

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.2em; font-weight: bold;">2013</div> <div style="text-align: center; font-weight: bold;">This Form is Open to Public Inspection</div>
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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>WESTMORELAND RETIREMENT PLAN</u>	1b Three-digit plan number (PN) ▶	<u>006</u>
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>WESTMORELAND COAL COMPANY</u> <u>9540 SOUTH MAROON CIRCLE, SUITE 200</u> <u>ENGLEWOOD, CO 80112</u>	1c Effective date of plan <u>05/01/2001</u>	2b Employer Identification Number (EIN) <u>23-1128670</u>
	2c Sponsor's telephone number <u>720-354-4472</u>	2d Business code (see instructions) <u>212110</u>

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2014	MARY HAUCK
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2014	MARY HAUCK
	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 WESTMORELAND COAL COMPANY 9540 SOUTH MAROON CIRCLE, SUITE 200 ENGLEWOOD, CO 80112		3b Administrator's EIN 23-1128670
		3c Administrator's telephone number 720-354-4472
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		5 793
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	377
b Retired or separated participants receiving benefits	6b	157
c Other retired or separated participants entitled to future benefits.....	6c	242
d Subtotal. Add lines 6a , 6b , and 6c	6d	776
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	6e	21
f Total. Add lines 6d and 6e	6f	797
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6h	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 1I 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) ☒ <u>1</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance 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. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	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 WESTMORELAND RETIREMENT PLAN	B Three-digit plan number (PN) ▶ 006
C Plan sponsor's name as shown on line 2a of Form 5500 WESTMORELAND COAL COMPANY	D Employer Identification Number (EIN) 23-1128670

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier
PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
06-1050034	93629	017368	797	01/01/2013	12/31/2013

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

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(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	2379119
5 Current value of plan's interest under this contract in separate accounts at year end	5	60963385

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

b Premiums paid to carrier	6b	
c Premiums due but unpaid at the end of the year	6c	
d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ☐**7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☐ other ▶

b Balance at the end of the previous year	7b	1368144
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c Additions: (1) Contributions deposited during the year	7c(1)	6382	
(2) Dividends and credits	7c(2)	0	
(3) Interest credited during the year	7c(3)	54004	
(4) Transferred from separate account	7c(4)	950000	
(5) Other (specify below)	7c(5)	2707000	

▶ **TRANSFER FROM OUTSIDE FUNDS**

(6) Total additions	7c(6)	3717386
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d Total of balance and additions (add lines 7b and 7c(6))	7d	5085530
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e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	1961049	
(2) Administration charge made by carrier	7e(2)	0	
(3) Transferred to separate account	7e(3)	480000	
(4) Other (specify below)	7e(4)	265362	

▶ **CONTRACT EXP CHG, ELECT SRV CHG GPS FEE, PYMT OF PLAN EXP PBGC FEE, PYMT REIMB BY PRU**

(5) Total deductions	7e(5)	2706411
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f Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	2379119
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Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged.....		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount.....	10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☐ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

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>WESTMORELAND RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>006</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>WESTMORELAND COAL COMPANY</u>	D Employer Identification Number (EIN) <u>23-1128670</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>62494648</u>
b Actuarial value	2b <u>61183602</u>
3 Funding target/participant count breakdown:	
a For retired participants and beneficiaries receiving payment.....	3a <u>159</u> <u>19910627</u>
b For terminated vested participants.....	3b <u>230</u> <u>11397553</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>737745</u>
(2) Vested benefits	3c(2) <u>28384613</u>
(3) Total active.....	3c(3) <u>403</u> <u>29122358</u>
d Total.....	3d <u>792</u> <u>60430538</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>6.71</u> %
6 Target normal cost	6 <u>220000</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>10/14/2014</u>
	Signature of actuary	Date
<u>ALEXANDER E. KIRIMOV</u>	Type or print name of actuary	<u>14-05454</u>
		Most recent enrollment number
<u>PRIAC</u>	Firm name	<u>617-477-9025</u>
<u>280 TRUMBULL STREET</u> <u>HARTFORD, CT 06103-2975</u>	Address of the firm	Telephone number (including area code)

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)	0	1790707
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	200000
9 Amount remaining (line 7 minus line 8)	0	1590707
10 Interest on line 9 using prior year's actual return of <u>10.17</u> %		161775
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		16519
b Interest on (a) using prior year's effective interest rate of <u>0.00</u> % except as otherwise provided (see instructions)		0
c Total available at beginning of current plan year to add to prefunding balance		16519
d Portion of (c) to be added to prefunding balance		16519
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	1769001

Part III Funding Percentages		
14 Funding target attainment percentage	14	98.31 %
15 Adjusted funding target attainment percentage	15	101.24 %
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	99.58 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

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

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	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	0
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
0	0	0
		(4) 4th
		0

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

21 Discount rate:			
a Segment rates:	1st segment: 5.23%	2nd segment: 6.51%	3rd segment: 7.16 %
			☐ N/A, full yield curve used
b Applicable month (enter code).....			21b 4
22 Weighted average retirement age			22 62
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....		31a	220000
b Excess assets, if applicable, but not greater than line 31a		31b	0
32 Amortization installments:		Outstanding Balance	Installment
a Net shortfall amortization installment.....		1015937	212173
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	432173
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	432173	432173
36 Additional cash requirement (line 34 minus line 35).....		36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....		37	0
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)		38a	0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances		38b	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>WESTMORELAND RETIREMENT PLAN</u>	B Three-digit plan number (PN) <u>006</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>WESTMORELAND COAL COMPANY</u>	D Employer Identification Number (EIN) <u>23-1128670</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
PRUDENTIAL RETIREMENT INS & ANNUITY

06-1050034

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

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

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

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

PRUDENTIAL RETIREMENT INS & ANNUITY

06-1050034

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13	NONE	125821	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

INDEPENDENT FINANCIAL PARTNERS

59-3331424

(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?
16	NONE	1948	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

GLOBAL PORTFOLIO STRATEGIES, INC.

06-1055669

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	NONE	28261	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 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>WESTMORELAND RETIREMENT PLAN</u>	B Three-digit plan number (PN) ►	<u>006</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>WESTMORELAND COAL COMPANY</u>	D Employer Identification Number (EIN) <u>23-1128670</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>CORE BOND ENHANCED INDEX/PIM</u>			
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>			
c EIN-PN <u>06-1050034-036</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>14334992</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>INTL BLD/PICTET ASSET MGMT</u>			
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>			
c EIN-PN <u>06-1050034-534</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>4206475</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>LONG DURATION BOND/IR&M FUND</u>			
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>			
c EIN-PN <u>06-1050034-537</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>10150463</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRU LONG CORPORATE BOND</u>			
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>			
c EIN-PN <u>06-1050034-714</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>10287071</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>QMA US BROAD MARKET INDEX</u>			
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>			
c EIN-PN <u>06-1050034-671</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>21984384</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE:			
b Name of sponsor of entity listed in (a):			
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:			
b Name of sponsor of entity listed in (a):			
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	

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

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

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

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

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 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 WESTMORELAND RETIREMENT PLAN		B Three-digit plan number (PN) ▶ 006
C Plan sponsor's name as shown on line 2a of Form 5500 WESTMORELAND COAL COMPANY		D Employer Identification Number (EIN) 23-1128670

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)	0	0
(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)	890	461803
(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)	362337	197134
(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)	51993948	60963385
(11) Value of interest in master trust investment accounts	1c(11)		
(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)	5301380	4248896
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	1368144	2379119
(15) Other.....	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	3315700	1874988
(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	62342399	70125325

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	62342399	70125325
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)	1379754	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		1379754
(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)		8629583
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(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		10009337

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1961050	
(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)		1961050
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	265361	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		265361
j Total expenses. Add all expense amounts in column (b) and enter total	2j		2226411

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		7782926
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: EKS&H LLLP

(2) EIN: 46-1497033

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	
4c			
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	
4d			
e Was this plan covered by a fidelity bond?	X		10000000
4e			
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	
4f			
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		197134
4g			
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	
4h			
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		
4i			
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		
4j			
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	
4k			
l Has the plan failed to provide any benefit when due under the plan?		X	
4l			
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
 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>WESTMORELAND RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>006</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>WESTMORELAND COAL COMPANY</u>	D Employer Identification Number (EIN) <u>23-1128670</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>22-1211670</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>3</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: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

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

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

INDEPENDENT AUDITORS' REPORT

Westmoreland Coal Company Pension Committee
Westmoreland Retirement Plan
Englewood, Colorado

REPORT ON FINANCIAL STATEMENTS

We were engaged to audit the accompanying financial statements of Westmoreland Retirement Plan (the "Plan"), which are comprised of 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 year ended December 31, 2013 and 2012, the statement of accumulated plan benefits as of January 1, 2013, the related statement of changes in accumulated plan benefits for the year ended January 1, 2013, 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on conducting the audits 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 information summarized in Note 3, which was certified by Prudential Retirement Insurance and Annuity Company, the custodian of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the custodian as of December 31, 2013 and 2012, and for the year ended December 31, 2013, that the information provided to the Plan administrator by the custodian 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.

OTHER MATTER

The supplemental schedules as of and for the year ended December 31, 2013, are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

REPORT ON FORM AND CONTENT IN COMPLIANCE WITH THE DEPARTMENT OF LABOR'S RULES AND REGULATIONS

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

EKS+H LLLP
EKS&H LLLP

October 6, 2014
Denver, Colorado

Westmoreland Retirement Plan
EIN / PN: 23-1128670 / 006
Attachment to 2013 Schedule SB (Form 5500)
Schedule SB, Lines 7 through 13 - Explanation of Discrepancy in Prior Year Funding
Standard Carryover Balance or Prefunding Balance

Westmoreland Coal Company sponsored the Basin Resources Inc. Retirement Plan for Non-Bargaining Employees (EIN/PN 74-1959458/001) and sponsors the Westmoreland Retirement Plan. Effective December 31, 2012, the Basin Resources Inc. Retirement Plan for Non-Bargaining Employees merged into the Westmoreland Retirement Plan.

As a result of the plan merger, Line 13 of the 2013 Plan Year Schedule SB for the Westmoreland Retirement Plan reflects the Credit Balance for the merged plans.

EIN / PN 23-1128670 / 006 - Westmoreland Retirement Plan 2013 Plan Year Schedule SB - Sum of Lines 9 and 10	\$1,752,482
EIN / PN 74-1959458 / 001 - Basin Resources Inc. Retirement Plan for Non-Bargaining Employees Prefunding Balance as of 12/31/2012- Line 11d	<u>\$16,519</u>
EIN / PN 23-1128670 / 006 - Westmoreland Retirement Plan 2013 Plan Year Schedule SB - Line 13	\$1,769,001

Section IV**Credit Balances****Development of Carryover and Prefunding Balances as of January 1, 2013**

	<u>Carryover Balance</u>	<u>Prefunding Balance</u>	<u>Total Credit Balance</u>
1. Balance at Beginning of Prior Year (after applicable adjustments)	\$0	\$1,790,707	\$1,790,707
2. Portion used to offset Prior Year's Funding Requirement	0	200,000	200,000
3. Amount Remaining (1– 2)	0	1,590,707	1,590,707
4. Interest on (3) ¹	0	161,775	161,775
5. Prior Year's Excess Contribution			
a. Excess Discounted Contribution	N/A	0	0
b. Interest on (a) ²	N/A	0	0
c. Total Available at Beginning of Current Plan Year to add to Prefunding Balance (5a + 5b)	N/A	0	0
d. Portion of (c) to be added to Prefunding Balance	N/A	0	0
6. Reduction in Credit Balance			
a. Compelled reduction	0	0	0
b. Voluntary reduction	0	0	0
c. Total reduction (a + b)	0	0	0
7. Balance at Beginning of Current Year (3 + 4 + 5d – 6c)	0	1,752,482	1,752,482
8. Basin Credit Balance merged in at the end of the prior year	0	16,519	16,519
9. Balance Available to offset Current Year Funding Requirements	\$0	\$1,769,001	\$1,769,001
Assumed Application of Available Credit Balance			
10. Balance Assumed to be used to offset Current Year's Funding Requirement	\$0	\$876,673	\$876,673
11. Assumed Balance remaining (9 – 10, not less than zero)	\$0	\$892,328	\$892,328

¹ Interest Rate is based on prior year Actual Return of Assets for WRP of 10.17%.

² Interest on the Excess Discounted Contribution is calculated as the sum of two components: A. Interest on the plan's replenishment of the Credit Balance of \$0 at the prior year's Actual Return on Assets of 10.17% for WRP, plus; B. Interest on the plan's discounted additional contributions of \$0 for WRP at the prior year's effective rate of 7.07%.

Westmoreland Retirement Plan

EIN / PN: 23-1128670 / 006

Attachment to 2013 Schedule SB (Form 5500)

Schedule SB, Line 22 - Description of Weighted Average Retirement Age

Non-Western Energy Participants

<u>Age</u>	<u>Probability</u>	<u>Number Retiring</u>	<u>Number Remaining</u>	<u>Result</u>
55	5.00%	0.050000	0.950000	2.75000
56	5.00%	0.047500	0.902500	2.66000
57	5.00%	0.045125	0.857375	2.57213
58	5.00%	0.042869	0.814506	2.48639
59	5.00%	0.040725	0.773781	2.40279
60	8.00%	0.061902	0.711878	3.71415
61	8.00%	0.056950	0.654928	3.47397
62	30.00%	0.196478	0.458450	12.18166
63	20.00%	0.091690	0.366760	5.77647
64	20.00%	0.073352	0.293408	4.69453
65	40.00%	0.117363	0.176045	7.62860
66	40.00%	0.070418	0.105627	4.64758
67	40.00%	0.042251	0.063376	2.83080
68	40.00%	0.025350	0.038026	1.72383
69	40.00%	0.015210	0.022815	1.04951
70	100.00%	0.022815	0.000000	1.59708
				62.18947

Western Energy Participants

<u>Age</u>	<u>Probability</u>	<u>Number Retiring</u>	<u>Number Remaining</u>	<u>Result</u>
50	3.00%	0.030000	0.970000	1.500000
51	3.00%	0.029100	0.940900	1.484100
52	3.00%	0.028227	0.912673	1.467804
53	3.00%	0.027380	0.885293	1.451150
54	3.00%	0.026559	0.858734	1.434174
55	5.00%	0.042937	0.815797	2.361519
56	5.00%	0.040790	0.775007	2.284233
57	5.00%	0.038750	0.736257	2.208771
58	5.00%	0.036813	0.699444	2.135146
59	5.00%	0.034972	0.664472	2.063360
60	8.00%	0.053158	0.611314	3.189466
61	8.00%	0.048905	0.562409	2.983214
62	30.00%	0.168723	0.393686	10.460810
63	20.00%	0.078737	0.314949	4.960448
64	20.00%	0.062990	0.251959	4.031349
65	40.00%	0.100784	0.151176	6.550941
66	40.00%	0.060470	0.090705	3.991035
67	40.00%	0.036282	0.054423	2.430903
68	40.00%	0.021769	0.032654	1.480311
69	40.00%	0.013062	0.019592	0.901248
70	100.00%	0.019592	0.000000	1.371465
				60.741446

	<u># of Actives</u>	<u>% of Total</u>	<u>Weighted Ret Age</u>
Non-Western Energy	334	82.88%	51.541649
Western Energy	69	17.12%	10.399900
Average Retirement Age			61.941549

Actuarial Cost Method

I. ACTUARIAL COST METHOD

Costs have been computed in accordance with the Unit Credit Actuarial Cost Method and reflect the actuarial assumptions described in “Plan Assumptions” of this report as provided under the applicable regulations of the Pension Protection Act of 2006.

Target Normal Cost

The Target Normal Cost is the present value of benefits expected to accrue during the plan year for all Participants plus an estimate of the expenses to be paid from the plan assets during the plan year.

Target Liability and Funding Shortfall

As of January 1, 2010, a Target Liability is established which represents the present value of accrued benefits. This Target Liability is offset by adjusted assets, and the remainder (i.e. Funding Shortfall), if any, is amortized over seven years.

Subsequent changes in the Funding Shortfall due to asset experience, liability experience, plan amendments, and/or actuarial assumption changes will be amortized over a seven year period from their valuation dates.

Discount Rate

The plan sponsor has elected to use the Segment Rate approach for discount rate purposes, with an applicable month that is 4 months prior to the valuation date.

In addition, beginning with the 2012 plan year, solely for purposes of determining the minimum required contribution level, applicability of benefit restrictions, and for the at-risk determination, the adjusted 24-month average segment rates established by HATFA have been incorporated.

The adjusted 24-month average segment rates are generated by taking the unadjusted 24-month average segment rates for the sponsor-chosen lookback month and adjusting them so that each individual segment rate is not outside of the stipulated corridor around the corresponding 25-year average segment rate for the given plan year. For the 2013 plan year, the stipulated corridor is 90% - 110% of these 25-year average segment rates.

II. ASSET VALUATION METHOD

Assets have been valued in accordance with generally accepted procedures as described below.

All funds invested are valued in the following manner:

Definitions

i(t)	assumed growth rate, set equal to the lesser of the expected return on assets or the applicable 3 rd segment rate for Plan Year t.
C(t)	sum of contributions and other additions to the fund from all sources other than investment transactions in Plan Year t
W(t)	sum of all withdrawals and other decreases to the fund from all sources other than investment transactions in Plan Year t
AV(t)	Actuarial Value of Assets as of Plan Year t
MV(t)	Market Value of Assets as of Plan Year t
EV(t)	Expected Value of Assets as of Plan Year t
G/L(t)	Gain or Loss for Plan Year t

Actuarial Cost Method

Method

A description of the method used to determine the current year's Actuarial Value of Assets {AV(t)} is below.

For the preceding 2 years, G/L(t) is determined as follows:

$$EV(t) = MV(t-1) * (1 + i(t-1)) + [C(t-1) - W(t-1)] * (1 + i(t-1) * m)$$

Where m represents a proportionate yield consistent with the portion of the year for which C and W are invested

$$G/L(t-1) = EV(t) - MV(t)$$

For the current year, AV(t) is determined as follows:

$$AV(t) = MV(t) + 2/3 * G/L(t-1) + 1/3 * G/L(t-2)$$

Corridor Limits

The Actuarial Value of Assets may not be less than 90% or more than 110% of the current market value of plan assets as of the applicable valuation date [as required by IRC Section 430(g)(3)(B)(iii)]

Please note, as highlighted above, the assumed asset growth rate for each year is limited to the applicable 3rd segment rate by law. As a result, if the plan's expected rate of return is greater than this applicable rate, this method is expected to produce an actuarial value of assets that can be expected to be slightly less than the market value of assets, on average.

The market value of the Guaranteed Deposit Account is an estimate only and not the result of the precise calculation which would be done at contract discontinuance or to measure the impact of excess withdrawals in any calendar year. It does not constitute an offer by Prudential or a final experience adjustment. Please be sure that anyone to whom you quote this value receives this explanation.

Actuarial Assumptions

Assumptions have been chosen to anticipate the long range experience of the Plan. Consistency among assumptions is important as each interacts with the others; equally important is the recognition of inflationary trends in the economy.

As the Enrolled Actuary for the Plan, I will certify to the reasonableness of these assumptions, in aggregate, as required by ERISA.

The actuarial assumptions used to compute Plan costs are:

Mortality:

Funding:
The IRS 2013 Static Mortality Table

ASC #960:
RP-2000 Projected to 2022 (Scale AA)

Termination:

Sample rates:

<u>Age</u>	<u>Rate</u>
25	13.0%
40	4.4%
55	3.0%

Disability:

No disabilities were assumed.

Retirement:

Rates varying by age.

<u>Age</u>	<u>Rate</u> (all plans except Western Energy)	<u>Rate</u> (Western Energy)
50	0%	3%
55	5%	5%
62	30%	30%
65	40%	40%
70	100%	100%

Investment Return:

For ASC #960 purposes:
7.40% per annum, compounded annually, net of investment and contract fees.

For minimum required contribution level, applicability of benefit restrictions, and At-Risk determination only:
Segment Rates with a 4 month lookback, as adjusted by the 90%-110% corridor around the 25-year average segment rates (5.23%, 6.51%, and 7.16% for the 2013 plan year)

For all other purposes:
Segment Rates with a 4 month lookback, unadjusted (1.75%, 4.62%, and 5.72% for the 2013 plan year)

Actuarial Assumptions

Estimated Expenses:

Estimated administrative expenses expected to be paid from Plan Assets are \$220,000.

Benefit commencement date:

Texas Westmoreland

➤ **Mortality**

Surviving spouse benefits commence as of the first of the month following the death of the active participant or the date the participant would have attained age 55 and continue until the first day of the month following the spouse's death.

➤ **Termination**

If less than 15 years service, the later of age 65 or age at termination. If 15 or more years of pension service, the later of age 55 or age at termination.

➤ **Retirement**

Upon termination of employment.

Western Energy

➤ **Mortality**

Surviving spouse benefits commence as of the first of the month following the death of the active participant.

➤ **Termination**

The later of age 62 or termination of employment.

➤ **Retirement**

Upon termination of employment.

Corporate

➤ **Mortality**

Surviving spouse benefits commence at the date the participant would have attained age 65, or if participant was retirement eligible, immediately.

➤ **Termination**

If less than 10 years service, the later of age 65 or age at termination. If 10 or more years of service, the later of age 62 or age at termination.

➤ **Retirement**

Upon termination of employment.

Beulah and Savage Salaried

➤ **Mortality**

Surviving spouse benefits commence as of the first of the month following the death of the active participant, or the date the participant would have attained age 55, and shall continue until the first day of the month following the spouse's death.

Actuarial Assumptions

➤ **Termination** The later of age 62 or termination of employment.

➤ **Retirement** Upon termination of employment.

Form of payment:

➤ **Corporate** 66 2/3% joint and survivor annuity for married, life for single.

➤ **Non-Corporate** 75% joint and survivor annuity for married, life for single.

Transfers:

Benefit for transfers calculated under the benefit formula of the most recent employment location for all years of pension service.

Percent married:

80% of all participants are assumed to be married.

Spouse age:

Wives assumed to be three years younger than husbands.

Plan Provisions

Texas Westmoreland Coal Company

Covered Employees All former employees of Northwestern Resources Company and all Texas Westmoreland employees hired before July 1, 2006. This plan was frozen to new entrants as of June 30, 2009

Participation Date First of the month coinciding with or next following the date of completion of 1,000 hours in a 12-month period.

Definitions

Vesting Service Years and months of service as a covered employee.

Pension Service Years and months of service as a covered employee. No further service will accrue after June 30, 2009.

Eligible Earnings Base pay, commissions and the straight time portion of any overtime pay for the year. Bonuses, premium portion of overtime pay, and any special pay are excluded.

Average Monthly Earnings The average of the highest three consecutive calendar years of eligible earnings during the last ten years of service.

Integration Level The average of the taxable wage bases in effect for each calendar year in the 35-year period ending with the last day of the calendar year in which the Social Security retirement age is reached.

Normal Retirement Date (NRD) First of month coinciding with or next following the attainment of age 65 with five years of pension service.

Monthly Pension Benefit One twelfth of the sum of 0.95% of average monthly earnings up to the Social Security integration level, plus 1.5% of average earnings in excess of the Social Security integration level, times credited service not to exceed 35 years.

Monthly Preretirement Spouse Benefit 50% of the monthly pension benefit as of the date of death, reduced for the 50% joint and survivor election form and reduced for payment as early as the participant's 55th birthday.

Eligibility for Benefits

Normal Retirement Retirement on NRD.

Early Retirement Retirement before NRD and on or after both attaining age 55 and completing fifteen years of vesting service.

Postponed Retirement Retirement after NRD.

Deferred Vested Termination for reasons other than death or retirement after completing five years of vesting service.

Preretirement Spouse Benefit

Plan Provisions

Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse.

Monthly Benefits Paid Upon the Following Events

Normal Retirement	Monthly pension benefit determined as of NRD.
Early Retirement	Monthly pension benefit determined as of early retirement date, reduced 3.0% per year from age 65 to age 62 and further reduced by 6.67% from age 62 to retirement age. However, if the participant is age 60 or older with 30 or more years of service, the benefit is reduced by 6.67% from age 62 to retirement age.
Postponed Retirement	Monthly pension benefit determined as of actual retirement date.
Termination with deferred vested benefit	Monthly pension benefit determined as of termination date. If the participant has 15 or more years of service at termination, the benefit is payable at age 55, and reduced in the same manner as the early retirement benefit. If the participant has less than 15 years of service at termination, the benefit is payable at age 65.
Death with preretirement spouse benefit	50% of monthly pension benefit determined as of date of death, reduced for 50% Joint and Survivor payment form and early retirement and is payable at the Participants earliest retirement date.

Other Plan Provisions

Forms of payment	Preretirement spouse benefits are payable only as described above. Monthly pension benefits are paid as described above as a life annuity, if the participant has no spouse as of the date payments begin, or if the participant so elects. Otherwise, benefits are paid in the form of 50% joint and survivor annuity option or , if the participant elects and the spouse consents, another actuarially equivalent optional form offered by the plan. Optional forms are a 100% joint and survivor annuity, a 75% joint and survivor annuity or (for married participants), a life annuity. If a joint and survivor annuity is elected, and the joint annuitant predeceases the participant, the annuity is restored to the amount that would have been paid payable had the participant elected a life annuity. There is no adjustment to the joint and survivor benefit to account for this feature.
Actuarial Equivalence	
> Interest Rate	6% per year
> Mortality Table	Unisex (50% male/ 50% female) 1983 Group Annuity Mortality Table

Plan Provisions

Maximum on benefit and pay All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective.

Western Energy Company

Covered Employees All Western Energy employees hired before June 30, 2009. As of June 30, 2009 this plan was frozen to new entrants.

Grandfathered Employees Former participants in the Montana Power Company Pension Plan who were eligible to retire before January 1, 2003. These employees would receive the greater of the benefits determined under the Texas Westmoreland Formula as defined in the prior section or the Cash Balance benefits defined in this section. If the participant retires before January 1, 2003, this option expires after January 1, 2003.

Basic Credit Contribution made by the Company each year. Amount is equal to the participant's basic credit percentage times Eligible Earnings. As of June 30, 2009 this plan was frozen and no further credits will accrue.

Additional Credit Contribution made by the Company each year. Amount is equal to the participant's additional credit percentage times eligible earnings in excess of one-half of the Social Security Wage Base (SSWB).

Basic and additional credits

Company Contributions

<u>Total Points</u>	<u>Basic credit</u>	<u>Additional Credit</u>
Less than 32	3.0%	1.5%
32-39	4.0%	2.0%
40-44	5.0%	2.5%
45-49	6.0%	3.0%
50-54	7.0%	3.5%
55-59	8.0%	4.0%
60-64	9.0%	4.5%
70-74	11.0%	5.5%
75+	12.0%	6.0%

Total Points are Attained Age + completed years of service at the beginning of the calendar year.

Basic credit is percentage of Eligible Earnings and Additional Credit is percentage of Eligible Earnings in excess of on-half the Social Security Wage Base.

Basic and additional credits cease once participant has 35 years of vesting service.

Plan Provisions

Interest Credit A fixed interest contribution of 6% made by the Company to the participant's account each year. It is based on the account balance at the beginning of the year. After termination, interest will continue until benefit commencement.

Benefit The monthly benefit payable at Normal Retirement Date (or any other date) is the actuarial equivalent of the cash balance lump sum.

Actuarial equivalent Used to convert cash balance to a monthly benefit.

Conversion factors

Sample rates as follows:

<u>Age Benefit Begins</u>	<u>Conversion Factor</u>
50	166.20
55	155.64
60	142.80
65	127.80

Retirement Pension

Eligibility Age 50 and 5 years of service.

Benefit Cash balance with interest credits at termination, converted to a monthly benefit based on the actuarial equivalent conversion factors defined in the plan.

Deferred Vested Pension

Eligibility 5 years of service.

Benefit Cash balance with interest credits until benefit commencement date, converted to a monthly benefit based on the actuarial equivalent conversion factors defined in the plan.

Pre-Retirement Survivor Benefit

Eligibility Death while an active employee.

Benefit 50% of the cash balance at time of death divided by an annuity conversion factor that is based on the spouse's age at the time spousal benefits begin. The surviving spouse may elect to begin receiving benefits on the first of the month following the participant's date of death. Alternatively, the spouse can elect to receiving 50% of the participant's account balance as a lump sum payment, payable at the time of the participant's death.

Plan Provisions

Other Plan Provisions

Forms of payment

Preretirement spouse benefits are payable only as described above. Monthly pension benefits are paid as described above as a life annuity, if the participant has no spouse as of the date payments begin, or if the participant so elects. Otherwise, benefits are paid in the form of 50% joint and survivor annuity option or, if the participant elects and the spouse consents, another actuarially equivalent optional form offered by the plan. Optional forms are a 100% joint and survivor annuity or a 75% joint and survivor annuity.

If a joint and survivor annuity is elected, and the joint annuitant predeceases the participant, the annuity is restored to the amount that would have been paid payable had a the participant elected a life annuity. There is no adjustment to the joint and survivor benefit to account for this feature.

Actuarial Equivalence

Interest Rate

6% per year

Mortality Table

Unisex (50% male/ 50% female) 1983 Group Annuity Mortality Table

Westmoreland Coal Company (Corporate)

Effective Date

December 1, 1997 as a result of a termination/ re-establishment.

Covered Employees

Any employee of Westmoreland Coal Company and its successors not covered by a collective bargaining agreement and hired before July 1, 2006. Any employee of a participating employer, not covered by a collective bargaining agreement, hired after June 30, 2006. As of June 30, 2009 this plan was frozen to new entrants.

Participation Date

First of the month following employment for those hired before July 1, 2006. One-year wait for those hired after June 30, 2006.

Definitions

Vesting Service

One year for each 1,000-hour calendar year of employment by Westmoreland Coal Company.

Pension service

One year for each 1,000- hour calendar year of employment as an active participant. Fractional credit based on completed months is given for incomplete calendar years for which actual service, if annualized, is greater than or equal to 1,000 hours. No further service will accrue after June 30, 2009.

Pensionable pay

Base earnings plus straight time portion of overtime (excluding premium portion of overtime, bonuses, shift differential, and expense allowances).

Plan Provisions

Average earnings	The average of the highest 60 consecutive calendar month of pensionable pay during the ten-year period ending on the earlier of the participant's termination date or retirement date.
Covered compensation	Average of the taxable wage bases in effect for each calendar year during the 35-year period ending with the last day of the calendar year in which the participant attains Social Security normal retirement age.
Normal retirement date (NRD)	First of month coinciding with or next following the attainment of age 65 with five years of pension service.

Monthly pension benefit:

*For those hired before
July 1, 2006*

The monthly pension is greater of (1) or (2) less (3).

(1) One-twelfth of 1.2% of average annual earnings plus one twelfth of 0.5% of such compensation in excess of covered compensation, multiplied by pensionable service (max of 30 years).

(2) \$30 multiplied by credited service.

(3) The benefit, if any, provided to the participant under the Westmoreland Coal Company and affiliated Companies Employees' Retirement Plan

*For those hired after
July 1, 2006*

The monthly pension equals one-twelfth of .5% of average annual earnings multiplied by pensionable service not to exceed 30 years.

Monthly preretirement spouse benefit	100% of the monthly pension benefit as of the date of death, reduced for the 100% joint and survivor election and reduced for payment as early as the participant's 55th birthday.
Monthly disability benefit	Same as monthly pension benefit, based on service and average compensation at date of disability.

Eligibility for Benefits

Normal retirement	Retirement on NRD.
Early retirement	Retirement before NRD and on or after both attaining age 55 and completing ten years of pension service.
Postponed retirement	Retirement after NRD.
Deferred vested	Termination for reasons other than death or retirement after completing five years of vesting service.
Preretirement spouse benefit	Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse.
Disability	Total and permanent disability after 10 years of service.

Plan Provisions

Monthly Benefits Paid Upon the Following Events

Normal retirement	Monthly pension benefit determined as of NRD.
Early retirement	Monthly pension benefit determined as of early retirement date, reduced for each year of payment before age 65 if the employee has less than 20 years of pension service at retirement. The benefit is reduced from age 62 if the employee has pension service greater than or equal to 20 years at retirement.

The reduction are as follows:

Number of Years Benefit Commencement Date Precedes Normal Retirement Date	Reduction Factor
0	1.000
1	0.940
2	0.870
3	0.810
4	0.750
5	0.700
6	0.650
7	0.610
8	0.570
9	0.535
10	0.500

Postponed retirement	Monthly pension benefit determined as of actual retirement date.
Termination with deferred vested benefit	Monthly pension benefit determined as of termination date, reduced in the same manner as early retirement benefits, based on service at termination.
Death with preretirement spouse benefits	Monthly preretirement spouse benefit is payable. The benefit is reduced as though the participant had elected a 100% joint and survivor annuity, then reduced to reflect early commencement of benefits.
Disability	Disability benefit is payable immediately, with no reductions.

Plan Provisions

Other Plan Provisions

Forms of payment	<p>Preretirement spouse benefits are payable only as described above.</p> <p>Monthly pension benefits are paid as described above as a life annuity, if the participant has no spouse as of the date payments begin, or if the participant so elects. Otherwise, benefits are paid in the form of 100% joint and survivor annuity option or, if the participant elects and the spouse consents, another actuarially equivalent optional form offered by the plan. Optional forms are a 100% joint and survivor annuity, 50% joint and survivor annuity, 66 2/3% joint and survivor annuity, and a ten-year certain and life annuity.</p>
Actuarial Equivalence	
<i>Interest Rate</i>	7% per year
<i>Mortality Table</i>	Up-1984 Table with a 3 year setback in age for contingent annuitants and beneficiaries.
Maximum on benefits and pay	All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective.

Beulah and Savage Mines Salaried Employees

Covered Employees	All salaried employees of Beulah and Savage mines not covered by a collective bargaining agreement and hired before July 1, 2006.
Participation Date	Age 21 and 1 year of service.
Definitions	
Vesting Service	One year for each 1,000-hour calendar year of employment.
Pension service	One year for each 1,000-hour calendar year of employment. No Further service will accrue after June 30, 2009.
Pensionable pay	Base compensation excluding bonuses, commissions, overtime pay, travel expenses, and any other non-regular compensation.
Average monthly earnings	The average of the highest 60 months out of the last 120 months that immediately precede the earlier of retirement or termination.
Integration level	\$1,400 multiplied by a fraction, the numerator of which is the social security taxable wage base in effect for the plan year of termination, and the denominator of which is \$48,000.
Normal retirement date (NRD)	First of month coinciding with or next following the attainment of age 65 with five years of pension service.

Plan Provisions

Monthly pension benefit	The sum of 1.2% of average monthly earnings up to the integration level, plus 1.6% of average earnings in excess of the integration level, times pension service with a maximum of 35 years.
Monthly preretirement spouse benefit	50% of the monthly pension benefit as of the date of death, reduced for the 50% joint and survivor election form.

Eligibility for Benefits

Normal retirement	Retirement on NRD.
Early retirement	Retirement before NRD and on or after attaining age 55.
Postponed retirement	Retirement after NRD.
Deferred vested	Termination for reasons other than death or retirement after completing five years of vesting service.
Preretirement spouse benefit	Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse.

Monthly Benefits Paid Upon the Following Events

Normal retirement	Monthly pension benefit determined as of NRD.
Early retirement	Monthly pension benefit determined as of early retirement date, reduced 3.0% for each year of payment before age 62. However, if a participant terminates on or after attaining age 60 and has at least 30 years of vesting service, there is no reduction.
Postponed retirement	Monthly pension benefit determined as of actual retirement date.
Termination with deferred vested benefit	Monthly pension benefit determined as of termination date, reduced 3% for each year of payment before age 62.
Death with preretirement spouse benefit	50% of monthly pension benefit determined as of date of death, reduced for 50% Joint and Survivor payment form payable at the participants earliest retirement date.

Other Plan Provisions

Forms of payment	<p>Preretirement spouse benefits are payable only as described above.</p> <p>Monthly pension benefits are paid as described above as a life annuity, if the participant has no spouse as of the date payments begin, or if the participant so elects. Otherwise, benefits are paid in the form of 50% joint and survivor annuity option or, if the participant elects and the spouse consents, another actuarially equivalent optional form offered by the plan. Optional forms are a 100% joint and survivor annuity, 75% joint and survivor annuity, 66 2/3% joint and survivor annuity, 50% joint and survivor annuity, and a ten-year certain and life annuity.</p>
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Plan Provisions

Actuarial Equivalence

<i>Interest Rate</i>	6% per year
<i>Mortality Table</i>	1971 Group Annuity Mortality Table (male rates) with ages set back three years for all participants and joint or contingent annuitants.

Maximum on benefit and pay All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective.

Basin Resources, Inc.

Eligibility This plan covers former employees of Basin Resources Company (all inactive participants).

Monthly Benefits

Vested Termination Monthly benefit determined as of termination date, reduced for each year of payment before age 65.
The Reductions are as follows:

<u>Age</u>	<u>Reduction Percentage Per Year</u>
64	2.00%
63	3.00%
62	5.00%
61	6.67%
60	6.67%
59	6.67%
58	6.67%
57	6.67%
56	6.67%
55	6.67%

Other Plan Provisions

Form of Payment Monthly pension benefits are paid as a life annuity, if the participant has no spouse as of the date payments begin, or if the participant so elects. Otherwise, benefits are paid in the form of 50% joint and survivor annuity option or, if the participants elects and the spouse consents, another actuarially equivalent optional form offered by the plan. Optional forms are a 75% joint and survivor annuity, a five-year certain and life annuity, a ten-year certain and life annuity, a fifteen year certain and life annuity, and any other joint and survivor annuity with a survivor annuity percentage between 50% and 100%.

<i>Actuarial Equivalence</i>	
• <i>Interest Rate</i>	8% per year
• <i>Mortality Table</i>	UP-1984 Table

Section I

Summary of Valuation Results (continued)

Changes Since Last Year's Valuation

Changes in Pension Plan Provisions

Effective December 31, 2012, Basin Resources Inc. Retirement Plan for Non-Bargaining Employees merged into the Westmoreland Retirement Plan.

New Legislation

Effective with this actuarial valuation the provisions of HATFA have been reflected.

Changes in Actuarial Assumptions

For minimum funding, the mortality table and the interest segment rates were updated to 2013 in accordance with the requirements of IRC Section 430(h) and IRS regulations. In addition, administrative expense assumption has been increased to \$220,000 per annum from the \$200,000 per annum used in prior valuation to anticipate the additional expenses related to merger of the Basin plan. There were no other changes in the non-prescribed Actuarial Assumptions recognized with this actuarial valuation.

Changes in Actuarial Cost Method

There were no changes to the actuarial cost method recognized with this actuarial valuation.

Benefit Restrictions and "At-Risk" Status

There are no benefit restrictions associated with the current plan year.

The plan is not considered "At-Risk" for the current plan year.

Distribution of Active Participants by Age and Service

Number of Active Employees as of January 1, 2013 – Distribution by Age and Service

Attained Age	Years of Credited Service										Total
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 +	
Under 25											
25-29	4	10									14
30-34	4	7	3								14
35-39	2	17	4								23
40-44		14	13	4	4	3					38
45-49	1	11	5	8	7	24	3				59
50-54	2	11	2	7	4	40	7				73
55-59	5	18	11	7	4	50	5	6	1		107
60-64	2	4	8		2	26	6	6	2		56
65-69		1	2	1	1	8	2				15
70 +						3	1				4
Total	20	93	48	27	22	154	24	12	3		403

Westmoreland Retirement Plan, EIN 23-1128670, PN 006
2013 Form 5500 Schedule SB, line 32 – Schedule of Amortization Bases

<u>Plan Year</u>	<u>Shortfall Amortization Factor</u>	<u>Present Value</u>	<u>Total Installment</u>
2013	5.941574	\$839,043	\$141,216
2012	5.256626	(\$131,494)	(\$25,015)
2011	4.527087	\$118,727	\$26,226
2010	3.711554	\$92,317	\$24,873
2009	2.853368	\$31,053	\$10,883
2008	1.950299	<u>66,291</u>	<u>33,990</u>
	Total	\$1,015,937	\$212,173

Westmoreland Retirement Plan
EIN / PN: 23-1128670 / 006
Attachment to 2013 Schedule R (Form 5500)
Schedule R, Line 18 - Additional Information for Single-Employer and Multiemployer
Defined Benefit Pension Plans

Westmoreland Coal Company sponsored the Basin Resources Inc. Retirement Plan for Non-Bargaining Employees (EIN/PN 74-1959458/001) and sponsors the Westmoreland Retirement Plan. Effective December 31, 2012, the Basin Resources Inc. Retirement Plan for Non-Bargaining Employees merged into the Westmoreland Retirement Plan.

EIN / PN 23-1128670 / 006 - Westmoreland Retirement Plan	
12/31/2012 Funded Percentage*	94.43%

EIN / PN 74-1959458 / 001 - Basin Resources Inc. Retirement Plan for Non-Bargaining Employees	
12/31/2012 Funded Percentage*	83.44%

**The Funded Percentages shown for each plan are calculated as of January 1, 2013 as if each plan were to continue on a stand-alone (pre-merger) basis. The funded percentages were calculated using PPA segment rates as modified by MAP-21 before application of HATFA.*

WESTMORELAND RETIREMENT PLAN

**Financial Statements
and
Independent Auditors' Report
December 31, 2013 and 2012**



WESTMORELAND RETIREMENT PLAN

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INDEPENDENT AUDITORS' REPORT

Westmoreland Coal Company Pension Committee
Westmoreland Retirement Plan
Englewood, Colorado

REPORT ON FINANCIAL STATEMENTS

We were engaged to audit the accompanying financial statements of Westmoreland Retirement Plan (the "Plan"), which are comprised of 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 year ended December 31, 2013 and 2012, the statement of accumulated plan benefits as of January 1, 2013, the related statement of changes in accumulated plan benefits for the year ended January 1, 2013, 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on conducting the audits 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 information summarized in Note 3, which was certified by Prudential Retirement Insurance and Annuity Company, the custodian of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the custodian as of December 31, 2013 and 2012, and for the year ended December 31, 2013, that the information provided to the Plan administrator by the custodian 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.

OTHER MATTER

The supplemental schedules as of and for the year ended December 31, 2013, are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

REPORT ON FORM AND CONTENT IN COMPLIANCE WITH THE DEPARTMENT OF LABOR'S RULES AND REGULATIONS

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

EKS+H LLLP
EKS&H LLLP

October 6, 2014
Denver, Colorado

WESTMORELAND RETIREMENT PLAN

Statements of Net Assets Available for Benefits

	December 31,	
	2013	2012
Assets		
Investments, at fair value		
Pooled separate accounts	\$ 60,963,385	\$ 51,993,948
Westmoreland Coal Company common stock	1,874,988	3,315,700
Registered investment companies	4,248,896	5,301,380
Limited partnerships and limited liability companies	197,134	362,337
Cash and cash equivalents	461,803	890
Guaranteed deposit fund	<u>2,379,119</u>	<u>1,368,144</u>
Total investments, at fair value	<u>70,125,325</u>	<u>62,342,399</u>
Net assets available for benefits	<u>\$ 70,125,325</u>	<u>\$ 62,342,399</u>

See notes to financial statements.

WESTMORELAND RETIREMENT PLAN

Statements of Changes in Net Assets Available for Benefits

	For the Years Ended December 31,	
	<u>2013</u>	<u>2012</u>
Investment income		
Net appreciation in fair value of investments	\$ 8,629,583	\$ 4,364,057
Interest and dividend income	<u>1,379,754</u>	<u>1,249,558</u>
Total investment income	<u>10,009,337</u>	<u>5,613,615</u>
Deductions from net assets		
Benefits paid to participants	1,961,050	2,755,879
Administrative expenses	<u>265,361</u>	<u>282,295</u>
Total deductions from net assets	<u>2,226,411</u>	<u>3,038,174</u>
Net increase	7,782,926	2,575,441
Transfers		
Transfer in from Basin Plan	-	1,377,369
Net assets available for benefits		
Beginning of year	<u>62,342,399</u>	<u>58,389,589</u>
End of year	<u>\$ 70,125,325</u>	<u>\$ 62,342,399</u>

See notes to financial statements.

WESTMORELAND RETIREMENT PLAN

**Statement of Accumulated Plan Benefits
January 1, 2013**

Actuarial present value of accumulated plan benefits	
Vested benefits	
Active participants	\$ 26,034,319
Retired participants and beneficiaries	<u>29,154,319</u>
Total vested benefits	55,188,638
Non-vested benefits	<u>677,569</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 55,866,207</u>

See notes to financial statements.

WESTMORELAND RETIREMENT PLAN

Statement of Changes in Accumulated Plan Benefits For the Year Ended January 1, 2013

Actuarial present value of accumulated plan benefits at beginning of year	<u>\$ 53,034,495</u>
Increase (decrease) during the year attributable to	
Interest	3,824,405
Benefits accumulated and actuarial loss	323,435
Increase due to merger of Basin Plan	1,439,751
Benefits paid	<u>(2,755,879)</u>
Net increase	<u>2,831,712</u>
Actuarial present value of accumulated plan benefits at end of year	<u>\$ 55,866,207</u>

See notes to financial statements.

WESTMORELAND RETIREMENT PLAN

Notes to Financial Statements

Note 1 - Description of the Plan and Significant Accounting Policies

The following description of the Westmoreland Retirement Plan (the "Plan") provides only general information. Participants and all others should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined benefit plan covering all eligible employees of Texas Westmoreland Coal Company (formerly Northwest Resources Company), Western Energy Company, Westmoreland Mining, LLC, Westmoreland Coal Company, Dakota Westmoreland Corporation, and Westmoreland Savage Corporation (collectively, the "Company"), provided they are not covered by a collective bargaining agreement that does not specifically provide for coverage under the Plan or they are not leased employees. The Plan resulted from the merger of the Westmoreland Coal Company Retirement Plan ("Westmoreland Coal Plan"), the Northwest Resources and Western Energy Pension Plan ("Northwest Plan"), and the Beulah & Savage Salaried Employees' Pension Plan ("Beulah & Savage Plan"). On November 30, 2002, the assets of the prior Westmoreland Coal Plan and the Northwest Plan were merged into the Beulah & Savage Plan. Effective December 1, 2002, the Plan's name was changed to the Westmoreland Retirement Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended.

On July 1, 2009, the Plan was frozen and, as a result, future benefits no longer accrue under this Plan. On June 22, 2012, the Plan was retroactively amended effective December 1, 2002, where all employees who were participating in the Montana Power Plan on April 30, 2001 are fully vested.

On December 31, 2012, the Basin Resources, Inc. Retirement Plan for Non-Bargaining Employees Pension Plan ("Basin Plan") was transferred into the Plan.

Participation

Participation under the Plan is as follows for employees hired prior to July 1, 2006:

Westmoreland Coal Participants – Employees who were participating in the prior Westmoreland Coal Plan on November 30, 2002 are participants in this plan. Any other employee became a participant on the first day of the month following the employee's employment commencement date.

Beulah & Savage Participants – Employees who were participating in the Beulah & Savage Plan on November 30, 2002 are participants in this plan. Any other employee became a participant upon attaining 21 years of age and one year of service that included 1,000 or more hours of service.

Texas Westmoreland Coal Participants – Employees who were participating in the Northwest Plan on April 30, 2001 are participants in this plan. Employees became participants in the plan on the first day of the month following the date they completed one year of service in which they worked 1,000 or more hours.

WESTMORELAND RETIREMENT PLAN

Notes to Financial Statements

Note 1 - Description of the Plan and Significant Accounting Policies (continued)

Participation (continued)

Western Energy Participants – Employees who were participating in the Northwest Plan on April 30, 2001 are participants in this plan. Any other employee became a participant on the first day of the first pay period beginning in the month following the completion of 90 days of service within 12 months of commencement of employment.

Participation under the Plan for employees of all the above employers hired on or after July 1, 2006 - Employees became participants on the first day of the month following their date of hire.

Basin Participants - Basin Resources, Inc. shut down operations on March 15, 1996, at which time this plan ceased to have any active employees and all active participants were 100% vested. When the employer had active employees, they were eligible to participate in this plan on the first day of the calendar month on or after the date they completed a year of eligibility service.

The Westmoreland Coal Company Pension Committee administers the Plan and manages the Plan assets. Prudential Retirement Insurance and Annuity Company ("Prudential Retirement") is the Plan's custodian and maintains the Plan's records.

Pension Benefits

All plans were frozen effective July 1, 2009.

Pension benefits under the Plan are as follows for the employees hired prior to July 1, 2006:

Westmoreland Coal Participants – Employees with five or more years of vesting service are entitled to monthly pension benefits beginning at normal retirement age of 65 equal to the greater of (1) or (2) less (3), as defined below. Employees with less than five years of vesting service are 0% vested until such time.

- (1) 1.2% of average compensation, as defined, plus 0.5% of average compensation in excess of covered compensation, as defined, multiplied by the number of years of service (maximum of 30 years).
- (2) \$30 multiplied by the number of years of service.
- (3) The benefit, if any, provided to the participant under the Westmoreland Coal Company and Affiliated Companies Employees' Retirement Plan.

This benefit may be reduced in certain circumstances.

The Plan permits early retirement at age 55 with at least ten years of vesting service. If the employee is between ages 62 and 65 and has 20 or more years of vesting service, there are no reductions in benefits for early retirement. The Plan permits deferred vested pension payments for employees whose employment is terminated for reasons other than death, retirement, or disability on or after the completion of five years of vesting service.

WESTMORELAND RETIREMENT PLAN

Notes to Financial Statements

Note 1 - Description of the Plan and Significant Accounting Policies (continued)

Pension Benefits (continued)

Married employees will receive their benefits in the form of a reduced joint and 100% survivor annuity unless an alternate method has been selected and properly approved. Unmarried employees will receive their benefits in the form of a single life annuity. Various alternative methods are available to employees with appropriate consent.

Beulah & Savage Participants – Employees with five or more years of vesting service are entitled to monthly pension benefits beginning at normal retirement age of 65 equal to the greater of the accrued monthly pension defined below or the amount of the accrued monthly pension as determined under the Beulah & Savage Plan as in effect on April 30, 2001. The accrued monthly pension is equal to the participant's years of service (maximum of 35 prior to June 30, 2009) multiplied by the sum of 1.2% of average monthly compensation, as defined, plus 1.6% of average monthly compensation in excess of the social security integration level. The Plan permits early retirement at age 55 with at least five years of vesting service. The Plan permits deferred vested pension payments for employees whose employment is terminated for reasons other than death, retirement, or disability on or after the completion of five years of vesting service. Pension payments will generally be made in the form of a monthly annuity, unless the participant elects to receive a lump-sum distribution.

Married employees will receive their benefits in the form of a reduced joint and 50% survivor annuity unless an alternate method has been selected and properly approved. Unmarried employees will receive their benefits in the form of a single life annuity. Various alternative methods are available to employees with appropriate consent.

Texas Westmoreland Coal Participants – Employees are entitled to monthly pension benefits beginning at the normal retirement age of 65 equal to 0.95% of average compensation up to the social security integration level, plus 1.5% of the part of such compensation in excess of the social security integration level, multiplied by the number of years of service (maximum of 35). The plan permits early retirement at age 55 with at least 15 years of vesting service. The plan permits deferred vested pension payments for employees whose employment is terminated for reasons other than death, retirement, or disability on or after the completion of five years of vesting service.

Married employees will receive their benefits in the form of a reduced joint and 50% survivor annuity unless an alternate method has been selected and properly approved. Unmarried employees will receive their benefits in the form of a single life annuity. Various alternative methods are available to employees with appropriate consent.

WESTMORELAND RETIREMENT PLAN

Notes to Financial Statements

Note 1 - Description of the Plan and Significant Accounting Policies (continued)

Pension Benefits (continued)

Western Energy Participants – Employees of Western Energy Company will receive a monthly benefit equal to the participant's notional account balance divided by an actuarial equivalent life annuity factor. The account balance contains contributions made by Western Energy Company each year that were calculated by multiplying a participant's basic credit percentage, as defined, by eligible earnings; an additional Western Energy Company contribution was calculated by multiplying the additional credit percentage, as defined, by the amount of eligible earnings that are in excess of one-half of the social security wage base, and annual interest that is equal to 6% of the account balance at the beginning of the year. Former participants in the Northwest Plan who would have been eligible to retire before January 1, 2003 receive the greater of the benefits determined under the Northwest Plan, as defined in the prior section, or the benefits defined in this section.

A participant who terminates at a time when they are not entitled to benefits under the early, normal, or postponed retirement benefit will be 100% vested if they have completed five years of vesting service. The plan permits early retirement at age 55 with at least 15 years of vesting service. In the event of early retirement, the monthly benefit will be the participant's account balance divided by an actuarial equivalent life annuity factor. The plan permits deferred vested pension payments for employees whose employment is terminated for reasons other than death, retirement, or disability on or after the completion of five years of vesting service.

Married employees will receive their benefits in the form of a reduced joint and 50% survivor annuity unless an alternate method has been selected and properly approved. Unmarried employees will receive their benefits in the form of a single life annuity. Various alternative methods are available to employees with appropriate consent.

Pension benefits were as follows for employees of all of the above employers hired on or after July 1, 2006 - Employees with five or more years of vesting service were entitled to monthly benefits equal to the greater of 0.75% of the participant's average compensation, as defined, multiplied by the number of years of service, or \$30 multiplied by the number of years of service.

Basin Participants - Employees are entitled to monthly pension benefits beginning at the normal retirement age of 65 based on pension credits earned for each year of participation in the plan. For each year of participation on and after the original effective date of the plan (June 1, 1991), the employee earns a monthly pension credit equal to 1.75% of monthly compensation not in excess of \$1,600 plus 2.1% of monthly compensation not in excess of \$1,600, unless subject to the special provisions outlined in the plan related to employees who were in a prior plan.

WESTMORELAND RETIREMENT PLAN

Notes to Financial Statements

Note 1 - Description of the Plan and Significant Accounting Policies (continued)

Pension Benefits (continued)

The Plan permits early retirement at age 55 with at least 10 years of vesting service. Early retirement benefit is calculated using the normal retirement benefit formula, except it is reduced by 5% each year by which the benefit commencement date precedes the first day of the month upon reaching the age of 62. The Plan permits deferred vested pension payments for employees whose employment is terminated for reasons other than death, retirement, or disability on or after the completion of five years of vesting service.

Married employees will receive their benefits in the form of a reduced joint and 50% survivor annuity unless an alternate method has been selected and properly approved. Unmarried employees' beneficiaries will receive no survivor benefits unless mandatory employee contributions were made to a prior plan before January 1, 1974. In that case, the beneficiary is entitled to the accumulated employee contributions plus applicable interest. Various alternative methods are available to employees with appropriate consent.

In all cases, benefits for all participants are recorded when paid.

Funding Policy

The Plan is non-contributory; all funding is provided by the Company. The Company has voluntarily agreed to make contributions to the Plan sufficient to provide the Plan with assets with which to pay pension benefits to Plan participants. For the Plan years ended December 31, 2013 and 2012, minimum funding requirements of ERISA and the Internal Revenue Code (the "Code") were met through prefunded actuarial credit provided by the actuary of \$876,673 and \$200,000 in 2013 and 2012, respectively.

Death and Disability Benefits

Death and disability benefits under the Plan are as follows:

Westmoreland Coal Participants – If an active employee dies prior to retirement and has rendered five years of service, a monthly pension equal to the survivor's annuity is paid to the employee's spouse beginning at the time the employee would have been age 55. If an employee dies after retirement, the benefit provided by the form of payment elected at retirement is paid to the employee's spouse. If an employee becomes totally disabled before retirement, the employee is eligible for monthly benefits beginning immediately equal to the amount computed in accordance with the pension benefits section above without reduction for early retirement.

WESTMORELAND RETIREMENT PLAN

Notes to Financial Statements

Note 1 - Description of the Plan and Significant Accounting Policies (continued)

Death and Disability Benefits (continued)

Beulah & Savage Participants – If an active employee dies prior to retirement and has rendered five years of service, a monthly pension equal to the survivor's annuity is paid to the employee's spouse beginning the month following the employee's death. If an employee dies after retirement, the benefit provided by the form of payment elected at retirement is paid to the employee's spouse. If an employee becomes totally disabled prior to retirement and has rendered at least five years of service, the employee continues to receive credit for years of service until early retirement age, at which time benefits commence as computed under the pension benefits section above. Participants receive an unreduced pension at age 62 with five years of experience and age 60 with 30 years of experience.

Texas Westmoreland Coal Participants – If an active employee dies prior to retirement and has rendered five years of service, a monthly pension equal to one-half of the survivor's annuity is paid to the employee's spouse beginning at the time the employee would have been age 55. If an employee dies after retirement, the benefit provided by the form of payment elected at retirement is paid to the employee's beneficiary. If an employee becomes disabled prior to retirement and has rendered at least four years of service, the employee is eligible for a deferred benefit as described in the pension benefits section.

Western Energy Participants – If an active employee dies prior to retirement and has rendered five years of service, a monthly pension equal to 50% of the employee's account balance divided by an actuarial equivalent life annuity factor is paid to a married employee's spouse or an unmarried employee's designated beneficiary beginning the month following the employee's death. If an employee dies after retirement, the benefit provided by the form of payment elected at retirement is paid to the employee's beneficiary. If an employee becomes totally disabled prior to retirement and has rendered at least five years of service, the employee receives the employer contributions and interest credits to the account until benefits commence and is eligible for benefits upon completion of the requirements described in the pension benefits section above.

Basin Participants - If an employee dies prior to retirement and has rendered five years of service, a monthly pension is paid in the form of a single life annuity equal to 50% of the amount of monthly benefit entitled to at the time of death to a married employee's spouse beginning the month following the employee's death if the employee had attained the age of 50 at time of death. If the employee was not 50 at time of death, then benefit payments will begin after the employee would have attained the age of 50. If an employee dies after retirement, the benefit provided by the form of payment elected at retirement is paid to the employee's beneficiary. If an employee becomes totally disabled prior to retirement, the employee continues to accrue benefits as they were accruing at the time they became disabled. When service terminated and the employee was no longer eligible for long-term disability benefits, the provisions governing termination of employment applied and the pension was treated the same as a deferred vesting provision.

WESTMORELAND RETIREMENT PLAN

Notes to Financial Statements

Note 1 - Description of the Plan and Significant Accounting Policies (continued)

Administrative Expenses

During the years ended December 31, 2013 and 2012, the Company paid certain administrative expenses of the Plan.

Valuation of Investments and Income Recognition

The Plan's investments are stated at fair value as reported by the Plan custodian. 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. See Note 2 for discussion of fair value measures.

The net realized and unrealized investment gain or loss (net appreciation or depreciation in fair value of investments) is reflected in the accompanying statements of changes in net assets available for benefits and is determined as the difference between fair value at the beginning of the year (or date purchased if during the year) and selling price (if sold during the year) or year-end fair value. Purchases and sales of investments are recorded on a trade-date basis. Interest income is recognized on the accrual basis. Dividends are recognized on the ex-dividend date.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Risks and Uncertainties

The Plan provides for various investments that, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the investment account balances and the amounts reported in the statements of net assets available for benefits.

Additionally, some investments held by the Plan are invested in the securities of foreign companies, which involve special risks and considerations not typically associated with investing in U.S. companies. These risks include devaluation of currencies, less reliable information about issuers, different securities transaction clearance and settlement practices, and possible adverse political and economic developments. Moreover, securities of many foreign companies and their markets may be less liquid and their prices more volatile than those of comparable U.S. companies.

Plan contributions are made and the actuarial 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 assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would have a material impact on Plan contributions and the financial statements.

WESTMORELAND RETIREMENT PLAN

Notes to Financial Statements

Note 1 - Description of the Plan and Significant Accounting Policies (continued)

Actuarial Present Value of Accumulated Plan Benefits

Accumulated Plan benefits are those future periodic payments that are attributable under the Plan's provisions to the service employees have rendered. Accumulated Plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits payable under all circumstances – retirement, death, disability, and termination of employment – are included, to the extent they are deemed attributable to employee service rendered prior to the valuation date.

The actuarial present value of accumulated Plan benefits is determined by the Plan's independent actuary and is the amount that results from applying actuarial assumptions to the accumulated Plan benefits to reflect the time value of money (through discounts and for interest) and the probability of the payment (by means of decrements such as death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. Actuarial assumptions for the Plan are made as of the beginning of the Plan year. The statement of accumulated plan benefits and the statement of changes in accumulated plan benefits were prepared as of January 1, 2013 and for the year ended January 1, 2013. Had the reports been prepared as of and for the year ended December 31, 2012, no material change would have been necessary. The significant actuarial assumptions used in the valuations as of January 1, 2013 are as follows:

- Life expectancy of participants was obtained from the RP-2000 Projected to 2022 (Scale AA)
- Funding was based on IRS 2013 Static Mortality Table
- The assumed long-term investment return was 7.40% for ASC Topic 960 purposes, 6.71% for minimum required contribution level, applicability of benefit restrictions, and at-risk determination only, and 4.03% for all other purposes
- No disabilities were assumed
- Plan expenses of \$220,000 per year
- Benefit commencement date:

Texas Westmoreland

Mortality - Surviving spouse benefits commence as of the first of the month following the death of the active participant, or the date the participant would have attained age 55, and shall continue until the first day of the month following the spouse's death.

Termination - If less than 15 years of service, the later of age 65 or age at termination. If 15 or more years of service, the later of age 55 or age at termination.

Retirement - Upon termination of employment.

WESTMORELAND RETIREMENT PLAN

Notes to Financial Statements

Note 1 - Description of the Plan and Significant Accounting Policies (continued)

Actuarial Present Value of Accumulated Plan Benefits (continued)

Western Energy

Mortality - Surviving spouse benefits commence as of the first of the month following the death of the active participant.

Termination - The later of age 62 or termination of employment.

Retirement - Upon termination of employment.

Westmoreland Coal Company ("Corporate")

Mortality - Surviving spouse benefits commence at the date the participant would have attained age 65, or, if participant was retirement eligible, immediately.

Termination - If less than 10 years of service, the later of age 65 or age at termination. If 10 or more years of service, the later of age 62 or age at termination.

Retirement - Upon termination of employment.

Beulah & Savage

Mortality - Surviving spouse benefits commence as of the first of the month following the death of the active participant, or the date the participant would have attained age 55, and shall continue until the first day of the month following the spouse's death.

Termination - The later of age 62 or termination of employment.

Retirement - Upon termination of employment.

- Form of payment:

Corporate - 66 2/3% joint and survivor annuity for married, life for single

All plans except for Corporate ("Non-Corporate") - 75% joint and survivor annuity for married, life for single

- Transfers - Benefits for transfers calculated under the benefit formula of the most recent employment location for all years of pension service
- Percent married - 80% of males, 80% of females
- Spouse age - Wife three years younger than husband

WESTMORELAND RETIREMENT PLAN

Notes to Financial Statements

Note 1 - Description of the Plan and Significant Accounting Policies (continued)

Actuarial Present Value of Accumulated Plan Benefits (continued)

- Participants are assumed to retire based on rates of retirement varying by age

<u>Age</u>	<u>Rate (Western Energy)</u>	<u>Rate (Other Employers)</u>
50	3%	0%
55	5%	5%
62	30%	30%
65	40%	40%
70	100%	100%

- Participants are assumed to terminate based on rates of expected termination varying by age

<u>Age</u>	<u>Rate</u>
25	13%
40	4.4%
55	3%

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

The following changes in actuarial assumptions were made from the January 1, 2012 valuation to the January 1, 2013 valuation:

- For funding purposes, the Mortality Table has been changed to the IRS's 2013 Static Mortality Table;
- Administrative expense assumption has been increased to \$220,000 per annum from \$200,000 to anticipate additional expenses related to the merger of the Basin Plan.

From the January 1, 2012 valuation to the January 1, 2013 valuation, the Basin Resources Inc. Retirement Plan for Non-Bargaining Employees merged into the Westmoreland Retirement Plan, effective December 31, 2012.

Note 2 - Fair Value Accounting

Generally accepted accounting principles establish a framework for measuring fair value. The 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) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

WESTMORELAND RETIREMENT PLAN

Notes to Financial Statements

Note 2 - Fair Value Accounting (continued)

Level 2: Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

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

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2013 and 2012.

Registered investment companies: Valued at the net asset value of shares held by the Plan at year-end based on the quoted price in an active market.

Pooled separate accounts: Valued at the net asset value of units held by the Plan at year-end based on the quoted market prices of the securities underlying the investments.

Westmoreland Coal Company common stock and cash and cash equivalents: Valued at the closing price reported on the active market on which the individual investments are traded.

Limited partnerships and limited liability companies: Valued by the respective partnership or company manager using market and income approaches. The market approach consists of using comparable market transactions or values. The income approach consists of the net present value of estimated future cash flows, adjusted as appropriate for liquidity, credit, market, and other risk factors. The inputs considered in the valuations include original transaction prices, recent transactions in the same or similar instruments, changes in financial ratios or cash flows, discounted cash flow valuations, and general economic and market conditions. These represent the Level 3 investments.

Guaranteed deposit fund: Valued using a method that approximates the market value of underlying investments by discounting expected future investment cash flow from both investment income and repayment of principal for each investment purchased.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although 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.

WESTMORELAND RETIREMENT PLAN

Notes to Financial Statements

Note 2 - Fair Value Accounting (continued)

The following tables set forth by level, within the fair value hierarchy, the Plan's investment assets measured at fair value on a recurring basis as of December 31, 2013 and 2012.

Assets at fair value as of December 31, 2013 on a recurring basis are as follows:

Description	Level 1	Level 2	Level 3	Total
Pooled separate accounts				
International blend (a)	\$ -	\$ 4,206,475	\$ -	\$ 4,206,475
Intermediate-term fund (b)	-	21,984,384	-	21,984,384
Fixed income - domestic (c)	-	20,437,534	-	20,437,534
Blended funds (d)	-	14,334,992	-	14,334,992
Guaranteed deposit fund (e)	-	2,379,119	-	2,379,119
Limited partnerships and limited liability companies	-	-	197,134	197,134
Westmoreland Coal Company common stock	1,874,988	-	-	1,874,988
Registered investment companies - growth fund	4,248,896	-	-	4,248,896
Cash and cash equivalents	<u>461,803</u>	<u>-</u>	<u>-</u>	<u>461,803</u>
Total	<u>\$ 6,585,687</u>	<u>\$ 63,342,504</u>	<u>\$ 197,134</u>	<u>\$ 70,125,325</u>

Assets at fair value as of December 31, 2012 on a recurring basis are as follows:

Description	Level 1	Level 2	Level 3	Total
Pooled separate accounts				
International blend (a)	\$ -	\$ 5,290,063	\$ -	\$ 5,290,063
Blended funds (b)	-	24,337,327	-	24,337,327
Fixed income - domestic (c)	-	15,598,641	-	15,598,641
Intermediate-term fund (d)	-	6,767,917	-	6,767,917
Guaranteed deposit fund (e)	-	1,368,144	-	1,368,144
Limited partnerships and limited liability companies	-	-	362,337	362,337
Westmoreland Coal Company common stock	3,315,700	-	-	3,315,700
Registered investment companies - growth fund	5,301,380	-	-	5,301,380
Cash and cash equivalents	<u>890</u>	<u>-</u>	<u>-</u>	<u>890</u>
Total	<u>\$ 8,617,970</u>	<u>\$ 53,362,092</u>	<u>\$ 362,337</u>	<u>\$ 62,342,399</u>

(a) International blends seek to have a diversified portfolio of investments, including fixed-income and equity-focused investments in international markets.

WESTMORELAND RETIREMENT PLAN

Notes to Financial Statements

Note 2 - Fair Value Accounting (continued)

- (b) Blended funds seek to provide long-term growth of capital. They seek to provide investment results that approximate the performance of the Standard & Poor's Composite 1500 Index.
- (c) The fixed income - domestic seeks to invest in high-quality corporate bonds with over 15 years to maturity.
- (d) The intermediate-term bond seeks to achieve performance results similar to the Barclays Capital U.S. Aggregate Bond Index and is invested to reflect many of the characteristics of the Barclays Capital U.S. Aggregate Bond Index. This fund invests primarily in corporate and government bonds.
- (e) The guaranteed deposit fund seeks to invest in publicly traded and privately placed debt securities and mortgage loans, and to a lesser extent, real estate and other equity investments in order to provide a guaranteed rate of return.

Level 3 Changes

The following is a reconciliation of the beginning and ending balances for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the years ended December 31, 2013 and 2012. Both observable and unobservable inputs may be used to determine the fair value of the positions classified within the Level 3 category. As a result, the unrealized gains and losses for assets within the Level 3 category may include changes in the fair value that were attributable to both observable and unobservable inputs.

	Limited Partnerships and Limited Liability Companies For the Years Ended December 31,	
	2013	2012
Beginning balance	\$ 362,337	\$ 827,056
Total gains (realized/unrealized)	3,518	49,327
Interest and dividend (loss) income	(9,182)	1,863
Sales	(159,539)	(515,909)
Ending balance	<u>\$ 197,134</u>	<u>\$ 362,337</u>

Reported Net Asset Value

The investments in pooled separate accounts as of December 31, 2013 and 2012 are \$60,963,385 and \$51,993,948, respectively, as valued based on the net asset value as a practical expedient. There are no unfunded commitments and the units may be redeemed on a daily basis.

WESTMORELAND RETIREMENT PLAN

Notes to Financial Statements

Note 3 - Investments

Prudential Retirement has certified in writing to the Plan administrator that the stated amounts for investments at fair value as of December 31, 2013 and 2012 and the income earned or losses incurred on the investments for the years ended December 31, 2013 and 2012, as reflected in the accompanying financial statements and the supplemental schedule of assets (held at end of year), are complete and accurate.

The Plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Plan administrator instructed the Plan's auditors not to perform any auditing procedures with respect to the investment information certified by the custodian, except for comparing the information contained therein to information included in the financial statements and the supplemental schedule of assets (held at end of year).

The fair value of investments greater than 5% of net assets available for benefits was the following:

	December 31,	
	2013	2012
Pooled separate accounts		
QMA U.S. Broad Market Index	\$ 21,984,384	\$ 24,337,327
Core Bond Enhanced Index/PIM Fund	\$ 14,334,992	\$ 6,767,917
Pru Long Corporate Bond	\$ 10,287,071	\$ 7,795,509
Long Duration Bond/IR&M Fund	\$ 10,150,463	\$ 7,803,132
Intl Bld/Pictet Asset Management Fund	\$ 4,206,475	\$ 5,290,063
Westmoreland Coal Company common stock	\$ 1,874,988 *	\$ 3,315,700
Registered investment companies		
American Europacific Growth Fund	\$ 4,248,896	\$ 5,301,380

* Indicates investments less than 5% of net assets available for benefits.

Net appreciation (depreciation) in fair value of investments by investment type were the following:

	For the Years Ended December 31,	
	2013	2012
Investments at quoted market prices		
Pooled separate accounts	\$ 5,764,342	\$ 4,911,634
Westmoreland Coal Company common stock	1,951,957	(1,292,845)
Registered investment companies	909,766	695,941
Limited partnerships and limited liability companies	3,518	49,327
Total	<u>\$ 8,629,583</u>	<u>\$ 4,364,057</u>

WESTMORELAND RETIREMENT PLAN

Notes to Financial Statements

Note 4 - Income Taxes

The Plan has received a tax determination letter dated November 1, 2012 from the IRS covering changes made to comply with ERISA and indicating that the Plan qualifies under the provisions of Section 401(a) of the Code and is exempt from federal income taxes.

The Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Code. Therefore, no provision for income taxes has been included in the accompanying financial statements.

Generally accepted accounting principles require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan and has concluded that, as of December 31, 2013 and 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2010.

Note 5 - Administration of the Plan

The Company provides, at no cost to the Plan, certain administrative, accounting, and legal services to the Plan and also pays the cost of certain outside services for the Plan.

Note 6 - Party-in-Interest Transactions

Plan investments include pooled separate accounts, a guaranteed deposit fund, and a money market fund managed by Prudential Retirement. Prudential Retirement is the custodian, as defined by the Plan; therefore, these transactions qualify as party-in-interest. These transactions are exempt from prohibited transaction regulations.

During the Plan years ended December 31, 2013 and 2012, Westmoreland Coal Company did not contribute common stock shares. The Plan sold 257,800 and 70,000 shares, respectively, of the Westmoreland Coal Company common stock during the years ended December 31, 2013 and 2012 for \$3,392,669 and \$810,205, respectively, realizing gains of \$1,082,781 and \$183,005, respectively. As of December 31, 2013 and 2012, the Plan holds 97,200 and 355,000 shares, respectively, of Westmoreland Coal Company common stock with a fair value of \$1,874,988 and \$3,315,700, respectively.

WESTMORELAND RETIREMENT PLAN

Notes to Financial Statements

Note 7 - Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. If the Plan is terminated for any reason, the net assets of the Plan would be allocated, as prescribed by ERISA and its regulations, generally to provide the following benefits in the order indicated:

- Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for the three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under Plan provisions in effect at any time during the five years preceding Plan termination;
- Other vested benefits insured by the Pension Benefit Guaranty Corporation (the "PBGC"), a U.S. government agency, up to the applicable limitations (discussed below);
- All other vested benefits not insured by the PBGC; or
- All non-vested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivors' pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination.

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.

Note 8 - Subsequent Events

The Company has evaluated subsequent events related to the Plan through the auditors' report date, which is the date the financial statements were available for issuance, and determined that there were no subsequent events requiring disclosure.

SUPPLEMENTAL SCHEDULES

WESTMORELAND RETIREMENT PLAN

Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year) As of December 31, 2013

Employer Identification Number - 23-1128670

Plan Number - 006

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
	Pooled separate accounts			
*	Prudential	QMA U.S. Broad Market Index	\$ 15,919,130	\$ 21,984,384
*	Prudential	Core Bond Enhanced Index/PIM Fund	14,149,585	14,334,992
*	Prudential	Pru Long Corporate Bond	10,646,384	10,287,071
*	Prudential	Long Duration Bond/IR&M Fund	10,944,133	10,150,463
*	Prudential	Intl Bld/Pictet Asset Management Fund	2,742,766	4,206,475
	Registered investment companies			
	American Funds	American Europacific Growth Fund	3,576,175	4,248,896
	Limited partnerships and limited liability companies			
	Siguler Guff Distressed Opportunities Fund, LLC	Siguler Guff Distressed Opportunities Fund, LLC	-	118,734
	OCM Real Estate Opportunity Fund III LP	OCM Real Estate Opportunity Fund III LP	-	78,400
	Common stock			
*	Westmoreland Coal Company	Westmoreland Coal Company common stock, 97,200 shares at \$2.50 par value	870,912	1,874,988
	Cash and cash equivalents			
*	Prudential	Brokerage Money Market	461,803	461,803
	Guaranteed deposit fund			
*	Prudential	Guaranteed Deposit Fund	<u>2,379,119</u>	<u>2,379,119</u>
	Total investments		<u>\$ 61,690,007</u>	<u>\$ 70,125,325</u>

* Party-in-interest

WESTMORELAND RETIREMENT PLAN

Schedule H, Part IV, Line 4j - Schedule of Reportable Transactions For the Year Ended December 31, 2013

Employer Identification Number - 23-1128670

Plan Number - 006

Transactions that exceed 5% of net assets available for benefits as of the beginning of the Plan year:

(a) Identity of Party Involved	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(g) Cost of Asset		(h) Current Value of Asset on Transaction Date		(i) Net Gain (Loss)
				Purchase	Sales	Purchase	Sales	
Series of transactions								
Prudential	QMA U.S. Broad Market Index	\$ 975,097	\$ -	\$ 975,097	\$ -	\$ 975,097	\$ -	\$ -
Prudential	QMA U.S. Broad Market Index	\$ -	\$ 10,620,000	\$ -	\$ 7,963,803	\$ -	\$ 10,620,000	\$ 2,656,197
Prudential	Core Bond Enhanced Index/ PIM Fund	\$ 7,787,549	\$ -	\$ 7,787,549	\$ -	\$ 7,787,549	\$ -	\$ -
Prudential	Guaranteed Deposit Fund	\$ 3,789,939	\$ -	\$ 3,789,939	\$ -	\$ 3,789,939	\$ -	\$ -
Prudential	Guaranteed Deposit Fund	\$ -	\$ 2,832,968	\$ -	\$ 2,832,968	\$ -	\$ 2,832,968	\$ -
Prudential	Westmoreland Coal Company	\$ -	\$ 3,392,669	\$ -	\$ 2,309,888	\$ -	\$ -	\$ 1,082,781

WESTMORELAND RETIREMENT PLAN

Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year) As of December 31, 2013

Employer Identification Number - 23-1128670

Plan Number - 006

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
	Pooled separate accounts			
*	Prudential	QMA U.S. Broad Market Index	\$ 15,919,130	\$ 21,984,384
*	Prudential	Core Bond Enhanced Index/PIM Fund	14,149,585	14,334,992
*	Prudential	Pru Long Corporate Bond	10,646,384	10,287,071
*	Prudential	Long Duration Bond/IR&M Fund	10,944,133	10,150,463
*	Prudential	Intl Bld/Pictet Asset Management Fund	2,742,766	4,206,475
	Registered investment companies			
	American Funds	American Europacific Growth Fund	3,576,175	4,248,896
	Limited partnerships and limited liability companies			
	Siguler Guff Distressed Opportunities Fund, LLC	Siguler Guff Distressed Opportunities Fund, LLC	-	118,734
	OCM Real Estate Opportunity Fund III LP	OCM Real Estate Opportunity Fund III LP	-	78,400
	Common stock			
*	Westmoreland Coal Company	Westmoreland Coal Company common stock, 97,200 shares at \$2.50 par value	870,912	1,874,988
	Cash and cash equivalents			
*	Prudential	Brokerage Money Market	461,803	461,803
	Guaranteed deposit fund			
*	Prudential	Guaranteed Deposit Fund	<u>2,379,119</u>	<u>2,379,119</u>
	Total investments		<u>\$ 61,690,007</u>	<u>\$ 70,125,325</u>

* Party-in-interest

WESTMORELAND RETIREMENT PLAN

Schedule H, Part IV, Line 4j - Schedule of Reportable Transactions For the Year Ended December 31, 2013

Employer Identification Number - 23-1128670

Plan Number - 006

Transactions that exceed 5% of net assets available for benefits as of the beginning of the Plan year:

(a) Identity of Party Involved	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(g) Cost of Asset		(h) Current Value of Asset on Transaction Date		(i) Net Gain (Loss)
				Purchase	Sales	Purchase	Sales	
Series of transactions								
Prudential	QMA U.S. Broad Market Index	\$ 975,097	\$ -	\$ 975,097	\$ -	\$ 975,097	\$ -	\$ -
Prudential	QMA U.S. Broad Market Index	\$ -	\$ 10,620,000	\$ -	\$ 7,963,803	\$ -	\$ 10,620,000	\$ 2,656,197
Prudential	Core Bond Enhanced Index/ PIM Fund	\$ 7,787,549	\$ -	\$ 7,787,549	\$ -	\$ 7,787,549	\$ -	\$ -
Prudential	Guaranteed Deposit Fund	\$ 3,789,939	\$ -	\$ 3,789,939	\$ -	\$ 3,789,939	\$ -	\$ -
Prudential	Guaranteed Deposit Fund	\$ -	\$ 2,832,968	\$ -	\$ 2,832,968	\$ -	\$ 2,832,968	\$ -
Prudential	Westmoreland Coal Company	\$ -	\$ 3,392,669	\$ -	\$ 2,309,888	\$ -	\$ -	\$ 1,082,781

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 WESTMORELAND RETIREMENT PLAN	B Three-digit plan number (PN) ►	006
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF WESTMORELAND COAL COMPANY	D Employer Identification Number (EIN) 23-1128670	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500		

Part I Basic Information			
1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2013</u>			
2 Assets:			
a Market value	2a		62,494,648
b Actuarial value	2b		61,183,602
3 Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a	159	19,910,627
b For terminated vested participants	3b	230	11,397,553
c For active participants:			
(1) Non-vested benefits	3c(1)		737,745
(2) Vested benefits	3c(2)		28,384,613
(3) Total active	3c(3)	403	29,122,358
d Total	3d	792	60,430,538
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		6.71 %
6 Target normal cost	6		220,000

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	Alexander E. Kirimov <i>AEK</i> Signature of actuary Alexander E. Kirimov Type or print name of actuary PRIAC Firm name 280 Trumbull Street Hartford CT 06103-2975 Address of the firm	<div style="text-align: center;"> <i>10/14/2014</i> Date 14-05454 Most recent enrollment number (617) 477-9025 Telephone number (including area code) </div>
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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)	0	1,790,707
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	200,000
9	Amount remaining (line 7 minus line 8)	0	1,590,707
10	Interest on line 9 using prior year's actual return of <u>10.17</u> %		161,775
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		16,519
	b Interest on (a) using prior year's effective interest rate of <u>0.00</u> % except as otherwise provided (see instructions)		0
	c Total available at beginning of current plan year to add to prefunding balance		16,519
	d Portion of (c) to be added to prefunding balance		16,519
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	1,769,001

Part III Funding Percentages			
14	Funding target attainment percentage	14	98.31 %
15	Adjusted funding target attainment percentage	15	101.24 %
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	99.58 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

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

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a	Contributions allocated toward unpaid minimum required contributions from prior years	19a 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 0
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
0	0	0
		(4) 4th 0

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

21 Discount rate:				
a Segment rates:	1st segment: 5.23 %	2nd segment: 6.51 %	3rd segment: 7.16 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	220,000	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment.....	1,015,937		212,173
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	432,173	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	432,173	432,173
36 Additional cash requirement (line 34 minus line 35).....	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	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		

Westmoreland Retirement Plan
EIN / PN: 23-1128670 / 006
Attachment to 2013 Schedule SB (Form 5500)
Schedule SB, Lines 7 through 13 - Explanation of Discrepancy in Prior Year Funding
Standard Carryover Balance or Prefunding Balance

Westmoreland Coal Company sponsored the Basin Resources Inc. Retirement Plan for Non-Bargaining Employees (EIN/PN 74-1959458/001) and sponsors the Westmoreland Retirement Plan. Effective December 31, 2012, the Basin Resources Inc. Retirement Plan for Non-Bargaining Employees merged into the Westmoreland Retirement Plan.

As a result of the plan merger, Line 13 of the 2013 Plan Year Schedule SB for the Westmoreland Retirement Plan reflects the Credit Balance for the merged plans.

EIN / PN 23-1128670 / 006 - Westmoreland Retirement Plan 2013 Plan Year Schedule SB - Sum of Lines 9 and 10	\$1,752,482
EIN / PN 74-1959458 / 001 - Basin Resources Inc. Retirement Plan for Non-Bargaining Employees Prefunding Balance as of 12/31/2012- Line 11d	<u>\$16,519</u>
EIN / PN 23-1128670 / 006 - Westmoreland Retirement Plan 2013 Plan Year Schedule SB - Line 13	\$1,769,001

Section IV**Credit Balances****Development of Carryover and Prefunding Balances as of January 1, 2013**

	<u>Carryover Balance</u>	<u>Prefunding Balance</u>	<u>Total Credit Balance</u>
1. Balance at Beginning of Prior Year (after applicable adjustments)	\$0	\$1,790,707	\$1,790,707
2. Portion used to offset Prior Year's Funding Requirement	0	200,000	200,000
3. Amount Remaining (1– 2)	0	1,590,707	1,590,707
4. Interest on (3) ¹	0	161,775	161,775
5. Prior Year's Excess Contribution			
a. Excess Discounted Contribution	N/A	0	0
b. Interest on (a) ²	N/A	0	0
c. Total Available at Beginning of Current Plan Year to add to Prefunding Balance (5a + 5b)	N/A	0	0
d. Portion of (c) to be added to Prefunding Balance	N/A	0	0
6. Reduction in Credit Balance			
a. Compelled reduction	0	0	0
b. Voluntary reduction	0	0	0
c. Total reduction (a + b)	0	0	0
7. Balance at Beginning of Current Year (3 + 4 + 5d – 6c)	0	1,752,482	1,752,482
8. Basin Credit Balance merged in at the end of the prior year	0	16,519	16,519
9. Balance Available to offset Current Year Funding Requirements	\$0	\$1,769,001	\$1,769,001
Assumed Application of Available Credit Balance			
10. Balance Assumed to be used to offset Current Year's Funding Requirement	\$0	\$876,673	\$876,673
11. Assumed Balance remaining (9 – 10, not less than zero)	\$0	\$892,328	\$892,328

¹ Interest Rate is based on prior year Actual Return of Assets for WRP of 10.17%.

² Interest on the Excess Discounted Contribution is calculated as the sum of two components: A. Interest on the plan's replenishment of the Credit Balance of \$0 at the prior year's Actual Return on Assets of 10.17% for WRP, plus; B. Interest on the plan's discounted additional contributions of \$0 for WRP at the prior year's effective rate of 7.07%.

Westmoreland Retirement Plan

EIN / PN: 23-1128670 / 006

Attachment to 2013 Schedule SB (Form 5500)

Schedule SB, Line 22 - Description of Weighted Average Retirement Age

Non-Western Energy Participants

<u>Age</u>	<u>Probability</u>	<u>Number Retiring</u>	<u>Number Remaining</u>	<u>Result</u>
55	5.00%	0.050000	0.950000	2.75000
56	5.00%	0.047500	0.902500	2.66000
57	5.00%	0.045125	0.857375	2.57213
58	5.00%	0.042869	0.814506	2.48639
59	5.00%	0.040725	0.773781	2.40279
60	8.00%	0.061902	0.711878	3.71415
61	8.00%	0.056950	0.654928	3.47397
62	30.00%	0.196478	0.458450	12.18166
63	20.00%	0.091690	0.366760	5.77647
64	20.00%	0.073352	0.293408	4.69453
65	40.00%	0.117363	0.176045	7.62860
66	40.00%	0.070418	0.105627	4.64758
67	40.00%	0.042251	0.063376	2.83080
68	40.00%	0.025350	0.038026	1.72383
69	40.00%	0.015210	0.022815	1.04951
70	100.00%	0.022815	0.000000	1.59708
				62.18947

Western Energy Participants

<u>Age</u>	<u>Probability</u>	<u>Number Retiring</u>	<u>Number Remaining</u>	<u>Result</u>
50	3.00%	0.030000	0.970000	1.500000
51	3.00%	0.029100	0.940900	1.484100
52	3.00%	0.028227	0.912673	1.467804
53	3.00%	0.027380	0.885293	1.451150
54	3.00%	0.026559	0.858734	1.434174
55	5.00%	0.042937	0.815797	2.361519
56	5.00%	0.040790	0.775007	2.284233
57	5.00%	0.038750	0.736257	2.208771
58	5.00%	0.036813	0.699444	2.135146
59	5.00%	0.034972	0.664472	2.063360
60	8.00%	0.053158	0.611314	3.189466
61	8.00%	0.048905	0.562409	2.983214
62	30.00%	0.168723	0.393686	10.460810
63	20.00%	0.078737	0.314949	4.960448
64	20.00%	0.062990	0.251959	4.031349
65	40.00%	0.100784	0.151176	6.550941
66	40.00%	0.060470	0.090705	3.991035
67	40.00%	0.036282	0.054423	2.430903
68	40.00%	0.021769	0.032654	1.480311
69	40.00%	0.013062	0.019592	0.901248
70	100.00%	0.019592	0.000000	1.371465
				60.741446

	<u># of Actives</u>	<u>% of Total</u>	<u>Weighted Ret Age</u>
Non-Western Energy	334	82.88%	51.541649
Western Energy	69	17.12%	10.399900
Average Retirement Age			61.941549

Actuarial Cost Method

I. ACTUARIAL COST METHOD

Costs have been computed in accordance with the Unit Credit Actuarial Cost Method and reflect the actuarial assumptions described in "Plan Assumptions" of this report as provided under the applicable regulations of the Pension Protection Act of 2006.

Target Normal Cost

The Target Normal Cost is the present value of benefits expected to accrue during the plan year for all Participants plus an estimate of the expenses to be paid from the plan assets during the plan year.

Target Liability and Funding Shortfall

As of January 1, 2010, a Target Liability is established which represents the present value of accrued benefits. This Target Liability is offset by adjusted assets, and the remainder (i.e. Funding Shortfall), if any, is amortized over seven years.

Subsequent changes in the Funding Shortfall due to asset experience, liability experience, plan amendments, and/or actuarial assumption changes will be amortized over a seven year period from their valuation dates.

Discount Rate

The plan sponsor has elected to use the Segment Rate approach for discount rate purposes, with an applicable month that is 4 months prior to the valuation date.

In addition, beginning with the 2012 plan year, solely for purposes of determining the minimum required contribution level, applicability of benefit restrictions, and for the at-risk determination, the adjusted 24-month average segment rates established by HATFA have been incorporated.

The adjusted 24-month average segment rates are generated by taking the unadjusted 24-month average segment rates for the sponsor-chosen lookback month and adjusting them so that each individual segment rate is not outside of the stipulated corridor around the corresponding 25-year average segment rate for the given plan year. For the 2013 plan year, the stipulated corridor is 90% - 110% of these 25-year average segment rates.

II. ASSET VALUATION METHOD

Assets have been valued in accordance with generally accepted procedures as described below.

All funds invested are valued in the following manner:

Definitions

i(t)	assumed growth rate, set equal to the lesser of the expected return on assets or the applicable 3 rd segment rate for Plan Year t.
C(t)	sum of contributions and other additions to the fund from all sources other than investment transactions in Plan Year t
W(t)	sum of all withdrawals and other decreases to the fund from all sources other than investment transactions in Plan Year t
AV(t)	Actuarial Value of Assets as of Plan Year t
MV(t)	Market Value of Assets as of Plan Year t
EV(t)	Expected Value of Assets as of Plan Year t
G/L(t)	Gain or Loss for Plan Year t

Actuarial Cost Method

Method

A description of the method used to determine the current year's Actuarial Value of Assets {AV(t)} is below.

For the preceding 2 years, G/L(t) is determined as follows:

$$EV(t) = MV(t-1) * (1 + i(t-1)) + [C(t-1) - W(t-1)] * (1 + i(t-1) * m)$$

Where m represents a proportionate yield consistent with the portion of the year for which C and W are invested

$$G/L(t-1) = EV(t) - MV(t)$$

For the current year, AV(t) is determined as follows:

$$AV(t) = MV(t) + 2/3 * G/L(t-1) + 1/3 * G/L(t-2)$$

Corridor Limits

The Actuarial Value of Assets may not be less than 90% or more than 110% of the current market value of plan assets as of the applicable valuation date [as required by IRC Section 430(g)(3)(B)(iii)]

Please note, as highlighted above, the assumed asset growth rate for each year is limited to the applicable 3rd segment rate by law. As a result, if the plan's expected rate of return is greater than this applicable rate, this method is expected to produce an actuarial value of assets that can be expected to be slightly less than the market value of assets, on average.

The market value of the Guaranteed Deposit Account is an estimate only and not the result of the precise calculation which would be done at contract discontinuance or to measure the impact of excess withdrawals in any calendar year. It does not constitute an offer by Prudential or a final experience adjustment. Please be sure that anyone to whom you quote this value receives this explanation.

Actuarial Assumptions

Assumptions have been chosen to anticipate the long range experience of the Plan. Consistency among assumptions is important as each interacts with the others; equally important is the recognition of inflationary trends in the economy.

As the Enrolled Actuary for the Plan, I will certify to the reasonableness of these assumptions, in aggregate, as required by ERISA.

The actuarial assumptions used to compute Plan costs are:

Mortality:

Funding:
The IRS 2013 Static Mortality Table

ASC #960:
RP-2000 Projected to 2022 (Scale AA)

Termination:

Sample rates:

<u>Age</u>	<u>Rate</u>
25	13.0%
40	4.4%
55	3.0%

Disability:

No disabilities were assumed.

Retirement:

Rates varying by age.

<u>Age</u>	<u>Rate</u> (all plans except Western Energy)	<u>Rate</u> (Western Energy)
50	0%	3%
55	5%	5%
62	30%	30%
65	40%	40%
70	100%	100%

Investment Return:

For ASC #960 purposes:
7.40% per annum, compounded annually, net of investment and contract fees.

For minimum required contribution level, applicability of benefit restrictions, and At-Risk determination only:
Segment Rates with a 4 month lookback, as adjusted by the 90%-110% corridor around the 25-year average segment rates (5.23%, 6.51%, and 7.16% for the 2013 plan year)

For all other purposes:
Segment Rates with a 4 month lookback, unadjusted (1.75%, 4.62%, and 5.72% for the 2013 plan year)

Actuarial Assumptions

Estimated Expenses:

Estimated administrative expenses expected to be paid from Plan Assets are \$220,000.

Benefit commencement date:

Texas Westmoreland

➤ **Mortality**

Surviving spouse benefits commence as of the first of the month following the death of the active participant or the date the participant would have attained age 55 and continue until the first day of the month following the spouse's death.

➤ **Termination**

If less than 15 years service, the later of age 65 or age at termination. If 15 or more years of pension service, the later of age 55 or age at termination.

➤ **Retirement**

Upon termination of employment.

Western Energy

➤ **Mortality**

Surviving spouse benefits commence as of the first of the month following the death of the active participant.

➤ **Termination**

The later of age 62 or termination of employment.

➤ **Retirement**

Upon termination of employment.

Corporate

➤ **Mortality**

Surviving spouse benefits commence at the date the participant would have attained age 65, or if participant was retirement eligible, immediately.

➤ **Termination**

If less than 10 years service, the later of age 65 or age at termination. If 10 or more years of service, the later of age 62 or age at termination.

➤ **Retirement**

Upon termination of employment.

Beulah and Savage Salaried

➤ **Mortality**

Surviving spouse benefits commence as of the first of the month following the death of the active participant, or the date the participant would have attained age 55, and shall continue until the first day of the month following the spouse's death.

Actuarial Assumptions

➤ **Termination** The later of age 62 or termination of employment.

➤ **Retirement** Upon termination of employment.

Form of payment:

➤ **Corporate** 66 2/3% joint and survivor annuity for married, life for single.

➤ **Non-Corporate** 75% joint and survivor annuity for married, life for single.

Transfers:

Benefit for transfers calculated under the benefit formula of the most recent employment location for all years of pension service.

Percent married:

80% of all participants are assumed to be married.

Spouse age:

Wives assumed to be three years younger than husbands.

Plan Provisions

Texas Westmoreland Coal Company

Covered Employees	All former employees of Northwestern Resources Company and all Texas Westmoreland employees hired before July 1, 2006. This plan was frozen to new entrants as of June 30, 2009
Participation Date	First of the month coinciding with or next following the date of completion of 1,000 hours in a 12-month period.
Definitions	
Vesting Service	Years and months of service as a covered employee.
Pension Service	Years and months of service as a covered employee. No further service will accrue after June 30, 2009.
Eligible Earnings	Base pay, commissions and the straight time portion of any overtime pay for the year. Bonuses, premium portion of overtime pay, and any special pay are excluded.
Average Monthly Earnings	The average of the highest three consecutive calendar years of eligible earnings during the last ten years of service.
Integration Level	The average of the taxable wage bases in effect for each calendar year in the 35-year period ending with the last day of the calendar year in which the Social Security retirement age is reached.
Normal Retirement Date (NRD)	First of month coinciding with or next following the attainment of age 65 with five years of pension service.
Monthly Pension Benefit	One twelfth of the sum of 0.95% of average monthly earnings up to the Social Security integration level, plus 1.5% of average earnings in excess of the Social Security integration level, times credited service not to exceed 35 years.
Monthly Preretirement Spouse Benefit	50% of the monthly pension benefit as of the date of death, reduced for the 50% joint and survivor election form and reduced for payment as early as the participant's 55th birthday.

Eligibility for Benefits

Normal Retirement	Retirement on NRD.
Early Retirement	Retirement before NRD and on or after both attaining age 55 and completing fifteen years of vesting service.
Postponed Retirement	Retirement after NRD.
Deferred Vested	Termination for reasons other than death or retirement after completing five years of vesting service.
Preretirement Spouse Benefit	

Plan Provisions

Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse.

Monthly Benefits Paid Upon the Following Events

Normal Retirement	Monthly pension benefit determined as of NRD.
Early Retirement	Monthly pension benefit determined as of early retirement date, reduced 3.0% per year from age 65 to age 62 and further reduced by 6.67% from age 62 to retirement age. However, if the participant is age 60 or older with 30 or more years of service, the benefit is reduced by 6.67% from age 62 to retirement age.
Postponed Retirement	Monthly pension benefit determined as of actual retirement date.
Termination with deferred vested benefit	Monthly pension benefit determined as of termination date. If the participant has 15 or more years of service at termination, the benefit is payable at age 55, and reduced in the same manner as the early retirement benefit. If the participant has less than 15 years of service at termination, the benefit is payable at age 65.
Death with preretirement spouse benefit	50% of monthly pension benefit determined as of date of death, reduced for 50% Joint and Survivor payment form and early retirement and is payable at the Participants earliest retirement date.

Other Plan Provisions

Forms of payment	Preretirement spouse benefits are payable only as described above. Monthly pension benefits are paid as described above as a life annuity, if the participant has no spouse as of the date payments begin, or if the participant so elects. Otherwise, benefits are paid in the form of 50% joint and survivor annuity option or , if the participant elects and the spouse consents, another actuarially equivalent optional form offered by the plan. Optional forms are a 100% joint and survivor annuity, a 75% joint and survivor annuity or (for married participants), a life annuity. If a joint and survivor annuity is elected, and the joint annuitant predeceases the participant, the annuity is restored to the amount that would have been paid payable had the participant elected a life annuity. There is no adjustment to the joint and survivor benefit to account for this feature.
Actuarial Equivalence	
> Interest Rate	6% per year
> Mortality Table	Unisex (50% male/ 50% female) 1983 Group Annuity Mortality Table

Plan Provisions

Maximum on benefit and pay All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective.

Western Energy Company

Covered Employees All Western Energy employees hired before June 30, 2009. As of June 30, 2009 this plan was frozen to new entrants.

Grandfathered Employees Former participants in the Montana Power Company Pension Plan who were eligible to retire before January 1, 2003. These employees would receive the greater of the benefits determined under the Texas Westmoreland Formula as defined in the prior section or the Cash Balance benefits defined in this section. If the participant retires before January 1, 2003, this option expires after January 1, 2003.

Basic Credit Contribution made by the Company each year. Amount is equal to the participant's basic credit percentage times Eligible Earnings. As of June 30, 2009 this plan was frozen and no further credits will accrue.

Additional Credit Contribution made by the Company each year. Amount is equal to the participant's additional credit percentage times eligible earnings in excess of one-half of the Social Security Wage Base (SSWB).

Basic and additional credits

Company Contributions

<u>Total Points</u>	<u>Basic credit</u>	<u>Additional Credit</u>
Less than 32	3.0%	1.5%
32-39	4.0%	2.0%
40-44	5.0%	2.5%
45-49	6.0%	3.0%
50-54	7.0%	3.5%
55-59	8.0%	4.0%
60-64	9.0%	4.5%
70-74	11.0%	5.5%
75+	12.0%	6.0%

Total Points are Attained Age + completed years of service at the beginning of the calendar year.

Basic credit is percentage of Eligible Earnings and Additional Credit is percentage of Eligible Earnings in excess of on-half the Social Security Wage Base.

Basic and additional credits cease once participant has 35 years of vesting service.

Plan Provisions

Interest Credit A fixed interest contribution of 6% made by the Company to the participant's account each year. It is based on the account balance at the beginning of the year. After termination, interest will continue until benefit commencement.

Benefit The monthly benefit payable at Normal Retirement Date (or any other date) is the actuarial equivalent of the cash balance lump sum.

Actuarial equivalent Used to convert cash balance to a monthly benefit.

Conversion factors

Sample rates as follows:

<u>Age Benefit Begins</u>	<u>Conversion Factor</u>
50	166.20
55	155.64
60	142.80
65	127.80

Retirement Pension

Eligibility Age 50 and 5 years of service.

Benefit Cash balance with interest credits at termination, converted to a monthly benefit based on the actuarial equivalent conversion factors defined in the plan.

Deferred Vested Pension

Eligibility 5 years of service.

Benefit Cash balance with interest credits until benefit commencement date, converted to a monthly benefit based on the actuarial equivalent conversion factors defined in the plan.

Pre-Retirement Survivor Benefit

Eligibility Death while an active employee.

Benefit 50% of the cash balance at time of death divided by an annuity conversion factor that is based on the spouse's age at the time spousal benefits begin. The surviving spouse may elect to begin receiving benefits on the first of the month following the participant's date of death. Alternatively, the spouse can elect to receiving 50% of the participant's account balance as a lump sum payment, payable at the time of the participant's death.

Plan Provisions

Other Plan Provisions

Forms of payment

Preretirement spouse benefits are payable only as described above. Monthly pension benefits are paid as described above as a life annuity, if the participant has no spouse as of the date payments begin, or if the participant so elects. Otherwise, benefits are paid in the form of 50% joint and survivor annuity option or, if the participant elects and the spouse consents, another actuarially equivalent optional form offered by the plan. Optional forms are a 100% joint and survivor annuity or a 75% joint and survivor annuity.

If a joint and survivor annuity is elected, and the joint annuitant predeceases the participant, the annuity is restored to the amount that would have been paid payable had a the participant elected a life annuity. There is no adjustment to the joint and survivor benefit to account for this feature.

Actuarial Equivalence

Interest Rate

6% per year

Mortality Table

Unisex (50% male/ 50% female) 1983 Group Annuity Mortality Table

Westmoreland Coal Company (Corporate)

Effective Date

December 1, 1997 as a result of a termination/ re-establishment.

Covered Employees

Any employee of Westmoreland Coal Company and its successors not covered by a collective bargaining agreement and hired before July 1, 2006. Any employee of a participating employer, not covered by a collective bargaining agreement, hired after June 30, 2006. As of June 30, 2009 this plan was frozen to new entrants.

Participation Date

First of the month following employment for those hired before July 1, 2006. One-year wait for those hired after June 30, 2006.

Definitions

Vesting Service

One year for each 1,000-hour calendar year of employment by Westmoreland Coal Company.

Pension service

One year for each 1,000- hour calendar year of employment as an active participant. Fractional credit based on completed months is given for incomplete calendar years for which actual service, if annualized, is greater than or equal to 1,000 hours. No further service will accrue after June 30, 2009.

Pensionable pay

Base earnings plus straight time portion of overtime (excluding premium portion of overtime, bonuses, shift differential, and expense allowances).

Plan Provisions

Average earnings	The average of the highest 60 consecutive calendar month of pensionable pay during the ten-year period ending on the earlier of the participant's termination date or retirement date.
Covered compensation	Average of the taxable wage bases in effect for each calendar year during the 35-year period ending with the last day of the calendar year in which the participant attains Social Security normal retirement age.
Normal retirement date (NRD)	First of month coinciding with or next following the attainment of age 65 with five years of pension service.
Monthly pension benefit:	
<i>For those hired before July 1, 2006</i>	<p>The monthly pension is greater of (1) or (2) less (3).</p> <p>(1) One-twelfth of 1.2% of average annual earnings plus one twelfth of 0.5% of such compensation in excess of covered compensation, multiplied by pensionable service (max of 30 years).</p> <p>(2) \$30 multiplied by credited service.</p> <p>(3) The benefit, if any, provided to the participant under the Westmoreland Coal Company and affiliated Companies Employees' Retirement Plan</p>
<i>For those hired after July 1, 2006</i>	The monthly pension equals one-twelfth of .5% of average annual earnings multiplied by pensionable service not to exceed 30 years.
Monthly preretirement spouse benefit	100% of the monthly pension benefit as of the date of death, reduced for the 100% joint and survivor election and reduced for payment as early as the participant's 55th birthday.
Monthly disability benefit	Same as monthly pension benefit, based on service and average compensation at date of disability.

Eligibility for Benefits

Normal retirement	Retirement on NRD.
Early retirement	Retirement before NRD and on or after both attaining age 55 and completing ten years of pension service.
Postponed retirement	Retirement after NRD.
Deferred vested	Termination for reasons other than death or retirement after completing five years of vesting service.
Preretirement spouse benefit	Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse.
Disability	Total and permanent disability after 10 years of service.

Plan Provisions

Monthly Benefits Paid Upon the Following Events

Normal retirement	Monthly pension benefit determined as of NRD.
Early retirement	Monthly pension benefit determined as of early retirement date, reduced for each year of payment before age 65 if the employee has less than 20 years of pension service at retirement. The benefit is reduced from age 62 if the employee has pension service greater than or equal to 20 years at retirement.

The reduction are as follows:

Number of Years Benefit Commencement Date Precedes Normal Retirement Date	Reduction Factor
0	1.000
1	0.940
2	0.870
3	0.810
4	0.750
5	0.700
6	0.650
7	0.610
8	0.570
9	0.535
10	0.500

Postponed retirement	Monthly pension benefit determined as of actual retirement date.
Termination with deferred vested benefit	Monthly pension benefit determined as of termination date, reduced in the same manner as early retirement benefits, based on service at termination.
Death with preretirement spouse benefits	Monthly preretirement spouse benefit is payable. The benefit is reduced as though the participant had elected a 100% joint and survivor annuity, then reduced to reflect early commencement of benefits.
Disability	Disability benefit is payable immediately, with no reductions.

Plan Provisions

Other Plan Provisions

Forms of payment	Preretirement spouse benefits are payable only as described above. Monthly pension benefits are paid as described above as a life annuity, if the participant has no spouse as of the date payments begin, or if the participant so elects. Otherwise, benefits are paid in the form of 100% joint and survivor annuity option or, if the participant elects and the spouse consents, another actuarially equivalent optional form offered by the plan. Optional forms are a 100% joint and survivor annuity, 50% joint and survivor annuity, 66 2/3% joint and survivor annuity, and a ten-year certain and life annuity.
Actuarial Equivalence <i>Interest Rate</i>	7% per year
<i>Mortality Table</i>	Up-1984 Table with a 3 year setback in age for contingent annuitants and beneficiaries.
Maximum on benefits and pay	All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective.

Beulah and Savage Mines Salaried Employees

Covered Employees	All salaried employees of Beulah and Savage mines not covered by a collective bargaining agreement and hired before July 1, 2006.
Participation Date	Age 21 and 1 year of service.
Definitions	
Vesting Service	One year for each 1,000-hour calendar year of employment.
Pension service	One year for each 1,000-hour calendar year of employment. No Further service will accrue after June 30, 2009.
Pensionable pay	Base compensation excluding bonuses, commissions, overtime pay, travel expenses, and any other non-regular compensation.
Average monthly earnings	The average of the highest 60 months out of the last 120 months that immediately precede the earlier of retirement or termination.
Integration level	\$1,400 multiplied by a fraction, the numerator of which is the social security taxable wage base in effect for the plan year of termination, and the denominator of which is \$48,000.
Normal retirement date (NRD)	First of month coinciding with or next following the attainment of age 65 with five years of pension service.

Plan Provisions

Monthly pension benefit	The sum of 1.2% of average monthly earnings up to the integration level, plus 1.6% of average earnings in excess of the integration level, times pension service with a maximum of 35 years.
Monthly preretirement spouse benefit	50% of the monthly pension benefit as of the date of death, reduced for the 50% joint and survivor election form.

Eligibility for Benefits

Normal retirement	Retirement on NRD.
Early retirement	Retirement before NRD and on or after attaining age 55.
Postponed retirement	Retirement after NRD.
Deferred vested	Termination for reasons other than death or retirement after completing five years of vesting service.
Preretirement spouse benefit	Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse.

Monthly Benefits Paid Upon the Following Events

Normal retirement	Monthly pension benefit determined as of NRD.
Early retirement	Monthly pension benefit determined as of early retirement date, reduced 3.0% for each year of payment before age 62. However, if a participant terminates on or after attaining age 60 and has at least 30 years of vesting service, there is no reduction.
Postponed retirement	Monthly pension benefit determined as of actual retirement date.
Termination with deferred vested benefit	Monthly pension benefit determined as of termination date, reduced 3% for each year of payment before age 62.
Death with preretirement spouse benefit	50% of monthly pension benefit determined as of date of death, reduced for 50% Joint and Survivor payment form payable at the participants earliest retirement date.

Other Plan Provisions

Forms of payment	<p>Preretirement spouse benefits are payable only as described above.</p> <p>Monthly pension benefits are paid as described above as a life annuity, if the participant has no spouse as of the date payments begin, or if the participant so elects. Otherwise, benefits are paid in the form of 50% joint and survivor annuity option or, if the participant elects and the spouse consents, another actuarially equivalent optional form offered by the plan. Optional forms are a 100% joint and survivor annuity, 75% joint and survivor annuity, 66 2/3% joint and survivor annuity, 50% joint and survivor annuity, and a ten-year certain and life annuity.</p>
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Plan Provisions

Actuarial Equivalence

<i>Interest Rate</i>	6% per year
<i>Mortality Table</i>	1971 Group Annuity Mortality Table (male rates) with ages set back three years for all participants and joint or contingent annuitants.

Maximum on benefit and pay	All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective.
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Basin Resources, Inc.

Eligibility	This plan covers former employees of Basin Resources Company (all inactive participants).
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Monthly Benefits	Monthly benefit determined as of termination date, reduced for each year of payment before age 65.
<i>Vested Termination</i>	The Reductions are as follows:

<u>Age</u>	<u>Reduction Percentage Per Year</u>
64	2.00%
63	3.00%
62	5.00%
61	6.67%
60	6.67%
59	6.67%
58	6.67%
57	6.67%
56	6.67%
55	6.67%

Other Plan Provisions

<i>Form of Payment</i>	Monthly pension benefits are paid as a life annuity, if the participant has no spouse as of the date payments begin, or if the participant so elects. Otherwise, benefits are paid in the form of 50% joint and survivor annuity option or, if the participants elects and the spouse consents, another actuarially equivalent optional form offered by the plan. Optional forms are a 75% joint and survivor annuity, a five-year certain and life annuity, a ten-year certain and life annuity, a fifteen year certain and life annuity, and any other joint and survivor annuity with a survivor annuity percentage between 50% and 100%.
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<i>Actuarial Equivalence</i>	
• <i>Interest Rate</i>	8% per year
• <i>Mortality Table</i>	UP-1984 Table

Section I

Summary of Valuation Results (continued)

Changes Since Last Year's Valuation

Changes in Pension Plan Provisions

Effective December 31, 2012, Basin Resources Inc. Retirement Plan for Non-Bargaining Employees merged into the Westmoreland Retirement Plan.

New Legislation

Effective with this actuarial valuation the provisions of HATFA have been reflected.

Changes in Actuarial Assumptions

For minimum funding, the mortality table and the interest segment rates were updated to 2013 in accordance with the requirements of IRC Section 430(h) and IRS regulations. In addition, administrative expense assumption has been increased to \$220,000 per annum from the \$200,000 per annum used in prior valuation to anticipate the additional expenses related to merger of the Basin plan. There were no other changes in the non-prescribed Actuarial Assumptions recognized with this actuarial valuation.

Changes in Actuarial Cost Method

There were no changes to the actuarial cost method recognized with this actuarial valuation.

Benefit Restrictions and "At-Risk" Status

There are no benefit restrictions associated with the current plan year.

The plan is not considered "At-Risk" for the current plan year.

Distribution of Active Participants by Age and Service

Number of Active Employees as of January 1, 2013 – Distribution by Age and Service

Attained Age	Years of Credited Service										Total
	<u>Under 1</u>	<u>1-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>	<u>35-39</u>	<u>40 +</u>	
Under 25											
25-29	4	10									14
30-34	4	7	3								14
35-39	2	17	4								23
40-44		14	13	4	4	3					38
45-49	1	11	5	8	7	24	3				59
50-54	2	11	2	7	4	40	7				73
55-59	5	18	11	7	4	50	5	6	1		107
60-64	2	4	8		2	26	6	6	2		56
65-69		1	2	1	1	8	2				15
70 +						3	1				4
Total	20	93	48	27	22	154	24	12	3		403

Westmoreland Retirement Plan, EIN 23-1128670, PN 006
2013 Form 5500 Schedule SB, line 32 – Schedule of Amortization Bases

<u>Plan Year</u>	<u>Shortfall Amortization Factor</u>	<u>Present Value</u>	<u>Total Installment</u>
2013	5.941574	\$839,043	\$141,216
2012	5.256626	(\$131,494)	(\$25,015)
2011	4.527087	\$118,727	\$26,226
2010	3.711554	\$92,317	\$24,873
2009	2.853368	\$31,053	\$10,883
2008	1.950299	<u>66,291</u>	<u>33,990</u>
	Total	\$1,015,937	\$212,173