuracy of substantially all investments reflected in the accompanying statements of net assets available for benefits and substantially all of the related investment activity reflected in the statements of changes in net assets available for benefits of the Plan. The net assets of the Koch Master Trust certified as complete and accurate by the trustee totaled \$5,214,257,991 and \$5,149,346,905 at December 31, 2013 and 2012, respectively. Net investment gain of the Koch Master Trust certified as complete and accurate by the trustee totaled \$320,123,802 and \$454,726,414, and excluded \$7,904,702 and \$11,076,897 of net investment gain related to certain investments in limited partnerships and investment expenses for the years ended December 31, 2013 and 2012, respectively. The Plan's independent auditors have not audited investment information certified by the trustee of the Plan.

A summary of the net assets of the Koch Master Trust is as follows:

December 31	2013	2012
Assets:		
Investments at fair value:		
Cash and cash equivalents	\$ 69,317,707	\$ 77,380,042
Common and preferred stocks	20,522,577	51,588,540
Corporate bonds and other debt instruments	27,053,713	276,700,987
Government bonds	-	164,368,589
Common trust funds	2,764,230,930	1,812,622,883
Mutual Funds	46,879,694	206,889,456
Limited partnerships	2,040,675,190	1,253,697,427
Other investments	254,881,548	992,595,607
Total investments	5,223,561,359	4,835,843,531
Receivables:		
Interest and dividends	1,053,741	2,767,714
Due from brokers	-	335,891,300
Total receivables	1,053,741	338,659,014
Total assets	5,224,615,100	5,174,502,545
Liabilities:		
Other payables	111,000	14,078,743
Due to brokers	2,341,410	-
Total liabilities	2,452,410	14,078,743
Net assets	\$ 5,222,162,690	\$ 5,160,423,802

Net investment gain for the Koch Master Trust is as follows:

For the years ended December 31	2013	2012
Net investment gain:		
Net appreciation in fair value of investments	\$ 177,916,070	\$ 383,369,432
Interest, dividend and other income	144,712,266	82,225,269
Investment expenses	(5,676,729)	(6,760,918)
Net investment gain of Koch Companies Defined Benefit Master Trust	\$ 316,951,607	\$ 458,833,783

The net appreciation (depreciation) in fair value of investments of the Koch Master Trust by major investment category is as follows:

For the years ended December 31	2013	2012
Cash equivalents	\$ 156,631	\$ (101,911)
Common and preferred stocks	118,974,460	89,920,243
Mutual funds	1,653,643	(8,227,464)
Corporate bonds and other debt instruments	9,143,839	26,224,066
Government bonds	(11,044,302)	1,145,601
Common trust funds	5,206,147	106,360,571
Limited partnerships	79,679,333	67,300,586
Other investments	(25,853,681)	100,747,740
Net appreciation in fair value of investments	\$177,916,070	\$383,369,432

The Koch Master Trust's overall strategy is to provide investment diversification to minimize risk and maximize long-term investment returns while maintaining sufficient liquidity. As a part of this strategy, the master trust holds certain investments that have redemption restrictions, future funding commitments, and other requirements that vary by individual investment. Redemption restrictions are generally short term with the exception of certain limited partnership investments, of which funds frequently cannot be withdrawn for the life of the investment. At December 31, 2013 and 2012, the Koch Master Trust had noncancelable commitments to make future investments in certain limited partnerships totaling \$349,698,038 and \$367,124,438, respectively. The commitments mature at various dates designated by the respective fund agreements.

At December 31, 2013 and 2012, the Koch Master Trust held \$2,655,437,953 and \$1,010,201,662, respectively, of collective trust funds managed by Bank of New York Mellon/BNY Mellon, N.A. In addition, fees paid by the Koch Master Trust to the trustee, or an affiliate thereof, for trustee and investment management services totaled \$1,268,441 and \$838,156 for the years ended December 31, 2013 and 2012, respectively. Transactions with Bank of New York Mellon/BNY Mellon, N.A., qualify as party-in-interest transactions.

During 2013 and 2012 the Koch Master Trust invested in a limited number of derivative financial instruments. Certain investment managers were allowed to use derivatives for such strategies as portfolio structuring, return enhancement, and hedging against deterioration of investment holdings from market and interest rate changes. Derivatives are also used as a hedge against foreign currency fluctuations. Derivative instruments included equity index, government and money market forwards and futures, credit default swaps, as well as interest rate swaps and options. The resulting fair value changes of derivative instruments were included in the net appreciation in fair value of investments. Derivative positions held at December 31, 2013 and 2012 were not material and the use of derivative instruments was not believed to materially increase the credit or market risk of the master trust's investments.

4 Fair Value Measurements

FASB ASC 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

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

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

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

The valuation methods described in Note 2 may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used at December 31, 2013 and 2012.

The following table sets forth by level, within the fair value hierarchy, a summary of the Koch Master Trust's investment assets at fair value as of December 31, 2012.

December 31, 2012	Level 1		Level 2	Level 3	Total
Cash and cash equivalents					
Cash	\$ 77,370,807	\$ -	\$ -	\$ -	\$ 77,370,807
Fixed income securities	-	9,235	-	-	9,235
	77,370,807	9,235	-	-	77,380,042
Common and preferred stocks					
Fixed income stock	936,325	-	-	-	936,325
Domestic (U.S.) equity	22,413,774	-	-	-	22,413,774
Opportunity funds	-	6,326,404	-	-	6,326,404
Private equity funds	21,891,287	-	20,750	-	21,912,037
	45,241,386	6,326,404	20,750	-	51,588,540
Corporate bonds and other debt instruments	27,209,806	181,775,131	67,716,050	-	276,700,987
Government bonds	164,368,589	-	-	-	164,368,589
Common trust funds					
Emerging market equity	-	141,376,043	-	-	141,376,043
Fixed income securities	-	1,010,196,515	248,591,950	-	1,258,788,465
Tactical asset allocation	412,458,375	-	-	-	412,458,375
	412,458,375	1,151,572,558	248,591,950	-	1,812,622,883
Mutual funds					
Opportunity funds	-	-	206,889,456	-	206,889,456
Limited partnerships					
Fixed income securities	78,798	-	5,860	-	84,658
Domestic (U.S.) equity	82,537,859	-	-	-	82,537,859
Opportunity funds	-	196,650,299	331,046,033	-	527,696,332
Private equity funds	-	104,323,568	341,622,824	-	445,946,392
Real estate assets	-	-	197,432,186	-	197,432,186
	82,616,657	300,973,867	870,106,903	-	1,253,697,427
Other investments					
Fixed income securities	357,709,352	6,852,752	-	-	364,562,104
Domestic (U.S.) equity	-	445,994,902	-	-	445,994,902
Opportunity funds	4,746,261	2,405,939	173,296,537	-	180,448,737
Tactical asset allocation	1,589,864	-	-	-	1,589,864
	364,045,477	455,253,593	173,296,537	-	992,595,607
Total investment assets at fair value	\$ 1,173,311,097	\$ 2,095,910,788	\$ 1,566,621,646	\$ -	\$ 4,835,843,531

The table below sets forth a summary of changes in fair value of the Koch Master Trust's level 3 investment assets for the year ended December 31, 2013.

For the year ended December 31, 2013	Fixed income securities	Opportunity funds	Private equity funds	Real estate assets	Total
Balance, beginning of year	\$ 316,313,860	\$ 711,232,026	\$ 341,643,574	\$ 197,432,186	\$ 1,566,621,646
Realized Gains	10,001,473	155,934	(20,979,225)	(79,564)	(10,901,382)
Unrealized gains (losses)	(30,098,673)	26,232,641	19,725,587	30,301,669	46,161,224
Purchases	8,232,713	667,889,992	93,959,886	184,202,719	954,285,310
Sales	(277,392,619)	(147,833,567)	(122,155,340)	(108,466,784)	(655,848,310)
Balance, end of year	\$ 27,056,754	\$ 1,257,677,026	\$ 312,194,482	\$ 303,390,226	\$ 1,900,318,488

The table below sets forth a summary of changes in fair value of the Koch Master Trust's level 3 investment assets for the year ended December 31, 2012.

For the year ended December 31, 2012	Fixed income securities	Opportunity funds	Private equity funds	Real estate assets	Total
Balance, beginning of year	\$ 206,007,731	\$ 552,854,609	\$ 342,872,214	\$ 63,020,385	\$ 1,164,754,939
Realized Gains	67,800	25,400,082	13,755,331	11,701,798	50,925,011
Unrealized gains (losses)	39,394,281	12,424,993	7,312,555	-	59,131,829
Purchases	72,072,012	262,697,888	66,231,151	189,749,636	590,750,687
Sales	(1,227,964)	(142,145,546)	(88,527,677)	(67,039,633)	(298,940,820)
Balance, end of year	\$ 316,313,860	\$ 711,232,026	\$ 341,643,574	\$ 197,432,186	\$ 1,566,621,646

The table below sets forth more detailed assumptions used in developing the fair values of the Koch Master Trust's level 3 investment assets for as of December 31, 2013:

Fund Type	Valuation Technique	Significant Unobservable Inputs	Range
Fixed income Securities	Original issue and subsequent transaction prices	Adjusted for liquidity and transfer restrictions	
Opportunity Funds	Benchmark pricing based upon country of issuance Broker dealer quote, transaction price or an internal value derived by market data	Benchmark based on country of origin; Quotes or values derived from market data	
	Valued at probable realization value using cost price or values for recent transactions	Quotes from brokers active in trading the particular security type, counterparty valuations, market data service providers or reference to visible traded levels	
Private equity funds	Company trading and precedent trading multiple	EBITDA Multiple	5 times-19 times
	Discounted cash flow over holding period	Risk adjusted premiums of not achieving a return of capital. 3rd party engineering reports, comparable transactions	
Real estate assets	Discounted cash flow/direct capitalization	Discounted Rate Terminal Capitalization Rate	8.5-13.6%
	Projected cash flow	Investment, liquidation and wind-down periods	Investment Periods 20-30% Liquidations Periods 15-30% Wind down Periods 10-25%

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Plan management evaluates the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the year ended December 31, 2013, there were no significant transfers in or out of levels 1, 2 or 3.

5 Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, which are attributable under the Plan's provisions to the services rendered by the employees to the valuation date. The actuarial present value of accumulated plan benefits is determined by the Plan's actuary and is the amount that results from applying actuarial assumptions to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment. The actuarial present value of accumulated plan benefits is presented based on a beginning-of-year benefit information date.

The significant actuarial assumptions used in the December 31, 2012 valuations are as follows:

Method of valuation	Unit credit cost method
Investment rate of return	7.50%
Mortality	RP-2000 projected with Scale AA to 2020, no collar adjustment
Average retirement age	63

A summary of accumulated plan benefits is as follows:

December 31	2012
Vested benefits:	
Participants currently receiving payments	\$ 93,831,121
Other participants	664,631,110
Nonvested benefits	3,632,042
Total	\$ 762,094,273

The changes in the actuarial present value of accumulated plan benefits consist of the following:

For the year ended December 31	2012
Actuarial present value of accumulated plan benefits, beginning of year	\$ 645,262,517
Increase for interest due to the decrease in the discount period	50,026,038
Benefits paid	(40,656,234)
Assumption changes	51,952,473
Benefits accumulated and other changes	55,509,479
Actuarial present value of accumulated plan benefits, end of year	\$ 762,094,273

Assumption changes include a change in the Plan's assumed rate of return of investments from 8.0% to 7.5%. In addition, there was a change in the mortality tables to RP-2000 projected with Scale AA to 2020 from RP-2000 projected with Scale AA to 2012.

6 Related-Party Transactions

Certain Plan investments are managed by the trustee and therefore, these transactions qualify as party-in-interest transactions.

7 Plan Termination

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA.

In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

- Benefits attributable to employee contributions, taking into account those paid out before termination.
- Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan.
- Other vested benefits insured by the PBGC up to the application limitations discussed below.
- Vested benefits not insured by the PBGC.
- All nonvested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal retirement age benefits, early retirement benefits and certain disability and survivor benefits.

However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees.

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

8 Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated May 28, 2002, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the Plan administrative committee and the Plan's tax counsel believe that the Plan and related trust are currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

US GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities. The Plan administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2013 and 2012, and for the years then ended, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the Plan's financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, the Plan is not currently under audit with respect to any tax periods in progress.

9 Risks and Uncertainties

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

The Plan through the Koch Master Trust invests in securities with contractual cash flows, such as asset-backed securities, collateralized mortgage obligations and commercial mortgage backed securities, including securities backed by subprime mortgage loans. The value, liquidity and related income (loss) of these securities are sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2013 This Form is Open to Public Inspection
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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.

A Name of plan KOCH INDUSTRIES EMPLOYEES' PENSION PLAN	B Three-digit plan number (PN) ► <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF KOCH INDUSTRIES INC	D Employer Identification Number (EIN) 48-0484227
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B ☐ Other	
F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500	

Part I Basic Information			
1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2013</u>			
2 Assets:			
a Market value	2a		761,293,389
b Actuarial value	2b		761,056,200
3 Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a	1,628	103,049,108
b For terminated vested participants	3b	4,032	128,356,056
c For active participants:			
(1) Non-vested benefits	3c(1)		19,399,419
(2) Vested benefits	3c(2)		499,590,297
(3) Total active	3c(3)	11,183	518,989,716
d Total	3d	16,843	750,394,880
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5		6.45 %
6 Target normal cost	6		68,970,995

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

SIGN HERE	<div style="text-align: center;"> MICHAEL R. MACE Signature of actuary </div>	<div style="text-align: center;"> Date <u>14-06591</u> Most recent enrollment number <u>(314) 719-5900</u> Telephone number (including area code) </div>
	<div style="text-align: center;"> Type or print name of actuary TOWERS WATSON PENNSYLVANIA, INC. Firm name 101 SOUTH HANLEY ROAD ST. LOUIS MO 63105-3411 Address of the firm </div>	

Part II Beginning of Year Carryover and Prefunding Balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	33,648,025	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	33,648,025	0
10	Interest on line 9 using prior year's actual return of <u>9.94</u> %	3,344,614	
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		29,395,672
	b Interest on (a) using prior year's effective interest rate of <u>7.16</u> % except as otherwise provided (see instructions)		2,104,730
	c Total available at beginning of current plan year to add to prefunding balance		31,500,402
	d Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	36,992,639	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d - line 12)	0	0

Part III Funding Percentages			
14	Funding target attainment percentage	14	101.42 %
15	Adjusted funding target attainment percentage	15	101.42 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	116.33 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
09/12/2014	166,800,000				
Totals ►			18(b)	166,800,000	18(c)
					0

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

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	150,023,738

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

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

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

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

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

21 Discount rate:			
a Segment rates:	1st segment: 4.94 %	2nd segment: 6.15 %	3rd segment: 6.76 %
			☐ N/A, full yield curve used
b Applicable month (enter code).....	21b		4
22 Weighted average retirement age	22		63
23 Mortality table(s) (see instructions)	☐ Prescribed - combined	☒ Prescribed - separate	☐ Substitute

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	68,970,995	
b Excess assets, if applicable, but not greater than line 31a	31b	10,661,320	
32 Amortization installments:	Outstanding Balance		
a Net shortfall amortization installment.....		0	
b Waiver amortization installment		0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..	34	58,309,675	
		Carryover balance	Prefunding balance
35 Balances elected for use to offset funding requirement.....		0	0
36 Additional cash requirement (line 34 minus line 35).....	36	58,309,675	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	150,023,738	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	91,714,063	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

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

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

Attachment to Schedule SB, Line 22 –
Description of Weighted Average Retirement Age
Koch Industries Employees' Pension Plan
EIN: 48-0484227
Plan Number: 001

Age	Retirement Rate	Assumed Number Eligible	Assumed Number Retiring	Age * Number Retiring
55	5%	10,000	500	27,500
56	5%	9,500	475	26,600
57	5%	9,025	451	25,707
58	5%	8,574	429	24,882
59	5%	8,145	407	24,013
60	10%	7,738	774	46,440
61	10%	6,964	696	42,456
62	15%	6,268	940	58,280
63	15%	5,328	799	50,337
64	15%	4,529	679	43,456
65	30%	3,850	1,155	75,075
66	40%	2,695	1,078	71,148
67	20%	1,617	323	21,641
68	20%	1,294	259	17,612
69	20%	1,035	207	14,283
70	100%	<u>828</u>	<u>828</u>	<u>57,960</u>
			10,000	627,390
				<u>/ 10,000</u>
Weighted Average Retirement Age				63.0

Attachment to Schedule SB, Line 24 – Change in Actuarial Assumptions
Koch Industries Employees' Pension Plan
EIN: 48-0484227
Plan Number: 001

Aspect of Valuation	Old	New
Expenses	Assumed plan-related expenses added to normal cost were \$2,350,000 in 2012	Assumed plan-related expenses added to normal cost were \$3,620,000 in 2013
Salary Scale	3.00%	<div>Rates Varying by Age:</div> <div><div><29</div><div>8.0%</div><div>30-34</div><div>6.0%</div><div>35-39</div><div>4.5%</div><div>40-44</div><div>4.0%</div><div>45-49</div><div>3.0%</div><div>50-54</div><div>2.6%</div><div>55+</div><div>2.0%</div></div>
<div>Termination Rates (Koch Industries Employees' Plan)</div>	<div><div><div><div>Years of Service</div><div>0-4</div><div>5+</div></div><div><div>Age</div><div>Rate</div></div><div>0-17</div><div>28%</div><div>0%</div><div>18-34</div><div>28%</div><div>8%</div><div>35-44</div><div>28%</div><div>7%</div><div>45-49</div><div>28%</div><div>6%</div><div>50-65</div><div>28%</div><div>5%</div></div></div>	<div><div><div><div>Years of Service</div><div>0-4</div><div>5+</div></div><div><div>Age</div><div>Rate</div></div><div>0-17</div><div>20%</div><div>0%</div><div>18-34</div><div>20%</div><div>8%</div><div>35-44</div><div>20%</div><div>7%</div><div>45-49</div><div>20%</div><div>6%</div><div>50-65</div><div>20%</div><div>5%</div></div></div>
<div>Termination Rates (INVISTA Grandfathered Group)</div>	<div><div><div><div>Years of Service</div><div>0-4</div><div>5+</div></div><div><div>Age</div><div>Rate</div></div><div>0-24</div><div>28%</div><div>0%</div><div>25-34</div><div>28%</div><div>8%</div><div>35-44</div><div>28%</div><div>7%</div><div>45-49</div><div>28%</div><div>6%</div><div>50-55</div><div>28%</div><div>5%</div><div>56-65</div><div>28%</div><div>0%</div></div></div>	<div><div><div><div>Years of Service</div><div>0-4</div><div>5+</div></div><div><div>Age</div><div>Rate</div></div><div>0-17</div><div>20%</div><div>0%</div><div>18-34</div><div>20%</div><div>8%</div><div>35-44</div><div>20%</div><div>7%</div><div>45-49</div><div>20%</div><div>6%</div><div>50-65</div><div>20%</div><div>5%</div></div></div>
<div>Retirement Rates (Koch Industries Employees' Plan)</div>	<div><div><div>Age</div><div>Rate</div><div>55-59</div><div>5%</div><div>60-61</div><div>10%</div><div>62-64</div><div>15%</div><div>65</div><div>25%</div><div>66</div><div>40%</div><div>67-69</div><div>30%</div><div>70+</div><div>100%</div></div></div>	<div><div><div>Age</div><div>Rate</div><div>55-59</div><div>5%</div><div>60-61</div><div>10%</div><div>62-64</div><div>15%</div><div>65</div><div>30%</div><div>66</div><div>40%</div><div>67-69</div><div>20%</div><div>70+</div><div>100%</div></div></div>
<div>Retirement Rates (INVISTA Grandfathered Group)</div>	<div><div><div>Age</div><div>Rate</div><div>55-61</div><div>15%</div><div>62</div><div>30%</div><div>63</div><div>20%</div><div>64</div><div>15%</div><div>65</div><div>100%</div></div></div>	<div><div><div>Age</div><div>Rate</div><div>55-59</div><div>5%</div><div>60-61</div><div>10%</div><div>62-64</div><div>15%</div><div>65</div><div>30%</div><div>66</div><div>40%</div><div>67-69</div><div>20%</div><div>70+</div><div>100%</div></div></div>
Form of Payment	75% of participants assumed to elect a lump sum and 25% are assumed to elect an annuity.	For participants eligible for a lump sum, 65% of participants are assumed to elect a lump sum and 35% are assumed to elect an annuity. For those not eligible to elect a lump sum, 100% are assumed to elect an annuity.

Attachment to Schedule SB - Line 26 - Schedule of Active Participant Data
Koch Industries Employees' Pension Plan
EIN: 48-0484227
Plan Number: 001

Average Age: 46.1

Average Service: 13.2

Schedule of Active Participant Data
Completed Years of Service

Attained Age		< 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	Totals
< 25	Count	10	246	8	0	0	0	0	0	0	0	264
	Avg Earnings		50,012									
25 to 29	Count	43	614	243	1	0	0	0	0	0	0	901
	Avg Earnings	17,123	59,415	67,917								
30 to 34	Count	22	566	450	81	7	0	0	0	0	0	1,126
	Avg Earnings	25,073	67,273	74,890	84,548							
35 to 39	Count	20	432	447	198	137	0	0	0	0	0	1,234
	Avg Earnings	22,949	70,774	84,548	84,550	86,213						
40 to 44	Count	35	361	439	187	257	157	8	0	0	0	1,444
	Avg Earnings	18,637	79,848	83,949	87,242	95,645	88,447					
45 to 49	Count	15	314	388	197	228	306	100	2	0	0	1,550
	Avg Earnings		84,401	90,532	89,260	96,638	95,343	108,276				
50 to 54	Count	21	291	319	186	188	290	156	236	23	0	1,710
	Avg Earnings	40,991	80,311	83,209	91,556	98,278	94,055	101,303	97,732	54,585		
55 to 59	Count	20	188	205	126	139	202	97	366	293	43	1,679
	Avg Pay	29,642	84,152	86,275	85,542	84,454	84,207	90,213	94,174	66,747	60,467	
60 to 64	Count	6	63	137	76	89	109	58	124	188	187	1,037
	Avg Earnings		81,315	73,710	77,028	81,434	73,951	92,406	82,090	75,231	63,174	
65 to 69	Count	4	12	32	14	25	24	4	17	24	53	209
	Avg Earnings			79,081		85,791	86,530			113,209	89,436	
70 & up	Count	1	2	8	4	2	4	0	4	0	4	29
	Avg Earnings											
Totals	Count	197	3,089	2,676	1,070	1,072	1,092	423	749	528	287	11,183

Appendix A: Statement of Actuarial Assumptions and Methods

Assumptions and Methods for Contribution Purposes

Actuarial Assumptions and Methods – Contributions

Economic Assumptions

Interest rate basis:

- ▶ Applicable month September 2012
- ▶ Yield curve basis Segment rates

Interest rates:

	Reflecting Corridors	Not Reflecting Corridors
▶ First segment rate	4.94%	1.75%
▶ Second segment rate	6.15%	4.62%
▶ Third segment rate	6.76%	5.72%
▶ Effective interest rate	6.45%	5.19%
▶ Lump sum interest rate	September 2012 segment rates with MAP-21 corridors	September 2012 segment rates

Annual rates of increase:

- ▶ Salaries Age-graded salary scale, weighted average of 3.50%

Demographic Assumptions

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

Mortality

- ▶ Healthy Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, projected to 2028 using Scale AA) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2020 using Scale AA).
- ▶ Disabled Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, projected to 2028 using Scale AA) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2020 using Scale AA).

Attachment to Schedule SB, Part V
Statement of Actuarial Assumptions and Methods
Koch Industries Employees' Pension Plan
EIN: 48-0484227 / Plan Number 001

Termination

Rates varying by age and service, per 1,000 participants as follows:

Number leaving during the year		
Age	Years of Service	
	0-4	5+
0-17	200	0
18-34	200	80
35-44	200	70
45-49	200	60
50-65	200	50

Disability

Rates varying by age and gender, per 1,000 participants as follows:

Number becoming disabled during the year		
Age	Male	Female
39 or less	0.14	0.16
40-44	0.28	0.48
45-49	0.54	0.66
50-54	1.02	0.94
55-59	1.86	1.44
60-65	2.48	1.63

Retirement

Rates varying by age, per 1,000 participants as follows:

Number retiring during the year	
Age	Rate
55-59	50
60-61	100
62-64	150
65	300
66	400
67-69	200
70+	1,000

Salary

Rates varying by age, as follows:

Annual Salary Increase Percentage	
Age	Rate
<29	8.0%
30-34	6.0%
35-39	4.5%
40-44	4.0%
45-49	3.0%
50-54	2.6%
55+	2.0%

Benefit commencement date:

► Deferred vested benefit Age 65

Form of payment For participants eligible to elect a lump sum, 65% of participants are assumed to elect a lump sum and 35% are assumed to elect an annuity. For those not eligible to elect a lump sum, 100% are assumed to elect an annuity.

Percent married 80%

Spouse age Wife three years younger than husband.

Covered pay The 2012 pensionable pay increased with the salary increase assumption.

Administrative expense \$3,620,000

At-risk assumptions For at-risk calculations, all participants eligible to elect benefits during the current and subsequent ten plan years are assumed to commence benefits at the earliest possible date under the plan, but not before the end of the current plan year, except in accordance with the regular valuation assumptions. In addition, all participants (not just those eligible to begin benefits within the next 11 years) are assumed to elect the most valuable form of benefit under the plan, which is usually the lump sum form of payment.

Methods

Valuation date First day of plan year.

Funding target Present value of accrued benefits.

Target normal cost Present value of benefits expected to accrue during plan year plus plan-related expenses expected to be paid from plan assets during plan year.

Actuarial value of assets Average of the fair market value of assets on the valuation date and the dates 12 and 24 months before the valuation date, adjusted for contributions, benefits, administrative expenses and expected earnings (with such expected earnings limited as described in IRS Notice 2009-22). The average asset value must be within 10% of market value, including discounted contributions receivable.

The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term under PPA's smoothing rules, the method has a significant bias to produce an actuarial value of assets that is below the market value of assets.

Benefits not valued

All benefits described in the Plan Provisions section of this report were valued. Towers Watson has reviewed the plan provisions with Koch Industries, Inc. and, based on that review, is not aware of any significant benefits required to be valued that were not.

Change in assumptions and methods since prior valuation

The segment interest rates used to calculate the funding target and target normal cost were updated from an applicable month of September 2011 to September 2012.

The required mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvements.

The assumed plan-related expenses added to the target normal cost were changed from \$2,350,000 for 2012 to \$3,620,000 for 2013.

The assumed rates of turnover and retirement were revised to better reflect anticipated experience under the plan.

The salary scale assumption was updated to an age graded table to better reflect anticipated experience under the plan.

The form of payment election assumption was revised to better reflect anticipated experience under the plan.

Appendix B: Summary of Plan Provisions

Plan Name	Koch Industries Employees' Pension Plan	Plan Effective	01/01/1998
		Last Change Effective	01/01/2008
Type of Plan	Final average pay formula		
Normal Form	10 Years Certain and Life Annuity		
Plan Eligibility	1 year of service		
Credited Service	From Date of Hire, not to exceed 45 years		
Pension Earnings	Base pay for the calendar year		
EE Contributions	None		
Class	All Employees of Koch Industries, Inc. that are not covered under another pension plan due to a collectively bargaining agreement		
Accumulated Benefit	Generally, greater of A) 1.25% of average annual compensation multiplied by years of benefit service after acquisition, or B) 1.25% of average annual compensation multiplied by all years of benefit service, not to exceed 45, offset by prior accrued benefit, if applicable.		

Benefit	Age	Cont Svc	Age + Memb Svc	Description
Normal Retirement	65	5		AB, payable immediately
Early	55	10		AB, reduced 6% per year in most cases. Offset may have been different ERF and normal form of payment
Postponed	>65	--		AB, including earnings and service to actual retirement
Vesting	--	5		AB, payable at NRD
Disability	--	10		AB, payable at NRD (Some locations have only 5 year service requirement)
Pre Ret Death	--	5		AB, payable at NRD for life of spouse
	--	10		100% of ERB, payable for life of spouse

Optional Forms of Payment

In addition to the normal form of payment, participants are eligible to elect the following actuarially equivalent optional forms:

Life Annuity – An annuity payable for your participant's lifetime only. No monthly benefits are payable after participant's death.

Joint and Survivor Annuity – An annuity payable for the participant's life and upon death, an annuity payable to the beneficiary based on the percentage elected.

Certain and Life Annuity – An annuity payable for participant's life. If participant dies after payments begin and within the guaranteed period chosen, payments will continue to the beneficiary for the remaining period guaranteed. Normal form is 120 payments, but participants may also choose 180 or 240 guaranteed payments.

Period Certain Annuity – A monthly annuity with a guaranteed number of payments. Participant may choose 120, 180 or 240 guaranteed payments. If participant dies after payments begin and within the guaranteed period chosen, payments will continue to the beneficiary for the remaining period guaranteed. Once the guaranteed number of payments have been received, payments will stop, even if participant is still living.

Lump Sum – Single payment paid to participant who meets plan requirements.

Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year.

Attachment to Schedule SB, Line 22 –
Description of Weighted Average Retirement Age
Koch Industries Employees' Pension Plan
EIN: 48-0484227
Plan Number: 001

Age	Retirement Rate	Assumed Number Eligible	Assumed Number Retiring	Age * Number Retiring
55	5%	10,000	500	27,500
56	5%	9,500	475	26,600
57	5%	9,025	451	25,707
58	5%	8,574	429	24,882
59	5%	8,145	407	24,013
60	10%	7,738	774	46,440
61	10%	6,964	696	42,456
62	15%	6,268	940	58,280
63	15%	5,328	799	50,337
64	15%	4,529	679	43,456
65	30%	3,850	1,155	75,075
66	40%	2,695	1,078	71,148
67	20%	1,617	323	21,641
68	20%	1,294	259	17,612
69	20%	1,035	207	14,283
70	100%	<u>828</u>	<u>828</u>	<u>57,960</u>
			10,000	627,390
				<u>/ 10,000</u>
Weighted Average Retirement Age				63.0

Appendix A: Statement of Actuarial Assumptions and Methods

Assumptions and Methods for Contribution Purposes

Actuarial Assumptions and Methods – Contributions

Economic Assumptions

Interest rate basis:

- ▶ Applicable month September 2012
- ▶ Yield curve basis Segment rates

Interest rates:

	Reflecting Corridors	Not Reflecting Corridors
▶ First segment rate	4.94%	1.75%
▶ Second segment rate	6.15%	4.62%
▶ Third segment rate	6.76%	5.72%
▶ Effective interest rate	6.45%	5.19%
▶ Lump sum interest rate	September 2012 segment rates with MAP-21 corridors	September 2012 segment rates

Annual rates of increase:

- ▶ Salaries Age-graded salary scale, weighted average of 3.50%

Demographic Assumptions

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

Mortality

- ▶ Healthy Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, projected to 2028 using Scale AA) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2020 using Scale AA).
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Termination

Rates varying by age and service, per 1,000 participants as follows:

Number leaving during the year		
Age	Years of Service	
	0-4	5+
0-17	200	0
18-34	200	80
35-44	200	70
45-49	200	60
50-65	200	50

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Rates varying by age and gender, per 1,000 participants as follows:

Number becoming disabled during the year		
Age	Male	Female
39 or less	0.14	0.16
40-44	0.28	0.48
45-49	0.54	0.66
50-54	1.02	0.94
55-59	1.86	1.44
60-65	2.48	1.63

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Rates varying by age, per 1,000 participants as follows:

Number retiring during the year	
Age	Rate
55-59	50
60-61	100
62-64	150
65	300
66	400
67-69	200
70+	1,000

Salary

Rates varying by age, as follows:

Annual Salary Increase Percentage	
Age	Rate
<29	8.0%
30-34	6.0%
35-39	4.5%
40-44	4.0%
45-49	3.0%
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55+	2.0%

Benefit commencement date:

► Deferred vested benefit Age 65

Form of payment For participants eligible to elect a lump sum, 65% of participants are assumed to elect a lump sum and 35% are assumed to elect an annuity. For those not eligible to elect a lump sum, 100% are assumed to elect an annuity.

Percent married 80%

Spouse age Wife three years younger than husband.

Covered pay The 2012 pensionable pay increased with the salary increase assumption.

Administrative expense \$3,620,000

At-risk assumptions For at-risk calculations, all participants eligible to elect benefits during the current and subsequent ten plan years are assumed to commence benefits at the earliest possible date under the plan, but not before the end of the current plan year, except in accordance with the regular valuation assumptions. In addition, all participants (not just those eligible to begin benefits within the next 11 years) are assumed to elect the most valuable form of benefit under the plan, which is usually the lump sum form of payment.

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Valuation date First day of plan year.

Funding target Present value of accrued benefits.

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Actuarial value of assets Average of the fair market value of assets on the valuation date and the dates 12 and 24 months before the valuation date, adjusted for contributions, benefits, administrative expenses and expected earnings (with such expected earnings limited as described in IRS Notice 2009-22). The average asset value must be within 10% of market value, including discounted contributions receivable.

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and methods since prior
valuation**

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Joint and Survivor Annuity – An annuity payable for the participant's life and upon death, an annuity payable to the beneficiary based on the percentage elected.

Certain and Life Annuity – An annuity payable for participant's life. If participant dies after payments begin and within the guaranteed period chosen, payments will continue to the beneficiary for the remaining period guaranteed. Normal form is 120 payments, but participants may also choose 180 or 240 guaranteed payments.

Period Certain Annuity – A monthly annuity with a guaranteed number of payments. Participant may choose 120, 180 or 240 guaranteed payments. If participant dies after payments begin and within the guaranteed period chosen, payments will continue to the beneficiary for the remaining period guaranteed. Once the guaranteed number of payments have been received, payments will stop, even if participant is still living.

Lump Sum – Single payment paid to participant who meets plan requirements.

Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year.

Attachment to Schedule SB, Line 24 – Change in Actuarial Assumptions
Koch Industries Employees' Pension Plan
EIN: 48-0484227
Plan Number: 001

Aspect of Valuation	Old	New
Expenses	Assumed plan-related expenses added to normal cost were \$2,350,000 in 2012	Assumed plan-related expenses added to normal cost were \$3,620,000 in 2013
Salary Scale	3.00%	<div>Rates Varying by Age:</div> <div><div><29</div><div>8.0%</div><div>30-34</div><div>6.0%</div><div>35-39</div><div>4.5%</div><div>40-44</div><div>4.0%</div><div>45-49</div><div>3.0%</div><div>50-54</div><div>2.6%</div><div>55+</div><div>2.0%</div></div>
<div>Termination Rates (Koch Industries Employees' Plan)</div>	<div><div><div><div><div>Years of Service</div><div>0-4</div><div>5+</div></div><div><div>Age</div><div>Rate</div></div></div><div>0-17</div><div>28%</div><div>0%</div><div>18-34</div><div>28%</div><div>8%</div><div>35-44</div><div>28%</div><div>7%</div><div>45-49</div><div>28%</div><div>6%</div><div>50-65</div><div>28%</div><div>5%</div></div></div>	<div><div><div><div><div>Years of Service</div><div>0-4</div><div>5+</div></div><div><div>Age</div><div>Rate</div></div></div><div>0-17</div><div>20%</div><div>0%</div><div>18-34</div><div>20%</div><div>8%</div><div>35-44</div><div>20%</div><div>7%</div><div>45-49</div><div>20%</div><div>6%</div><div>50-65</div><div>20%</div><div>5%</div></div></div>
<div>Termination Rates (INVISTA Grandfathered Group)</div>	<div><div><div><div><div>Years of Service</div><div>0-4</div><div>5+</div></div><div><div>Age</div><div>Rate</div></div></div><div>0-24</div><div>28%</div><div>0%</div><div>25-34</div><div>28%</div><div>8%</div><div>35-44</div><div>28%</div><div>7%</div><div>45-49</div><div>28%</div><div>6%</div><div>50-55</div><div>28%</div><div>5%</div><div>56-65</div><div>28%</div><div>0%</div></div></div>	<div><div><div><div><div>Years of Service</div><div>0-4</div><div>5+</div></div><div><div>Age</div><div>Rate</div></div></div><div>0-17</div><div>20%</div><div>0%</div><div>18-34</div><div>20%</div><div>8%</div><div>35-44</div><div>20%</div><div>7%</div><div>45-49</div><div>20%</div><div>6%</div><div>50-65</div><div>20%</div><div>5%</div></div></div>
<div>Retirement Rates (Koch Industries Employees' Plan)</div>	<div><div><div>Age</div><div>Rate</div></div><div>55-59</div><div>5%</div><div>60-61</div><div>10%</div><div>62-64</div><div>15%</div><div>65</div><div>25%</div><div>66</div><div>40%</div><div>67-69</div><div>30%</div><div>70+</div><div>100%</div></div>	<div><div><div>Age</div><div>Rate</div></div><div>55-59</div><div>5%</div><div>60-61</div><div>10%</div><div>62-64</div><div>15%</div><div>65</div><div>30%</div><div>66</div><div>40%</div><div>67-69</div><div>20%</div><div>70+</div><div>100%</div></div>
<div>Retirement Rates (INVISTA Grandfathered Group)</div>	<div><div><div>Age</div><div>Rate</div></div><div>55-61</div><div>15%</div><div>62</div><div>30%</div><div>63</div><div>20%</div><div>64</div><div>15%</div><div>65</div><div>100%</div></div>	<div><div><div>Age</div><div>Rate</div></div><div>55-59</div><div>5%</div><div>60-61</div><div>10%</div><div>62-64</div><div>15%</div><div>65</div><div>30%</div><div>66</div><div>40%</div><div>67-69</div><div>20%</div><div>70+</div><div>100%</div></div>
Form of Payment	75% of participants assumed to elect a lump sum and 25% are assumed to elect an annuity.	For participants eligible for a lump sum, 65% of participants are assumed to elect a lump sum and 35% are assumed to elect an annuity. For those not eligible to elect a lump sum, 100% are assumed to elect an annuity.

Attachment to Schedule SB - Line 26 - Schedule of Active Participant Data
Koch Industries Employees' Pension Plan
EIN: 48-0484227
Plan Number: 001

Average Age: 46.1

Average Service: 13.2

Schedule of Active Participant Data
Completed Years of Service

Attained Age		< 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	Totals
< 25	Count	10	246	8	0	0	0	0	0	0	0	264
	Avg Earnings		50,012									
25 to 29	Count	43	614	243	1	0	0	0	0	0	0	901
	Avg Earnings	17,123	59,415	67,917								
30 to 34	Count	22	566	450	81	7	0	0	0	0	0	1,126
	Avg Earnings	25,073	67,273	74,890	84,548							
35 to 39	Count	20	432	447	198	137	0	0	0	0	0	1,234
	Avg Earnings	22,949	70,774	84,548	84,550	86,213						
40 to 44	Count	35	361	439	187	257	157	8	0	0	0	1,444
	Avg Earnings	18,637	79,848	83,949	87,242	95,645	88,447					
45 to 49	Count	15	314	388	197	228	306	100	2	0	0	1,550
	Avg Earnings		84,401	90,532	89,260	96,638	95,343	108,276				
50 to 54	Count	21	291	319	186	188	290	156	236	23	0	1,710
	Avg Earnings	40,991	80,311	83,209	91,556	98,278	94,055	101,303	97,732	54,585		
55 to 59	Count	20	188	205	126	139	202	97	366	293	43	1,679
	Avg Pay	29,642	84,152	86,275	85,542	84,454	84,207	90,213	94,174	66,747	60,467	
60 to 64	Count	6	63	137	76	89	109	58	124	188	187	1,037
	Avg Earnings		81,315	73,710	77,028	81,434	73,951	92,406	82,090	75,231	63,174	
65 to 69	Count	4	12	32	14	25	24	4	17	24	53	209
	Avg Earnings			79,081		85,791	86,530			113,209	89,436	
70 & up	Count	1	2	8	4	2	4	0	4	0	4	29
	Avg Earnings											
Totals	Count	197	3,089	2,676	1,070	1,072	1,092	423	749	528	287	11,183