

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2013 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2013 or fiscal plan year beginning <u>07/01/2013</u> and ending <u>06/30/2014</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>PENSION PLAN OF THE PACIFIC NORTHWEST LABORATORIES, BATTELLE MEMORIAL INSTITUTE</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>005</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>07/18/1941</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>005</u>	1c Effective date of plan <u>07/18/1941</u>					
1b Three-digit plan number (PN) ▶	<u>005</u>								
1c Effective date of plan <u>07/18/1941</u>									
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>BATTELLE MEMORIAL INSTITUTE</u> <u>505 KING AVENUE</u> <u>ROOM A-189</u> <u>COLUMBUS, OH 43201</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">2b Employer Identification Number (EIN) <u>31-4379427</u></td> </tr> <tr> <td colspan="2">2c Sponsor's telephone number <u>614-424-7104</u></td> </tr> <tr> <td colspan="2">2d Business code (see instructions) <u>541990</u></td> </tr> <tr> <td colspan="2" style="height: 40px;"></td> </tr> </table>	2b Employer Identification Number (EIN) <u>31-4379427</u>		2c Sponsor's telephone number <u>614-424-7104</u>		2d Business code (see instructions) <u>541990</u>			
2b Employer Identification Number (EIN) <u>31-4379427</u>									
2c Sponsor's telephone number <u>614-424-7104</u>									
2d Business code (see instructions) <u>541990</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.	04/14/2015	MALESA LITTERAL
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	04/14/2015	MALESA LITTERAL
	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		3b Administrator's EIN	
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		3c Administrator's telephone number 4b EIN 4c PN	
5 Total number of participants at the beginning of the plan year		5	7510
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	3543
b Retired or separated participants receiving benefits		6b	2193
c Other retired or separated participants entitled to future benefits		6c	1619
d Subtotal. Add lines 6a , 6b , and 6c		6d	7355
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits		6e	237
f Total. Add lines 6d and 6e		6f	7592
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	55
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: 3F 1A 3H			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning 07/01/2013 and ending 06/30/2014

▶ **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>PENSION PLAN OF THE PACIFIC NORTHWEST LABORATORIES, BATTELLE MEMORIAL INSTITUTE</u>	B Three-digit plan number (PN) ▶ <u>005</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>BATTELLE MEMORIAL INSTITUTE</u>	D Employer Identification Number (EIN) <u>31-4379427</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>07</u> Day <u>01</u> Year <u>2013</u>	
2 Assets:	
a Market value	2a <u>1108913466</u>
b Actuarial value	2b <u>1084451098</u>
3 Funding target/participant count breakdown:	
a For retired participants and beneficiaries receiving payment.....	3a <u>2255</u> <u>473322751</u>
b For terminated vested participants.....	3b <u>1560</u> <u>98574148</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>33497985</u>
(2) Vested benefits	3c(2) <u>453286292</u>
(3) Total active.....	3c(3) <u>3695</u> <u>486784277</u>
d Total.....	3d <u>7510</u> <u>1058681176</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>6.36 %</u>
6 Target normal cost	6 <u>29325325</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	
Signature of actuary <u>CHRISTOPHER D. KLUDY, FSA</u>	Date <u>14-06018</u>
Type or print name of actuary <u>MERCER</u>	Most recent enrollment number <u>614-227-5500</u>
Firm name <u>325 JOHN H. MCCONNELL BLVD. STE 350</u> <u>COLUMBUS, OH 43215-7644</u>	Telephone number (including area code)
Address of the firm	

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

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

Schedule SB (Form 5500) 2013
v. 130118

Part II Beginning of Year Carryover and Prefunding Balances		
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	43412377
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	0	43412377
10 Interest on line 9 using prior year's actual return of <u>12.35</u> %	0	5361429
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		18103702
b Interest on (a) using prior year's effective interest rate of <u>7.07</u> % except as otherwise provided (see instructions)		1279932
c Total available at beginning of current plan year to add to prefunding balance		19383634
d Portion of (c) to be added to prefunding balance		19383634
12 Other reductions in balances due to elections or deemed elections		0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	68157440

Part III Funding Percentages		
14 Funding target attainment percentage	14	95.99 %
15 Adjusted funding target attainment percentage	15	102.43 %
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	100.37 %
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
11/18/2013	3818694	0	05/21/2014	3818693	0
12/13/2013	3818694	0	06/13/2014	3818693	0
01/13/2014	3818694	0	09/11/2014	4450451	0
02/14/2014	3818694	0			
03/14/2014	3818694	0			
04/14/2014	3818693	0			
Totals ▶			18(b)	35000000	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	33457263
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year?	☐ Yes ☒ No	
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☐ Yes ☐ No	
c If line 20a is "Yes," see instructions and complete the following table as applicable:		

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

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

21 Discount rate:			
a Segment rates:	1st segment: 4.94%	2nd segment: 6.15%	3rd segment: 6.76 %
			☐ N/A, full yield curve used
b Applicable month (enter code).....			21b 4
22 Weighted average retirement age			22 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	29325325
b Excess assets, if applicable, but not greater than line 31a		31b	0
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment.....	0		0
b Waiver amortization installment	0		0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount		33	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...		34	29325325
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35).....		36	29325325
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....		37	33457263
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)		38a	4131938
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 0	
43 Excess installment acceleration amount to be carried over to future plan years		43 0	

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 07/01/2013 and ending 06/30/2014

A Name of plan <u>PENSION PLAN OF THE PACIFIC NORTHWEST LABORATORIES, BATTELLE MEMORIAL INSTITUTE</u>	B Three-digit plan number (PN) ▶ <u>005</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>BATTELLE MEMORIAL INSTITUTE</u>	D Employer Identification Number (EIN) <u>31-4379427</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
HARBOURVEST PARTNERS VIII MEZZANINE

34-2063515

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

34-2063502

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

34-2063501

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

05-0623924

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

HABOURVEST INTL PRIVATE VI

05-0623924

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

CVI CREDIT VALUE FUND ALP

27-2015775

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

ALTRINSIC GLOBAL ADVISORS

30-0016268

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

BAILLIE GIFFORD OVERSEAS

CALTON SQUARE 1 GREENSIDE ROW
EDINBURGH, EH1 3AN GB

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

GOLDMAN SACHS ASSET MANAGEMENT LP

13-3575636

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

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

(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)

MARATHON - LONDON INTERNATIONAL FUN

22-3321401

(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?
71 51	NONE	591644	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☐

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

RIVER ROAD ASSET MANAGEMENT

43-2076925

(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?
51 68	NONE	397117	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☐

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

MERCER

13-2834414

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11 17	NONE	374607	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)

NEXT CENTURY GROWTH

41-1923871

(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?
51 68 71	NONE	356419	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☐

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

PIMCO

33-0629048

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27 64	NONE	336901	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

NWQ INVESTMENT MANAGEMENT COMPANY

47-0875103

(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?
51 68 71	NONE	321145	Yes ☒ No ☐	Yes ☒ No ☐	0	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)

NORTHERN TRUST

36-1561860

(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?
21 51	NONE	274635	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

WESTERN ASSET MANAGEMENT

95-2705767

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
51	NONE	250862	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

TOWERS WATSON

53-0181291

(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?
17 15	NONE	201725	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)

BATTELLE

31-4379427

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
14	NONE	132458	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

CENTURY CAPITAL MANAGEMENT

65-1214946

(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?
51 68	NONE	117455	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☐

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

JP MORGAN

13-3200244

(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?
26 27 51	NONE	116307	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)

DELOITTE & TOUCHE

13-3891517

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	NONE	55513	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

HUNTINGTON NATIONAL BANK

31-0966785

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
18	NONE	54200	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

THE CLIFTON GROUP

41-0995965

(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?
51	NONE	28383	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)

GRAYDON HEAD & RITCHEY

31-0565234

(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?
29	NONE	19838	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

JOHN CHRISTIE

31-4379427

(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?
17	NONE	9950	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

ROBERT WOODWARD

31-4379427

(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?
17	NONE	9950	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)

KENT RINKER

31-4379427

(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?
17	NONE	9950	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

MAURICE STARK

31-4379427

(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?
17	NONE	8706	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

STEP TOE & JOHNSON

52-1349790

(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?
29	NONE	7871	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)

CROWE HORWATH

35-0921680

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	NONE	7269	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

ROGER BALLARD

31-4379427

(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?
17	NONE	5804	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

Part I Service Provider Information (continued)

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

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

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

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2013 This Form is Open to Public Inspection
For calendar plan year 2013 or fiscal plan year beginning <u>07/01/2013</u> and ending <u>06/30/2014</u>		
A Name of plan <u>PENSION PLAN OF THE PACIFIC NORTHWEST LABORATORIES, BATTELLE MEMORIAL INSTITUTE</u>		B Three-digit plan number (PN) <u>005</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>BATTELLE MEMORIAL INSTITUTE</u>		D Employer Identification Number (EIN) <u>31-4379427</u>

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)	9000000	4450000
(2) Participant contributions.....	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	1100059000	1297538000
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	1109059000	1301988000

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	1109059000	1301988000
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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)	35000000	
(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)		35000000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		212287000
(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		247287000

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	48544000	
(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)		48544000
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)	1180000	
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)	2816000	
(4) Other.....	2i(4)	1818000	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		5814000
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		54358000

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		192929000
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: **DELOITTE & TOUCHE LLP**

(2) EIN: **13-3891517**

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

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

Part IV Compliance Questions

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

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
e Was this plan covered by a fidelity bond?	X		10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

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 07/01/2013 and ending 06/30/2014

A Name of plan <u>PENSION PLAN OF THE PACIFIC NORTHWEST LABORATORIES, BATTELLE MEMORIAL INSTITUTE</u>	B Three-digit plan number (PN) ▶ <u>005</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>BATTELLE MEMORIAL INSTITUTE</u>	D Employer Identification Number (EIN) <u>31-4379427</u>

Part I	Distributions
---------------	----------------------

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
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>31-6423960</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>2</u>

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

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

Part III	Amendments
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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
--	--	-----------------------------------	-------------------------------	-----------------------------

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: 59% Investment-Grade Debt: 12% High-Yield Debt: _____% Real Estate: _____% Other: 29%

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

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

INDEPENDENT AUDITORS' REPORT

Pension Plan of the Pacific Northwest Laboratories,
Battelle Memorial Institute:

We have audited the accompanying statements of the Pension Plan of the Pacific Northwest Laboratories, Battelle Memorial Institute (the "Plan"), which comprise the statements of net assets available for benefits as of June 30, 2014 and 2013, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Pension Plan of the Pacific Northwest Laboratories, Battelle Memorial Institute as of June 30, 2014 and 2013, and the changes in its financial status for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

April 14, 2015

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
For calendar plan year 2013 or fiscal plan year beginning <u>07/01/2013</u> and ending <u>06/30/2014</u>		

► **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 PENSION PLAN OF THE PACIFIC NORTHWEST LABORATORIES, BATTELLE MEMORIAL INSTITUTE	B Three-digit plan number (PN) ►	005
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF PACIFIC NORTHWEST LABORATORIES, BATTELLE MEMORIAL INSTITUTE	D Employer Identification Number (EIN) 31-4379427	
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>07</u> Day <u>01</u> Year <u>2013</u>			
2 Assets:			
a Market value	2a	1108913466	
b Actuarial value	2b	1084451098	
3 Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a	2255	473322751
b For terminated vested participants	3b	1560	98574148
c For active participants:			
(1) Non-vested benefits	3c(1)		33497985
(2) Vested benefits	3c(2)		453286292
(3) Total active	3c(3)	3695	486784277
d Total	3d	7510	1058681176
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	6.36%	
6 Target normal cost	6	29325325	

Statement by Enrolled Actuary

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

SIGN HERE	<div style="text-align: center;"> Signature of actuary CHRISTOPHER D. KLUDY, FSA Type or print name of actuary MERCER Firm name 325 JOHN H. MCCONNELL BLVD. STE 350 COLUMBUS OH 43215-7644 Address of the firm </div>	<div style="text-align: center;"> <u>March 13, 2015</u> Date 1406018 Most recent enrollment number 614-227-5500 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

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

21 Discount rate:			
a Segment rates:	1st segment: 4.94%	2nd segment: 6.15%	3rd segment: 6.76%
			☐ N/A, full yield curve used
b Applicable month (enter code).....			21b 4
22 Weighted average retirement age			22 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	29325325
b Excess assets, if applicable, but not greater than line 31a		31b	0
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount		33	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..		34	29325325
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0
36 Additional cash requirement (line 34 minus line 35)		36	29325325
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)		37	33457263
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)		38a	4131938
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	0
43 Excess installment acceleration amount to be carried over to future plan years		43	0

Schedule SB, line 22 – Description of Weighted Average Retirement Age

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 62.

(A) Retirement age	(B) Retirement percent	(C) Lx	(D) Number of employees expected to retire (B) x (C)	(E) (A) x (D)
55	5.00%	100,000	5,000	275,000
56	5.00	95,000	4,750	266,000
57	5.00	90,250	4,513	257,213
58	5.00	85,738	4,287	248,639
59	10.00	81,451	8,145	480,559
60	15.00	73,306	10,996	659,750
61	15.00	62,310	9,346	570,134
62	20.00	52,963	10,593	656,745
63	13.00	42,371	5,508	347,015
64	17.00	36,862	6,267	401,063
65	30.00	30,596	9,179	596,619
66	30.00	21,417	6,425	424,058
67	30.00	14,992	4,498	301,338
68	40.00	10,494	4,198	285,447
69	50.00	6,297	3,148	217,233
70	100.00	3,148	3,148	220,382
Total			100,000	6,207,194
Average				62.07

The weighted average retirement age is the total for column E divided by the total for column D, rounded to the nearest integral age. It should be noted that while only integral values are shown in the table, the full content of each cell, including decimal portions, is used in the calculations.

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

Actuarial Assumptions for July 1, 2013 Funding Valuation

Discount rate sponsor elections		
Segment rates or full yield curve	Segment	
Look-back months	4	
	Stabilized	Nonstabilized
First 5 years	4.94%	1.54%
Next 15 years	6.15%	4.28%
Over 20 years	6.76%	5.32%
Mortality sponsor elections		
Healthy participants	Section 430(h)(3) prescribed separate generational annuitant and nonannuitant mortality tables	
Pre-1995 disabilities	Revenue Ruling 96-7 table for participants who became disabled before 1995	
Post-1994 disabilities	Revenue Ruling 96-7 table for participants who became disabled after 1994 and are eligible for Social Security disability benefits	
417(e) lump sums	Not applicable.	
Non-417(e) lump sums		
Mortality table	Not applicable.	
Interest rate	Not applicable.	
Other economic assumptions		
Salary increases	Salary rates begin with 12.0% at age 20 and reduce until age 61 where the rate is then held constant at 4.5% to age 70. See table of sample rates	
Social Security wage base	3.50% per year	
Inflation	2.50% per year	
Expected investment return	7.75% per year for years 2011 through 2013	
Expenses	The prior plan year's administrative and investment expenses, adjusted for expected events (if any), rounded up to the next \$5,000. For the 2013/2014 plan year, this amount is \$6,060,000 and has been added to 2013/2014 normal cost.	
Accrual of future credited service for benefit accrual	Hourly employees are assumed to accrue .25 of a year during each future plan year. Non-hourly full-time employees are assumed to accrue 1 year for each future year of employment. Non-hourly employees who are not full-time are assumed to accrue 1 year times their percent full-time for each future year of employment.	
Demographic assumptions		
Withdrawal	Rates are based on length of service and age, based on Battelle Memorial Institute's actual experience. See table of sample rates.	
Disability incidence	1985 Pension Disability Table (Class 1) with an adjustment of 33% for Battelle Memorial Institute experience. See table of sample rates.	

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

Retirement age		Attained age	Percentage		
		Under 55	0%		
		55-58	5%		
		59	10%		
		60	15%		
		61	15%		
		62	20%		
		63	13%		
		64	17%		
		65-67	30%		
		68	40%		
		69	50%		
		70 and above	100%		
Benefit commencement age for					
▪ Future vested deferred	65				
▪ Current vested deferred	63				
Spouse assumptions		<u>Male participants</u>	<u>Female participants</u>		
▪ Percentage married		80%	80%		
▪ Spouse age difference		3 years younger	3 years older		
Form of payment				<u>100% J&S with 10 Years Certain</u>	
		<u>Single Life</u>	<u>Life with 10 Years Certain</u>	<u>100% J&S</u>	<u>50% J&S</u>
Active retirements		30%	15%	20%	15%
Future vested deferred		30%	15%	20%	15%
Current vested deferred		30%	15%	20%	15%
Future deaths		Life with 10 Years Certain if the participant is single. 50% Joint and Survivor if the participant is married.			
Future disabilities		Single Life Annuity			
Unpredictable contingent event assumptions		Not applicable.			

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

Table of Sample Rates

Attained Age	Healthy Mortality- PPA Generational Table (Annuitant Illustrated)							
	Male				Female			
	2015	2020	2025	2030	2015	2020	2025	2030
20	0.035%	0.035%	0.035%	0.035%	0.019%	0.019%	0.019%	0.019%
25	0.038	0.038	0.038	0.038	0.021	0.021	0.021	0.021
30	0.044	0.044	0.044	0.044	0.026	0.026	0.026	0.026
35	0.077	0.077	0.077	0.077	0.048	0.048	0.048	0.048
40	0.108	0.108	0.108	0.104	0.071	0.071	0.071	0.066
45	0.224	0.224	0.210	0.197	0.112	0.112	0.104	0.096
50	0.535	0.488	0.446	0.407	0.234	0.215	0.198	0.181
55	0.537	0.487	0.443	0.402	0.339	0.326	0.313	0.301
60	0.698	0.644	0.594	0.548	0.59	0.575	0.561	0.547
65	1.086	1.012	0.943	0.879	0.961	0.938	0.914	0.892
70	1.641	1.522	1.411	1.308	1.515	1.477	1.441	1.405
75	2.66	2.479	2.310	2.153	2.299	2.209	2.122	2.038
80	4.761	4.528	4.306	4.095	3.716	3.588	3.464	3.345
85	8.662	8.363	8.074	7.795	6.274	6.088	5.907	5.732
90	15.624	15.314	15.010	14.712	11.677	11.503	11.331	11.163
95	24.445	24.201	23.960	23.722	17.775	17.598	17.423	17.249
100	32.774	32.611	32.488	32.286	22.588	22.475	22.363	22.252

Table illustrates mortality probabilities for individuals turning age 65 in the indicated years.

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

Attained age	Percentage			
	Withdrawal – Unisex		Disability incidence – Unisex	Salary increases
	Less than 5 year of service	At least 5 years of service		
20	10%	10.2%	.01%	12.00%
25	10%	10.2%	.01%	11.50%
30	10%	5.8%	.02%	8.80%
35	10%	4.1%	.03%	7.80%
40	10%	3.5%	.05%	6.80%
45	10%	3.0%	.09%	5.70%
50	10%	2.5%	.15%	5.30%
55	10%	5.5%	.29%	5.30%
60	10%	5.5%	.40%	4.75%
65	10%	100.0%	.51%	4.50%

Actuarial Methods for Funding

Asset Methods

The asset valuation method is an average of the adjusted market value for each year during the last 24 months preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110% and no less than 90% of the fair market value, as defined in IRC Section 430.

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

Participant Methods

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

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

Minimum Funding Methods

The funding target for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is

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

expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- The plan's valuation date is the beginning of the plan year.
- An individual's **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target normal cost for an individual is the sum of the component funding targets and target normal costs associated with the various anticipated separation dates.
- This plan provides disability benefits that are only partially based on a participant's accrued benefit or years of service. This benefit is allocated to funding target based on the accrued benefit on the valuation date plus a portion of the excess of the benefit over the accrued benefit multiplied by the ratio of the participant's service at the beginning of the plan year to their service at each decrement age. This benefit is allocated to target normal cost based on the proportionate benefit attributable to the increase in the participant's service and compensation during the plan year.
- The plan's **target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan.

Maximum Suggested Contribution Funding Methods

Calculations of maximum suggested contributions include the excess of the funding target computed using the projected unit credit method over the minimum funding target. The objective of the projected unit credit method is to fund each participant's benefits under the plan as they accrue, taking into consideration expected future compensation increases. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- An individual's **projected funding target** is the present value of benefits based on credited service as of the beginning of the plan year and projected compensation that would be used in the calculation of the benefit on each expected separation date. If multiple decrements are used, the projected funding target for an individual is the sum of the component projected funding targets associated with the various anticipated separation dates.
- The plan's **projected funding target** is the sum of the projected funding targets for all participants under the plan. The excess of the plan's projected funding target over the plan's funding target is included in the "cushion amount."

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

Actuarial Assumptions for July 1, 2013 Funding Valuation

Discount rate sponsor elections		
Segment rates or full yield curve	Segment	
Look-back months	4	
	Stabilized	Nonstabilized
First 5 years	4.94%	1.54%
Next 15 years	6.15%	4.28%
Over 20 years	6.76%	5.32%
Mortality sponsor elections		
Healthy participants	Section 430(h)(3) prescribed separate generational annuitant and nonannuitant mortality tables	
Pre-1995 disabilities	Revenue Ruling 96-7 table for participants who became disabled before 1995	
Post-1994 disabilities	Revenue Ruling 96-7 table for participants who became disabled after 1994 and are eligible for Social Security disability benefits	
417(e) lump sums	Not applicable.	
Non-417(e) lump sums		
Mortality table	Not applicable.	
Interest rate	Not applicable.	
Other economic assumptions		
Salary increases	Salary rates begin with 12.0% at age 20 and reduce until age 61 where the rate is then held constant at 4.5% to age 70. See table of sample rates	
Social Security wage base	3.50% per year	
Inflation	2.50% per year	
Expected investment return	7.75% per year for years 2011 through 2013	
Expenses	The prior plan year's administrative and investment expenses, adjusted for expected events (if any), rounded up to the next \$5,000. For the 2013/2014 plan year, this amount is \$6,060,000 and has been added to 2013/2014 normal cost.	
Accrual of future credited service for benefit accrual	Hourly employees are assumed to accrue .25 of a year during each future plan year. Non-hourly full-time employees are assumed to accrue 1 year for each future year of employment. Non-hourly employees who are not full-time are assumed to accrue 1 year times their percent full-time for each future year of employment.	
Demographic assumptions		
Withdrawal	Rates are based on length of service and age, based on Battelle Memorial Institute's actual experience. See table of sample rates.	
Disability incidence	1985 Pension Disability Table (Class 1) with an adjustment of 33% for Battelle Memorial Institute experience. See table of sample rates.	

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

Retirement age		Attained age	Percentage		
		Under 55	0%		
		55-58	5%		
		59	10%		
		60	15%		
		61	15%		
		62	20%		
		63	13%		
		64	17%		
		65-67	30%		
		68	40%		
		69	50%		
		70 and above	100%		
Benefit commencement age for					
▪ Future vested deferred	65				
▪ Current vested deferred	63				
Spouse assumptions		<u>Male participants</u>	<u>Female participants</u>		
▪ Percentage married		80%	80%		
▪ Spouse age difference		3 years younger	3 years older		
Form of payment				<u>100% J&S with 10 Years Certain</u>	
		<u>Single Life</u>	<u>Life with 10 Years Certain</u>	<u>100% J&S</u>	<u>50% J&S</u>
Active retirements		30%	15%	20%	15%
Future vested deferred		30%	15%	20%	15%
Current vested deferred		30%	15%	20%	15%
Future deaths		Life with 10 Years Certain if the participant is single. 50% Joint and Survivor if the participant is married.			
Future disabilities		Single Life Annuity			
Unpredictable contingent event assumptions		Not applicable.			

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

Table of Sample Rates

Attained Age	Healthy Mortality- PPA Generational Table (Annuitant Illustrated)							
	Male				Female			
	2015	2020	2025	2030	2015	2020	2025	2030
20	0.035%	0.035%	0.035%	0.035%	0.019%	0.019%	0.019%	0.019%
25	0.038	0.038	0.038	0.038	0.021	0.021	0.021	0.021
30	0.044	0.044	0.044	0.044	0.026	0.026	0.026	0.026
35	0.077	0.077	0.077	0.077	0.048	0.048	0.048	0.048
40	0.108	0.108	0.108	0.104	0.071	0.071	0.071	0.066
45	0.224	0.224	0.210	0.197	0.112	0.112	0.104	0.096
50	0.535	0.488	0.446	0.407	0.234	0.215	0.198	0.181
55	0.537	0.487	0.443	0.402	0.339	0.326	0.313	0.301
60	0.698	0.644	0.594	0.548	0.59	0.575	0.561	0.547
65	1.086	1.012	0.943	0.879	0.961	0.938	0.914	0.892
70	1.641	1.522	1.411	1.308	1.515	1.477	1.441	1.405
75	2.66	2.479	2.310	2.153	2.299	2.209	2.122	2.038
80	4.761	4.528	4.306	4.095	3.716	3.588	3.464	3.345
85	8.662	8.363	8.074	7.795	6.274	6.088	5.907	5.732
90	15.624	15.314	15.010	14.712	11.677	11.503	11.331	11.163
95	24.445	24.201	23.960	23.722	17.775	17.598	17.423	17.249
100	32.774	32.611	32.488	32.286	22.588	22.475	22.363	22.252

Table illustrates mortality probabilities for individuals turning age 65 in the indicated years.

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

Attained age	Percentage			
	Withdrawal – Unisex		Disability incidence – Unisex	Salary increases
	Less than 5 year of service	At least 5 years of service		
20	10%	10.2%	.01%	12.00%
25	10%	10.2%	.01%	11.50%
30	10%	5.8%	.02%	8.80%
35	10%	4.1%	.03%	7.80%
40	10%	3.5%	.05%	6.80%
45	10%	3.0%	.09%	5.70%
50	10%	2.5%	.15%	5.30%
55	10%	5.5%	.29%	5.30%
60	10%	5.5%	.40%	4.75%
65	10%	100.0%	.51%	4.50%

Actuarial Methods for Funding

Asset Methods

The asset valuation method is an average of the adjusted market value for each year during the last 24 months preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110% and no less than 90% of the fair market value, as defined in IRC Section 430.

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

Participant Methods

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

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

Minimum Funding Methods

The funding target for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is

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

expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- The plan's valuation date is the beginning of the plan year.
- An individual's **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target normal cost for an individual is the sum of the component funding targets and target normal costs associated with the various anticipated separation dates.
- This plan provides disability benefits that are only partially based on a participant's accrued benefit or years of service. This benefit is allocated to funding target based on the accrued benefit on the valuation date plus a portion of the excess of the benefit over the accrued benefit multiplied by the ratio of the participant's service at the beginning of the plan year to their service at each decrement age. This benefit is allocated to target normal cost based on the proportionate benefit attributable to the increase in the participant's service and compensation during the plan year.
- The plan's **target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan.

Maximum Suggested Contribution Funding Methods

Calculations of maximum suggested contributions include the excess of the funding target computed using the projected unit credit method over the minimum funding target. The objective of the projected unit credit method is to fund each participant's benefits under the plan as they accrue, taking into consideration expected future compensation increases. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- An individual's **projected funding target** is the present value of benefits based on credited service as of the beginning of the plan year and projected compensation that would be used in the calculation of the benefit on each expected separation date. If multiple decrements are used, the projected funding target for an individual is the sum of the component projected funding targets associated with the various anticipated separation dates.
- The plan's **projected funding target** is the sum of the projected funding targets for all participants under the plan. The excess of the plan's projected funding target over the plan's funding target is included in the "cushion amount."

Schedule SB, line 24 – Change in Actuarial Assumptions

The following changes were made for the plan year beginning July 1, 2013:

Interest discount rates were updated from 2012 to 2013 in accordance with PPA.

The expense component of normal cost changed from \$5,435,000 to \$6,060,000 to reflect our expectations for the current plan year.

The benefit commencement age for current deferred vested participants was changed from 65 to 63 to better reflect recent plan experience.

Schedule SB, line 26 – Schedule of Active Participant Data

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 & up	
Under 25	9	13									22
25-29	31 70,901	123 61,239	31 60,118	4							189
30-34	32 77,634	194 75,834	115 77,333	31 69,656							372
35-39	20 86,606	174 84,958	149 87,593	77 88,666	16	3					439
40-44	18	119 90,750	121 98,028	116 103,521	62 105,221	36 84,655	1				473
45-49	13	98 99,677	136 104,221	118 110,926	80 113,293	111 111,741	17	1			574
50-54	15	89 98,505	104 93,806	121 99,759	93 116,997	127 124,544	66 119,326	31 104,173	2		648
55-59	15	83 111,413	72 106,832	79 113,231	68 110,550	103 118,289	88 133,101	48 131,039	24 135,937		580
60-64	8	33 128,920	39 113,118	31 113,383	42 127,829	65 118,879	35 109,723	24 126,884	28 144,874	3	308
65-69	3	13	4	13	16	9	7	6	3	6	80
70 & up	3	1	2		1	1	1			1	10
Total	167	940	773	590	378	455	215	110	57	10	3,695 100,580

In each cell, the top number is the count of active participants for each age/service combination and the bottom number is average pay limited to \$250,000. Average pay is not shown for plans with less than 1,000 active participants or cells with fewer than 20 participants.

Schedule SB, Part V – Summary of Plan Provisions

Summary of Major Plan Provisions

Effective date and plan year	Original plan: July 18, 1941 Restated plan: July 1, 2008 Plan year: July 1 through June 30
Status of the plan	The plan has ongoing benefit accruals and new employees are eligible to participate in the plan once they satisfy the participation requirements.
Significant events that occurred during the year	Not applicable.
Definitions	
Covered employees	Any Employee who is employed by a Participating Employer and who is not classified as one or more of the following: (1) a member of the Board of Directors unless member is also an Employee; (2) an employee who is covered by a collective bargaining agreement unless such agreement provides for participation in the Plan; (3) an individual employed outside the United States by a foreign-based subsidiary or division of Employer; (4) an employee who is covered by any other qualified defined benefit pension plan funded by Employer; (5) an employee of any Battelle Affiliate that has not adopted this Plan for its employees; (6) a Leased Employee; (7) an independent contractor; (8) effective on and after February 13, 2003, an individual employed as a telephone interviewer; (9) interns and co-op students; and (10) Limited Term Employees.
Participation	Participation commences on the date of employment for employees other than hourly employees. Hourly employees participate after completing 1,000 hours of service.
Employee contributions	None.
Credited service for vesting	A participant receives one year of Credited Service for Vesting for every plan year he is credited with at least 1,000 hours of service or a fraction of a year if credited with at least 500 hours of service.
Credited service for benefit accrual	A participant receives one year of Credited Service for Benefit Accrual for every plan year he is credited with at least 2,080 hours, or a fraction of a year if credited with less than 2,080 hours. Note that hourly employees must complete a minimum of 1,000 hours of service to receive any credit.
Monthly compensation	Monthly equivalent of compensation as if the employee worked full-time. Effective July 1, 2001, incentive compensation and overtime are counted as plan compensation. However, compensation is limited by IRC 401(a)(17) annually (indexed for future years).
Final average earnings	The average of the highest 60 consecutive months of compensation.
Accrued benefit	The normal retirement benefit based on Credited Service for Benefit Accrual and Final Average Compensation on the date of determination.

Schedule SB, Part V – Summary of Plan Provisions

Normal retirement	
Eligibility	Attainment of age 65
Benefit	<p>The larger of i. and ii.</p> <p>i. 1.2% of Final Average Compensation times Credited Service for Benefit Accrual (maximum of 40 years)</p> <p>ii. The sum of a. plus b.</p> <p>a. <u>For service after July 1, 2012</u> – 1.2% of Final Average Compensation times Credited Service for Benefit Accrual</p> <p>b. <u>For service prior to July 1, 2012*</u> – The larger of 1. and 2.</p> <p>1. 1.6% of Final Average Compensation multiplied by Credited Service for Benefit Accrual, and</p> <p>2. Accrued Retirement Benefit as of June 30, 1994, plus 1.6% of Final Average Compensation multiplied by Credited Service for Benefit Accrual after June 30, 1994.</p> <p>Credited Service for Benefit Accrual for (a) and (b) cannot exceed 40 years.</p> <p>*For any Member who has attained age 50 and completed at least 15 years of Credited Service for Vesting as of June 30, 2012, benefits under (b.1.) and (b.2.) use Final Average Compensation as of their date of termination. For any other Member not meeting these criteria, benefits under (b.1.) and (b.2.) use Final Average Compensation on June 30, 2012</p> <p>Benefits attributable to service prior to July 1, 2009 under (b) are increased by 9.76% to account for the change in normal form of payment from 10 years Certain and Life to Single Life Annuity.</p>
Early retirement	
Eligibility	The later of attainment of age 55 and the completion of 10 years of Credited Service for Vesting.
Benefit attributable to credited service for benefit accrual earned prior to July 1, 2009	The accrued benefit is reduced 1/2% for each month the early retirement date precedes age 60.
Benefit attributable to credited service for benefit accrual earned after July 1, 2009	Normal retirement benefit, actuarially reduced based on the RP 2000 white collar mortality table, projected to 2025 and blended 60% male and 40% female and 7% interest compounded annually.

Schedule SB, Part V – Summary of Plan Provisions

Late retirement	
Eligibility	Actual retirement after age 65.
Benefit	The benefit reflects Credited Service for Benefit Accrual and Monthly Compensation earned after age 65.
Deferred vested	
Eligibility	100% after 5 years of Credited Service for Vesting; no vesting prior to completion of 5 years of Credited Services for Vesting. Participant is 100% vested on normal retirement date.
Benefit	Accrued Retirement Benefit payable at age 65 or payable at or after age 55 and reduced for each month benefit commencement date precedes age 65.
Disability	
Eligibility	Only employees other than hourly employees are eligible for special disability benefits. Total and permanent disability is defined in the Plan.
Benefit	A monthly benefit equal to the regular retirement benefit with Monthly Compensation and Credited Service for Benefit Accrual determined at retirement as if the participant were employed on the same basis as immediately before disablement. This benefit will be reduced for early retirement, if applicable.
Pre-retirement death	
Eligibility	Eligible if employee has a vested benefit.
Benefit prior to early retirement	For death after vesting but prior to early retirement eligibility the benefit is equal to the vested Accrued Retirement Benefit payable at the earliest date the participant could have retired. The amount is reduced as for early retirement and is payable as a 50% joint and survivor annuity (benefits are payable for 120 months if there is no surviving spouse).
Benefit after early retirement eligible	For death after early retirement eligibility the benefit is calculated as if the participant retired the day before death and elected a 100% joint and survivor annuity (benefits are payable for 120 months if there is no surviving spouse).
Form of benefits	
Automatic form for unmarried participants	Single Life Annuity
Automatic form for married participants	50% Joint & Survivor Annuity
Optional forms	50%, 75%, or 100% joint and survivor annuity, life annuity with 5 or 10 years of payments certain to be made. Additional options include a guaranteed number of payments of any duration with or without a life annuity.

Schedule SB, Part V – Summary of Plan Provisions

Optional form conversion factors	Optional forms of benefit, other than the lump sum, are determined using the RP 2000 white collar mortality table, projected to 2025 and blended 60% male and 40% female and 7% interest compounded annually.
Miscellaneous	
Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2013, the limit is \$255,000.
Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2013, the limit is \$205,000.

Benefits Included or Excluded

Unless noted below, all benefits provided by the plan are included in this valuation.

- **Most recent plan amendments included:** The amendment signed June 19, 2013 is included because it was adopted by the valuation date and is effective by the end of the plan year.
- **Plan amendments excluded:** None.
- **Late retirement increases:**
 - *Active participants:* The plan provides benefit suspension notices to participants who work beyond normal retirement; therefore, late retirement actuarial increases only apply to participants who defer retirement beyond age 70½. This valuation does not currently include increases for current participants over age 70 as it was determined the effect of doing so would be minimal. This will be reevaluated annually.
 - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued including the late retirement actuarial increase.
- **Internal Revenue Code limitations:** The limitations of Internal Revenue Code Section 415(b) and 401(a)(17) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60% of the present value for all participants). Therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.

Additional Benefits Included or Excluded

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

Schedule SB, Part V – Summary of Plan Provisions

- **Unpredictable contingent event benefits:** The plan does not have any unpredictable contingent event benefits.

Plan Provision Changes Since Prior Valuation

Maximum compensation amounts and maximum benefit amounts under IRS rules were updated from 2012 to 2013.

Minimum benefits were changed effective June 30, 2013 for participants listed in the Schedule A amendment of the plan document.

Schedule SB, Part V – Summary of Plan Provisions

Summary of Major Plan Provisions

Effective date and plan year	Original plan: July 18, 1941 Restated plan: July 1, 2008 Plan year: July 1 through June 30
Status of the plan	The plan has ongoing benefit accruals and new employees are eligible to participate in the plan once they satisfy the participation requirements.
Significant events that occurred during the year	Not applicable.
Definitions	
Covered employees	Any Employee who is employed by a Participating Employer and who is not classified as one or more of the following: (1) a member of the Board of Directors unless member is also an Employee; (2) an employee who is covered by a collective bargaining agreement unless such agreement provides for participation in the Plan; (3) an individual employed outside the United States by a foreign-based subsidiary or division of Employer; (4) an employee who is covered by any other qualified defined benefit pension plan funded by Employer; (5) an employee of any Battelle Affiliate that has not adopted this Plan for its employees; (6) a Leased Employee; (7) an independent contractor; (8) effective on and after February 13, 2003, an individual employed as a telephone interviewer; (9) interns and co-op students; and (10) Limited Term Employees.
Participation	Participation commences on the date of employment for employees other than hourly employees. Hourly employees participate after completing 1,000 hours of service.
Employee contributions	None.
Credited service for vesting	A participant receives one year of Credited Service for Vesting for every plan year he is credited with at least 1,000 hours of service or a fraction of a year if credited with at least 500 hours of service.
Credited service for benefit accrual	A participant receives one year of Credited Service for Benefit Accrual for every plan year he is credited with at least 2,080 hours, or a fraction of a year if credited with less than 2,080 hours. Note that hourly employees must complete a minimum of 1,000 hours of service to receive any credit.
Monthly compensation	Monthly equivalent of compensation as if the employee worked full-time. Effective July 1, 2001, incentive compensation and overtime are counted as plan compensation. However, compensation is limited by IRC 401(a)(17) annually (indexed for future years).
Final average earnings	The average of the highest 60 consecutive months of compensation.
Accrued benefit	The normal retirement benefit based on Credited Service for Benefit Accrual and Final Average Compensation on the date of determination.

Schedule SB, Part V – Summary of Plan Provisions

Normal retirement	
Eligibility	Attainment of age 65
Benefit	<p>The larger of i. and ii.</p> <p>i. 1.2% of Final Average Compensation times Credited Service for Benefit Accrual (maximum of 40 years)</p> <p>ii. The sum of a. plus b.</p> <p>a. <u>For service after July 1, 2012</u> – 1.2% of Final Average Compensation times Credited Service for Benefit Accrual</p> <p>b. <u>For service prior to July 1, 2012*</u> – The larger of 1. and 2.</p> <p>1. 1.6% of Final Average Compensation multiplied by Credited Service for Benefit Accrual, and</p> <p>2. Accrued Retirement Benefit as of June 30, 1994, plus 1.6% of Final Average Compensation multiplied by Credited Service for Benefit Accrual after June 30, 1994.</p> <p>Credited Service for Benefit Accrual for (a) and (b) cannot exceed 40 years.</p> <p>*For any Member who has attained age 50 and completed at least 15 years of Credited Service for Vesting as of June 30, 2012, benefits under (b.1.) and (b.2.) use Final Average Compensation as of their date of termination. For any other Member not meeting these criteria, benefits under (b.1.) and (b.2.) use Final Average Compensation on June 30, 2012</p> <p>Benefits attributable to service prior to July 1, 2009 under (b) are increased by 9.76% to account for the change in normal form of payment from 10 years Certain and Life to Single Life Annuity.</p>
Early retirement	
Eligibility	The later of attainment of age 55 and the completion of 10 years of Credited Service for Vesting.
Benefit attributable to credited service for benefit accrual earned prior to July 1, 2009	The accrued benefit is reduced 1/2% for each month the early retirement date precedes age 60.
Benefit attributable to credited service for benefit accrual earned after July 1, 2009	Normal retirement benefit, actuarially reduced based on the RP 2000 white collar mortality table, projected to 2025 and blended 60% male and 40% female and 7% interest compounded annually.

Schedule SB, Part V – Summary of Plan Provisions

Late retirement	
Eligibility	Actual retirement after age 65.
Benefit	The benefit reflects Credited Service for Benefit Accrual and Monthly Compensation earned after age 65.
Deferred vested	
Eligibility	100% after 5 years of Credited Service for Vesting; no vesting prior to completion of 5 years of Credited Services for Vesting. Participant is 100% vested on normal retirement date.
Benefit	Accrued Retirement Benefit payable at age 65 or payable at or after age 55 and reduced for each month benefit commencement date precedes age 65.
Disability	
Eligibility	Only employees other than hourly employees are eligible for special disability benefits. Total and permanent disability is defined in the Plan.
Benefit	A monthly benefit equal to the regular retirement benefit with Monthly Compensation and Credited Service for Benefit Accrual determined at retirement as if the participant were employed on the same basis as immediately before disablement. This benefit will be reduced for early retirement, if applicable.
Pre-retirement death	
Eligibility	Eligible if employee has a vested benefit.
Benefit prior to early retirement	For death after vesting but prior to early retirement eligibility the benefit is equal to the vested Accrued Retirement Benefit payable at the earliest date the participant could have retired. The amount is reduced as for early retirement and is payable as a 50% joint and survivor annuity (benefits are payable for 120 months if there is no surviving spouse).
Benefit after early retirement eligible	For death after early retirement eligibility the benefit is calculated as if the participant retired the day before death and elected a 100% joint and survivor annuity (benefits are payable for 120 months if there is no surviving spouse).
Form of benefits	
Automatic form for unmarried participants	Single Life Annuity
Automatic form for married participants	50% Joint & Survivor Annuity
Optional forms	50%, 75%, or 100% joint and survivor annuity, life annuity with 5 or 10 years of payments certain to be made. Additional options include a guaranteed number of payments of any duration with or without a life annuity.

Schedule SB, Part V – Summary of Plan Provisions

Optional form conversion factors	Optional forms of benefit, other than the lump sum, are determined using the RP 2000 white collar mortality table, projected to 2025 and blended 60% male and 40% female and 7% interest compounded annually.
Miscellaneous	
Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2013, the limit is \$255,000.
Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2013, the limit is \$205,000.

Benefits Included or Excluded

Unless noted below, all benefits provided by the plan are included in this valuation.

- **Most recent plan amendments included:** The amendment signed June 19, 2013 is included because it was adopted by the valuation date and is effective by the end of the plan year.
- **Plan amendments excluded:** None.
- **Late retirement increases:**
 - *Active participants:* The plan provides benefit suspension notices to participants who work beyond normal retirement; therefore, late retirement actuarial increases only apply to participants who defer retirement beyond age 70½. This valuation does not currently include increases for current participants over age 70 as it was determined the effect of doing so would be minimal. This will be reevaluated annually.
 - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued including the late retirement actuarial increase.
- **Internal Revenue Code limitations:** The limitations of Internal Revenue Code Section 415(b) and 401(a)(17) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60% of the present value for all participants). Therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.

Additional Benefits Included or Excluded

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

Schedule SB, Part V – Summary of Plan Provisions

- **Unpredictable contingent event benefits:** The plan does not have any unpredictable contingent event benefits.

Plan Provision Changes Since Prior Valuation

Maximum compensation amounts and maximum benefit amounts under IRS rules were updated from 2012 to 2013.

Minimum benefits were changed effective June 30, 2013 for participants listed in the Schedule A amendment of the plan document.

Pension Plan of the Pacific
Northwest Laboratories,
Battelle Memorial Institute

Employer Identification Number: 31-4379427

Plan Number: 005

Financial Statements as of and for the
Years Ended June 30, 2014 and 2013, and
Independent Auditors' Report

PENSION PLAN OF THE PACIFIC NORTHWEST LABORATORIES, BATTELLE MEMORIAL INSTITUTE

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NOTE: All schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, as amended have been omitted because they are not applicable.	

INDEPENDENT AUDITORS' REPORT

Pension Plan of the Pacific Northwest Laboratories,
Battelle Memorial Institute:

We have audited the accompanying statements of the Pension Plan of the Pacific Northwest Laboratories, Battelle Memorial Institute (the "Plan"), which comprise the statements of net assets available for benefits as of June 30, 2014 and 2013, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Pension Plan of the Pacific Northwest Laboratories, Battelle Memorial Institute as of June 30, 2014 and 2013, and the changes in its financial status for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

April 14, 2015

**PENSION PLAN OF THE PACIFIC NORTHWEST LABORATORIES,
BATTELLE MEMORIAL INSTITUTE**

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF JUNE 30, 2014 AND 2013
(Dollars in thousands)**

	2014	2013
CONTRIBUTION RECEIVABLE	\$ 4,450	\$ 9,000
INVESTMENTS—at fair value—Plan interest in the Master Trust	<u>1,297,538</u>	<u>1,100,059</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 1,301,988</u>	<u>\$ 1,109,059</u>

See notes to financial statements.

PENSION PLAN OF THE PACIFIC NORTHWEST LABORATORIES, BATTELLE MEMORIAL INSTITUTE

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013 (Dollars in thousands)

	2014	2013
ADDITIONS:		
Investment income—Plan interest in the Master Trust	\$ 212,287	\$ 121,170
Contribution—employer	<u>35,000</u>	<u>44,000</u>
Total additions	<u>247,287</u>	<u>165,170</u>
DEDUCTIONS:		
Benefit paid directly to participants or beneficiaries	48,544	44,040
Trustee fees and other	<u>5,814</u>	<u>6,060</u>
Total deductions	<u>54,358</u>	<u>50,100</u>
NET INCREASE	192,929	115,070
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	<u>1,109,059</u>	<u>993,989</u>
End of year	<u>\$ 1,301,988</u>	<u>\$ 1,109,059</u>

See notes to financial statements.

PENSION PLAN OF THE PACIFIC NORTHWEST LABORATORIES, BATTELLE MEMORIAL INSTITUTE

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2014 AND 2013 (Dollars in thousands)

1. ORGANIZATION

The accompanying financial statements present the net assets of the Pension Plan of the Pacific Northwest Laboratories, Battelle Memorial Institute (the “Plan”) and changes therein. The net assets of the Plan are commingled with the assets of the Employees Pension Plan of Battelle Memorial Institute and the assets of the Pension Plan of Battelle National Biodefense Institute, LLC within the Battelle Pension Trust (the “Master Trust”).

The following brief description of the Plan is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

General—The Plan is a defined benefit pension plan covering all US-based salaried employees and eligible hourly employees of the Pacific Northwest Laboratories, Battelle Memorial Institute (“Battelle” or the “Plan Sponsor”) and those group members, as defined by the Plan, who have adopted the Plan, except employees who are covered by collective bargaining agreements or by another pension plan funded by the employer. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Plan Amendments—There were Plan amendments effective July 1, 2014 and 2013, that amended the benefit formula. The Plan’s actuary estimated the amendment increased accumulated plan benefits in the amount of \$605 and \$1,011 as of June 30, 2014 and 2013, respectively.

Subsequent to year-end, an amendment was adopted January 8, 2015. The board resolution was approved on November 13, 2014, with communications to former employees in March 2015. The amendment provides the Plan for a lump-sum payment option to certain terminated vested employees with an actuarial equivalent value less than \$125,000. The amendment also provides for a lump sum option (as long as the actuarial equivalent value of the benefit is less than \$125,000) upon termination, retirement or benefit commencement on or after July 1, 2015.

Pension Benefits— Participants with five or more years of vested service, as defined by the Plan, are entitled to annual pension benefits beginning at the normal retirement age of 65 based upon certain formulas using years of credited service up to a maximum of 40 years and the highest 60 months of compensation. The Plan permits early retirement at ages 55–64. Participants may elect to receive their vested benefit as a joint and survivor annuity payable monthly from the date of retirement. The normal form of benefit is a single-life annuity payable monthly. If participants terminate before rendering five years of vesting service, they forfeit the right to receive their accumulated plan benefits. A participant is fully vested upon attainment of age 65 while in active service.

Death and Disability Benefits—If a vested participant dies before benefit payments begin, a death benefit equal to the participant’s accumulated benefits is paid to the participant’s spousal beneficiary based on certain payment options as defined by the Plan. Alternatively, the Plan provides spousal and nonspousal beneficiaries the option to elect a death benefit of 120 monthly payments commencing immediately, where each monthly payment is equal to the actuarial equivalent of the monthly payment the participant would have received at normal retirement age, or the lump-sum present value of such 120 monthly payments.

Active participants who become totally disabled are immediately fully vested in their pension benefit under the Plan and may elect to begin receiving an annual disability retirement benefit. Alternatively, active salaried participants who become totally disabled may elect to continue to accrue benefits with their salary rate remaining the same as at the time they became disabled until normal or early retirement, at which time disabled participants begin receiving normal or early retirement benefits.

2. SUMMARY OF ACCOUNTING POLICIES

Basis of Accounting—The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

Use of Estimates—The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities; disclosure of contingent assets, liabilities, and pension obligations at the date of the financial statements; and the reported amounts of changes in net assets and pension obligations during the reporting period. Actual results could differ from those estimates.

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

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

Investment Valuation and Income Recognition—Investments are stated at fair value. Fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for a description of valuation methods. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

The valuation of investments is prepared by the trustee. The trustee utilizes its external pricing service to estimate the fair value of certain investments held in the Plan. The trustee uses multiple pricing vendors for the assets held in the Master Trust. In some cases, such as limited partnerships, the valuation is provided to the trustee by the applicable fund manager of the investment. The Plan's investment managers review and validate the prices utilized by the trustee to determine fair value. The Plan Sponsor receives audit reports of the trustee's operating controls and valuation processes. Management has established processes and procedures for establishment and valuation of alternative investments.

Payment of Benefits—Benefit payments to participants or beneficiaries are recorded upon distribution.

Administrative Expenses—Investment management and custodial fees; accounting fees; audit fees; and certain administrative, consulting, and legal fees are paid by the Plan and are expensed as incurred. Certain other administrative expenses not paid by the Plan are paid by the employer.

Subsequent Events—The Plan has performed an evaluation of subsequent events through April 14, 2015, which is the date the financial statements were available for issuance. There were no subsequent events noted.

3. THE MASTER TRUST

At June 30, 2014 and 2013, the Plan had an approximate 55.5% and 55%, respectively, interest in the net assets available for benefits of the Master Trust. Interest, dividends, and realized gains (losses) relating to the Master Trust are allocated to the individual plans based on the weighted book value of each plan. Unrealized gains (losses) and administrative expenses relating to the Master Trust are allocated to the individual plans based on the weighted market value of each plan.

The net assets, specifically investments, for the Master Trust as of June 30, 2014 and 2013, are as follows (in thousands):

	2014	2013
Investments:		
Government bonds	\$ 133,522	\$ 108,187
Municipal bonds	21,978	18,074
Government mortgage-backed securities	4,016	4,862
Corporate stock	1,078,622	960,150
Private equity funds	172,517	154,040
Funds—common stock	403,421	340,190
Funds—fixed income	206,054	147,652
Corporate bonds	161,868	131,974
Asset-backed securities	3,252	2,108
Commercial mortgage-backed securities	548	933
Nongovernment-backed collateralized mortgage obligations	1,728	2,308
Real estate	104,496	85,733
Cash and cash equivalents	58,444	51,750
Dividends and interest receivable	4,278	4,108
Other—including payables from pending transactions	<u>(16,260)</u>	<u>(10,421)</u>
Total investments	<u>\$ 2,338,484</u>	<u>\$ 2,001,648</u>

The Master Trust's investments, which represented 5% or more of Master Trust's net assets as of June 30, 2014 and 2013, are as follows (in thousands):

	2014	2013
MFO Pimco Funds Long Duration Corp Bond	\$ 192,017	\$ 147,124
CF Marathon London International Fund	164,637	133,030

Investment income for the Master Trust for the years ended June 30, 2014 and 2013, is as follows (in thousands):

	2014	2013
Net appreciation in fair value of investments:		
Government bonds	\$ 5,615	\$ (12,061)
Municipal bonds	1,425	(1,077)
Government mortgage-backed securities	207	
Corporate stock	187,210	147,392
Private equity funds	32,241	38,301
Funds—common stock	57,902	2,118
Funds—fixed income	13,152	3,367
Corporate bonds	17,639	(10,802)
Asset-backed securities	102	(70)
Commercial mortgage-backed securities	18	(37)
Nongovernment-backed collateralized mortgage obligations	49	(54)
Real estate	10,614	4,961
Cash and cash equivalents	6,444	
Other	<u>(247)</u>	<u>1,717</u>
Total net appreciation in fair value of investments	332,371	173,755
Interest	350	614
Dividends	<u>51,483</u>	<u>46,951</u>
Total investment income	<u><u>\$ 384,204</u></u>	<u><u>\$ 221,320</u></u>

4. FAIR VALUE MEASUREMENTS

In accordance with Accounting Standards Codification (ASC) Topic 820 *Fair Value Measurement* (Topic 820), assets and liabilities are classified based on the inputs utilized in the fair value measurement. ASC Topic 820 provides definitions for two types of inputs: observable and unobservable. Observable inputs are valuation inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are valuation inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information in the circumstances.

As defined in ASC Topic 820, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). ASC Topic 820 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to the unadjusted quoted process in active markets for identical assets and liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements):

Level 1—Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2—Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3—Inputs are unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that the observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Level 3 inputs primarily consist of unobservable market data or are value based on models and/or assumptions.

As required by ASC Topic 820, financial assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Management's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and their placement within the fair value hierarchy levels.

The Master Trust's assets that were accounted for at fair value on a recurring basis, set forth by level within the fair value hierarchy, as of June 30, 2014, are as follows (in thousands):

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 52,004	\$ 6,440	\$ -	\$ 58,444
Government bonds		133,522		133,522
Government mortgage-backed securities		4,016		4,016
Municipal bonds		21,978		21,978
Common stock:				
Consumer discretionary	133,938			133,938
Consumer staples	94,017			94,017
Energy	101,775			101,775
Financials	143,735			143,735
Health care	134,994			134,994
Industrials	134,038			134,038
Information technology	214,238			214,238
Materials	45,906			45,906
Telecommunication services	25,888			25,888
Utilities	29,155			29,155
Other	20,938			20,938
Total common stock	1,078,622	-	-	1,078,622
Funds—common stock		403,421		403,421
Funds—fixed income		206,054		206,054
Private equity funds			172,517	172,517
Asset-backed securities		3,252		3,252
Commercial mortgage-backed securities		548		548
Corporate bonds		161,868		161,868
Nongovernment-backed collateralized mortgage obligations		1,728		1,728
Real estate			104,496	104,496
Dividends and interest receivable	1,045	3,233		4,278
Other—including payables from pending transactions—net	(16,260)			(16,260)
Total investments	\$ 1,115,411	\$ 946,060	\$ 277,013	\$ 2,338,484

The Master Trust's assets that were accounted for at fair value on a recurring basis, set forth by level within the fair value hierarchy, as of June 30, 2013 (in thousands) are as follows:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 45,313	\$ 6,437	\$ -	\$ 51,750
Government bonds		108,187		108,187
Government mortgage-backed securities		4,862		4,862
Municipal bonds		18,074		18,074
Common stock:				
Consumer discretionary	130,740			130,740
Consumer staples	100,684			100,684
Energy	87,229			87,229
Financials	136,740			136,740
Health care	117,323			117,323
Industrials	112,818			112,818
Information technology	175,257			175,257
Materials	32,136			32,136
Telecommunication services	24,994			24,994
Utilities	27,940			27,940
Other	14,289			14,289
Total common stock	960,150	-	-	960,150
Funds—common stock		340,190		340,190
Funds—fixed income		147,652		147,652
Private equity funds			154,040	154,040
Asset-backed securities		2,108		2,108
Commercial mortgage-backed securities		933		933
Corporate bonds		131,974		131,974
Nongovernment-backed collateralized mortgage obligations		2,308		2,308
Real estate			85,733	85,733
Dividends and interest receivable	1,117	2,991		4,108
Other—including payables from pending transactions—net	(3,157)	(7,263)	(1)	(10,421)
Total investments	\$ 1,003,423	\$ 758,453	\$ 239,772	\$ 2,001,648

The Plan's policy is to recognize significant transfers between levels at the actual date of the event or change in circumstances that caused the transfer. For the years ended June 30, 2014 and 2013, there were no significant transfers in or out of Levels 1, 2, or 3. A reconciliation of the beginning and ending balances of the fair value measurements using significant unobservable inputs (Level 3) at June 30, 2014 and 2013, is as follows (in thousands):

	2014	2013
Beginning balance—July 1	\$ 239,772	\$ 214,327
Realized/unrealized gains (losses)—net	43,074	25,321
Contributions/transfers in	45,221	31,858
Withdrawals/transfers out	<u>(51,054)</u>	<u>(31,734)</u>
Ending balance—June 30	<u>\$ 277,013</u>	<u>\$ 239,772</u>
The amount of total gains or losses for the year ended June 30 included in changes in net assets attributable to the change in unrealized gains or losses related to assets still held at the reporting date		
	<u>\$ 43,074</u>	<u>\$ 25,321</u>

The Plan's investment in the Master Trust is presented at fair value, which has been determined based on the fair value of the underlying investments of the Master Trust. Consideration was given to how third-party pricing was performed. The third-party pricing service calculates the fair value of investments as described below.

Common stocks are valued at the closing price reported in the active market in which the individual security is traded.

Government bonds, mortgage-backed securities, municipal bonds are valued based on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available, the government security is valued under a discounted cash flow approach that maximizes observable inputs, such as current yields of similar instruments.

Asset-back securities, commercial mortgage-backed securities corporate bonds, and nongovernment-backed collateralized mortgage obligations are valued based on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flow approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

Real estate is stated according to institutional valuations performed with observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

The Master Trust's investments in funds—common stock, funds-fixed income, and private equity funds—are valued at estimated fair value based on their proportionate share of the fair value. In some cases, this might be based on limited partnerships' financial statements. These funds invest primarily in readily marketable securities. If under a limited partnership, the allocation of the gains, losses, and expenses to the partners are based on the ownership percentage as described in the partnership agreements. Some of these funds are reported based on net asset value per share. Except as noted below, redemption for these investments is permitted daily, with no other restrictions or notice periods, and

there are no unfunded commitments. For the fair value measurement of the Plan's investment in Prudential PRISA I Real Estate Fund, circumstances exist in which the otherwise redeemable investment may be subject to limitations. The limitations on the contract holder's redemption ability may be based on the limit on the number of units and/or available cash.

5. 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 participants have rendered as of the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated participants or their beneficiaries, (b) beneficiaries of participants who have died, and (c) present participants or their beneficiaries.

The Plan amendment on accumulated plan benefits effective July 1, 2014 and 2013, is recognized during the year in which such amendments are adopted. The Plan amendment was adopted during the year ended June 30, 2013, which increased accumulated plan benefits by \$605 and \$1,011 as of June 30, 2014 and 2013, respectively.

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

The actuarial present value of accumulated plan benefits as of June 30, 2014 and 2013, is as follows (in thousands):

	2014	2013
Vested benefits:		
Participants currently receiving payments	\$ 505,881	\$ 425,492
Other participants	<u>480,344</u>	<u>458,734</u>
Total vested benefits	986,225	884,226
Nonvested benefits	<u>26,644</u>	<u>29,866</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 1,012,869</u>	<u>\$ 914,092</u>

The increase in actuarial present value of accumulated plan benefits during the years ended June 30, 2014 and 2013, resulted from the following (in thousands):

	2014	2013
Benefits accumulated	\$ 29,376	\$ 18,357
Increase for interest due to decrease in discount period	68,805	64,933
Plan amendment and changes in plan provisions	605	1,011
Change in actuarial assumptions	48,533	12,128
Benefits paid	<u>(48,542)</u>	<u>(44,040)</u>
Net increase	98,777	52,389
Beginning of year	<u>914,092</u>	<u>861,703</u>
End of year	<u><u>\$ 1,012,869</u></u>	<u><u>\$ 914,092</u></u>

The significant actuarial assumptions used in the valuations as of June 30, 2014 and 2013, were as follows:

- a. Mortality: Healthy Mortality, Combined annuitant and non-annuitant tables
2014: RP2014, Generational White Collar, using mortality improvement Scale MP2014
2013: RP2000, Generational White Collar, using mortality improvement Scale AA
- b. Assumed participant turnover, retirement, and salary increases based on updated experience
- c. Interest rate of 7.75%

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

6. FUNDING POLICY

The employer makes contributions to the Plan, which are expected to be sufficient to provide the defined benefits of the Plan. Such contributions, as determined by actuaries, include provisions for normal costs as they accrue and unfunded prior service cost over a maximum of 30 years. Minimum funding requirements as set forth in ERISA have been met for the years ended June 30, 2014 and 2013.

7. PLAN TERMINATION

Although it has not expressed any intention to do so, Battelle has the right under the Plan to discontinue its contributions at any time and terminate the Plan subject to the provisions set forth in ERISA. Should the Plan be terminated at some future time, all participants become fully vested in benefits earned as of the termination date.

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

- a. Benefits of any participant who retired three years or more prior to the date of termination or who could have retired as of such date (in the normal form of annuity) without in either case giving effect to any increase in benefits, which has been put into effect by a Plan amendment within five years prior to such date
- b. Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC) up to the applicable limitations discussed below
- c. All other vested benefits that are not insured by the PBGC
- d. All nonvested benefits

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's 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. Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Plan Sponsor and the level of benefits guaranteed by the PBGC.

8. EXEMPT PARTY-IN-INTEREST TRANSACTIONS

In 2014 and 2013, the shares of the money market funds held by the Master Trust were managed by Northern Trust. Northern Trust was the trustee as defined by the Plan, and therefore, these transactions qualify as party in interest. In addition, certain Plan investments were held in companies that also serve as portfolio managers, and these transactions also qualify as party in interest. The Plan Sponsor was reimbursed for certain administrative expenses from the Plan.

9. FEDERAL INCOME TAX STATUS

The Internal Revenue Service (IRS) has determined and informed Battelle by a letter dated April 27, 2010, that the Plan, as amended, and related Master Trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter; however, Plan management believes that the Plan is currently designed and operated in compliance with the applicable requirements of the IRC, and the Plan and related trust continue to be tax exempt. Therefore, no provision for income taxes has been included in the Plan's financial statements.

GAAP requires 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 June 30, 2014 and 2013, 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 examination of its IRS Form 5500 filings for Plan years prior to 2011.

10. DERIVATIVE FINANCIAL INSTRUMENTS

There are derivative contracts included with the cash equivalents of the assets of the Master Trust as of June 30, 2014 and 2013. These derivatives are futures that are recorded at fair value. These derivatives are used for the purpose of gaining market exposure.

Derivative Asset at Year-End	June 30, 2014		
	Notional Value	Last Days Mark	Number of Contracts
Type of exposure:			
Fut Sep 14 IMM MINI MDCP	\$ 1,858	\$ 10	13
FUT Sep 14 ICEUS SM RUS2	1,309	6	11
Fut Sep 14 ME S&P CAN 60	324	1	2
Fut Sep 14 NYL MSCI EMG	624	2	12
Fut Sep 14 IMM CAD	187	1	2
Fut Sep 14 CBT UL T_Bonds	5,848	(18)	39
Fut Sep 14 US T-Bonds	1,098	(2)	8
Fut Sep 14 EMINI S&P 500	10,543	17	108
FUT SEP 14 NYL MSCI EAFE	<u>2,757</u>	<u>1</u>	<u>28</u>
Total	<u>\$ 24,548</u>	<u>\$ 18</u>	

During the year ended June 30, 2014, there was a net realized gain of \$4,245 and a last day's mark of \$18.

Derivative Asset at Year-End	June 30, 2013		
	Notional Value	Last Days Mark	Number of Contracts
Type of exposure:			
Fut Sep 13 CBT UL T-Bonds	\$ 3,683	\$ 37	25
Fut Sep 13 U.S. T-Bonds	951	2	7
Fut Sep 13 ME S&P CAN 60	263	2	2
Fut MINI MSCI EMG MKT Sep 13	747	7	16
Fut Sep 13 IMM CAD	190	(1)	2
Fut MINI MSCI EAFE Sep 13	1,722	(6)	21
Fut RUSSELL 2000 MINI Sep 13	877	(1)	9
Fut Sep 13 EMINI S&P 500	7,277	(34)	91
Fut Sep 13 IMM EMINI MDCP	<u>1,389</u>	<u>(3)</u>	<u>12</u>
Total	<u>\$ 17,099</u>	<u>\$ 3</u>	

During the year ended June 30, 2013, there was a net realized gain of \$2,152 and a last day's mark of \$3.

At the time Battelle enters into a futures contract, it is generally required to make a margin deposit with the custodian of a specified amount of liquid assets. Subsequent payments are made or received by the investment fund equal to the daily change in the contract value and are recorded as variation margin receivable or payable and offset in unrealized gains or losses. Futures are marked to market each day, with the change in value reflected in the unrealized gains and losses.

The use of futures contracts involves, to varying degrees, elements of market and counterparty risk, which may exceed the amounts recognized in the statements of net assets available for benefits. Futures contracts present the following risks: imperfect correlation between the change in market value of a fund's securities and the price of futures contracts; the possible inability to close a futures contract when desired; losses due to unanticipated market movements, which potentially are unlimited; and the possible inability of Battelle to correctly predict the direction of securities prices, interest rates, currency exchange rates, and other economic factors. Futures markets are highly volatile, and the use of futures may increase the volatility of an investment's value. As a result of low margin deposits normally required in futures trading, a relatively small price movement in a futures contract may result in substantial losses to Battelle. Futures contracts may be illiquid, and exchanges may limit fluctuations in futures contract prices during a single day. All of the future contracts are traded on a US exchange.

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