

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2014</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); 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>PDG CHEMICAL INC. PENSION PLAN</u>	1b Three-digit plan number (PN) ▶	<u>004</u>
		1c Effective date of plan	<u>04/29/1987</u>
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)	<u>EQUISTAR CHEMICALS, LP</u>		
		2b Employer Identification Number (EIN)	<u>76-0550481</u>
		2c Plan Sponsor's telephone number	<u>713-309-7200</u>
		2d Business code (see instructions)	<u>325900</u>

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/02/2015	PEGGY PFISTER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	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 BENEFITS ADMINISTRATIVE COMMITTEE 1221 MCKINNEY, SUITE 300 HOUSTON, TX 77010-2006	3b Administrator's EIN 20-3443655 3c Administrator's telephone number 713-309-7200 <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 190
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).	
a(1) Total number of active participants at the beginning of the plan year	6a(1) 5
a(2) Total number of active participants at the end of the plan year	6a(2) 5
b Retired or separated participants receiving benefits	6b 82
c Other retired or separated participants entitled to future benefits.....	6c 76
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 163
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 25
f Total. Add lines 6d and 6e	6f 188
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1B 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)

Part III**Form M-1 Compliance Information (to be completed by welfare benefit plans)**

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2014 Form M-1 annual report. If the plan was not required to file the 2014 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>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).</div> <div>▶ File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>2014</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

▶ 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 PDG CHEMICAL INC. PENSION PLAN	B Three-digit plan number (PN) ▶ 004
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF EQUISTAR CHEMICALS, LP	D Employer Identification Number (EIN) 76-0550481
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 01 Day 01 Year 2014	
2 Assets:	
a Market value	2a 11471130
b Actuarial value	2b 10656173
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment.....	(1) Number of participants 104 (2) Vested Funding Target 5640805 (3) Total Funding Target 5640805
b For terminated vested participants.....	81 2444748 2444748
c For active participants.....	5 105672 121304
d Total.....	190 8191225 8206857
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 6.39%
6 Target normal cost	6 127673

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	Date
PENNY A. BAILEY	14-05451
Type or print name of actuary	Most recent enrollment number
MERCER	314-588-2500
Firm name	Telephone number (including area code)
701 MARKET ST., SUITE 1100 ST. LOUIS, MO 63101-1867	
Address of the firm	

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	3207150
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	552493
9 Amount remaining (line 7 minus line 8)	0	2654657
10 Interest on line 9 using prior year's actual return of 16.26%	0	431647
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.27%		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections		
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	3086304

Part III Funding Percentages		
14 Funding target attainment percentage	14	92.23 %
15 Adjusted funding target attainment percentage	15	129.84 %
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	82.08 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

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

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

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

21 Discount rate:				
a Segment rates:	1st segment: 4.99 %	2nd segment: 6.32 %	3rd segment: 6.99 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 61
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	127673	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment.....	636988	374343	
b Waiver amortization installment			
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..	34	502016	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....		502016	502016
36 Additional cash requirement (line 34 minus line 35).....	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b		
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

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

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

<div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	OMB No. 1210-0110
		2014
		This Form is Open to Public Inspection.

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014	
A Name of plan PDG CHEMICAL INC. PENSION PLAN	B Three-digit plan number (PN) ▶ 004
C Plan sponsor's name as shown on line 2a of Form 5500 EQUISTAR CHEMICALS, LP	D Employer Identification Number (EIN) 76-0550481

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

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

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 13 50	NONE	45457	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

PRICEWATERHOUSE COOPERS

13-4008324

(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 50	NONE	38300	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 ☐

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

<p style="text-align: center;">SCHEDULE D (Form 5500)</p> <p style="text-align: center; font-size: small;">Department of the Treasury Internal Revenue Service</p> <hr/> <p style="text-align: center; font-size: small;">Department of Labor Employee Benefits Security Administration</p>	<p style="text-align: center;">DFE/Participating Plan Information</p> <p style="text-align: center; font-size: small;">This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</p> <p style="text-align: center; font-weight: bold;">▶ File as an attachment to Form 5500.</p>	<p style="text-align: center; font-size: small;">OMB No. 1210-0110</p> <hr/> <p style="text-align: center; font-size: large; font-weight: bold;">2014</p> <hr/> <p style="text-align: center; font-size: small;">This Form is Open to Public Inspection.</p>
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan PDG CHEMICAL INC. PENSION PLAN	B Three-digit plan number (PN) ▶	004
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 EQUISTAR CHEMICALS, LP	D Employer Identification Number (EIN) 76-0550481	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: LYONDELL CHEMICAL RETIREMENT MASTER

b Name of sponsor of entity listed in (a): LYONDELL CHEMICAL COMPANY

c EIN-PN 95-4160558-009	d Entity code M	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 11164793
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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)
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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)
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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)
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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)
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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)
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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)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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> 2014 This Form is Open to Public Inspection
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>		
A Name of plan <u>PDG CHEMICAL INC. PENSION PLAN</u>		B Three-digit plan number (PN) <u>004</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>EQUISTAR CHEMICALS, LP</u>		D Employer Identification Number (EIN) <u>76-0550481</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)		
(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)	11549151	11164793
(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	11549151	11164793

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	40690	40615
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	40690	40615

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	11508461	11124178
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(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)		340665
(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		340665

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	628985	
(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)		628985
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)	74400	
(2) Contract administrator fees.....	2i(2)	9357	
(3) Investment advisory and management fees.....	2i(3)		
(4) Other.....	2i(4)	12206	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		95963
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		724948

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		-384283
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: PRICEWATERHOUSECOOPERS

(2) EIN: 13-4008324

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

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

Part IV Compliance Questions

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

During the plan year:

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

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

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
4c			
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
4d			
e Was this plan covered by a fidelity bond?	X		60775000
4e			
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f			
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?.....		X	
4g			
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?.....		X	
4h			
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)		X	
4i			
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X	
4j			
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
4k			
l Has the plan failed to provide any benefit when due under the plan?.....		X	
4l			
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

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

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

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

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

Part V Trust Information (optional)

6a Name of trust	6b Trust's EIN

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2014 This Form is Open to Public Inspection.
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan <u>PDG CHEMICAL INC. PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>004</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>EQUISTAR CHEMICALS, LP</u>	D Employer Identification Number (EIN) <u>76-0550481</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	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>13-7073479</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>0</u>

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

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

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

PDG CHEMICAL INC. PENSION PLAN

FINANCIAL STATEMENTS

**As of December 31, 2014 and 2013
and for the years ended December 31, 2014 and 2013**

PDG CHEMICAL INC. PENSION PLAN

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Schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA") have been omitted because they are not applicable.



Independent Auditor's Report

To the Administrator of the PDG Chemical Inc. Pension Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of PDG Chemical Inc. Pension Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2014 and 2013, and the related statements of changes in net assets available for benefits for the years then ended and the statement of accumulated plan benefits as of December 31, 2013 and the related statement of changes in accumulated plan benefits for the year 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 the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Notes 8 and 9, which was certified by The Bank of New York Mellon, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the trustee as of December 31, 2014 and 2013 and for the years then ended, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

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



Report on Form and Content in Compliance with DOL Rules and Regulations

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

PricewaterhouseCoopers LLP
Houston, TX
September 25, 2015

PDG CHEMICAL INC. PENSION PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31,	
	2014	2013
ASSETS		
Plan interest in the Lyondell Chemical Company Retirement Master Trust, at fair value	\$ 11,164,793	\$ 11,549,151
Total assets	11,164,793	11,549,151
LIABILITIES		
Accrued administrative expenses	40,615	40,690
Net assets available for benefits	<u>\$ 11,124,178</u>	<u>\$ 11,508,461</u>

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

PDG CHEMICAL INC. PENSION PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	For the Year Ended December 31,	
	2014	2013
Investment income from the Lyondell Chemical Company Retirement Master Trust	\$ 340,665	\$ 1,613,975
Benefits paid to participants	(628,985)	(621,602)
Administrative expenses	(95,963)	(111,360)
Net (decrease)/increase	(384,283)	881,013
Net assets available for benefits:		
Beginning of year	11,508,461	10,627,448
End of year	\$ 11,124,178	\$ 11,508,461

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

PDG CHEMICAL INC. PENSION PLAN
STATEMENT OF ACCUMULATED PLAN BENEFITS

	December 31, 2013
Actuarial present value of accumulated plan benefits:	
Vested plan benefits:	
Participants currently receiving benefits	\$ 5,366,184
Other participants	2,127,619
Total vested plan benefits	7,493,803
Non-vested plan benefits	12,693
Total actuarial present value of accumulated plan benefits	\$ 7,506,496

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

PDG CHEMICAL INC. PENSION PLAN
STATEMENT OF CHANGES IN ACCUMULATED PLAN BENEFITS

	For the Year Ended December 31, 2013
Actuarial present value of accumulated plan benefits at beginning of year (January 1, 2013)	\$ 7,478,780
(Decrease) increase during the year attributable to:	
Additional benefits accumulated, including actuarial experience gains	(37,272)
Interest	571,366
Benefits paid to participants	(621,602)
Change in actuarial assumptions	58,442
Change in plan provisions	56,782
Net increase	27,716
Actuarial present value of accumulated plan benefits at end of year (December 31, 2013)	\$ 7,506,496

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

PDG CHEMICAL INC. PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS

1. Description of Plan

General – The PDG Chemical Inc. Pension Plan (the “Plan”) is a noncontributory defined benefit pension plan for eligible represented employees of Equistar Chemicals, LP (“Equistar” or “Company”) at Equistar’s Beaumont facility. However, the applicable collective bargaining agreement has expired, and there are no employees currently eligible to participate in the Plan. Equistar is a wholly owned subsidiary of Lyondell Chemical Company (“Lyondell”). Effective January 1, 2012, benefit accruals under the Plan were frozen, except with respect to participants receiving long-term disability benefits under the Company’s disability plan who continue to earn service credit while disabled. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”). Participants should refer to the Plan document for a complete description of the Plan provisions.

Pension Benefits – Participants are entitled to monthly pension benefits upon retiring on or after the normal retirement age of 65, as defined in the Plan document. The Plan also permits early retirement at a reduced benefit level for participants who retire after (i) reaching at least age 55 with a combined years of age and years of continuous service of 85 or more or (ii) reaching age 60 with at least ten years of continuous service. If a participant terminates employment with at least five years of continuous service but prior to eligibility for normal or early retirement, the participant is eligible for a deferred vested pension commencing as early as age 60 or age 55 if the participant’s combined years of age and years of continuous service totals 85 or more, in each case subject to reduction for commencement prior to age 65. Participants receive their accumulated plan benefits as a monthly benefit or in an optional form available under the Plan.

Death Benefits – If a participant dies, any death benefits are paid to the participant’s beneficiary, as described in the Plan document.

Contributions – All contributions are made by the Company and participant contributions are not permitted under the terms of the Plan.

Administration – The Plan is administered by the Benefits Administrative Committee (“BAC”). Mercer is the Plan’s recordkeeper and actuary. Plan assets are maintained in the Lyondell Chemical Company Retirement Master Trust (“Master Trust”) under the custody of The Bank of New York Mellon (“Trustee”). Management of portfolio assets is directed by external investment managers hired and monitored by the Benefits Finance Committee (“BFC”). Both the BAC and BFC consist of individuals appointed by the Lyondell Board of Directors.

2. Summary of Significant Accounting Policies

Basis of Accounting – The financial statements of the Plan are prepared in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”).

PDG CHEMICAL INC. PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)

Accounting Guidance Issued But Not Adopted as of December 31, 2014 – In May 2015, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update (“ASU”) 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. Previous guidance required that investments for which fair value is measured at net asset value (or its equivalent) be categorized within the fair value hierarchy using criteria that differ from the criteria used to categorize other fair value measurements within the hierarchy. The amendments require that investments for which fair value is measured at net asset value per share (or its equivalent) should not be categorized in the fair value hierarchy. This amendment will be effective January 1, 2016. Retrospective presentation is permitted but not required. The adoption of this amendment is not expected to have a material impact on the presentation of the Plan’s financial statements.

In July 2015, FASB issued ASU 2015-12, Plan Accounting (Topics 960,962,965)-(I) Fully Benefit-Responsive Investment Contracts, (II) Plan Investment Disclosures, (III) Measurement Date Practical Expedient. Part (I): Fully Benefit-Responsive Investment Contracts which applies to Topics 962 and 965 requires fully benefit-responsive investment contracts to be measured at contract value. It also requires an adjustment to reconcile contract value to fair value, when these measures differ, on the face of the plan financial statements. Part (II) Plan Investment Disclosures which applies to Topics 960, 962 and 965, simplifies the investment disclosure requirements under Topic 820. Part (III): Measurement Date Practical Expedient which applies to Topics 960, 962 and 965 permits plans to measure investments and investment-related accounts as of a month-end date that is closest to the plan’s fiscal year-end, when the fiscal period does not coincide with month-end. This amendment will be effective January 1, 2016. Retrospective application is permitted but not required. The adoption of this amendment is not expected to have a material impact on the presentation of the Plan’s financial statements.

Recently Adopted Guidance – In July 2013, the FASB issued ASU 2013-11, *Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit when a Net Operating Loss Carryforward, a Similar Tax Loss, or Tax Credit Carryforward Exists (a consensus of the Emerging Issues Task Force)*. Previous guidance did not explicitly address the balance sheet presentation of an unrecognized tax benefit when a net operating loss (NOL) or similar tax loss carryforward, or a tax credit carryforward exists. The amendments to the guidance require an entity to net its unrecognized tax benefits against the deferred tax assets for all same jurisdiction NOL or similar tax loss carryforwards, or tax credit carryforwards. A gross presentation will be required only if such carryforwards are not available or would not be used by the entity to settle any additional income taxes resulting from disallowance of the uncertain tax position. This ASU requires prospective application and is effective for periods beginning after December 15, 2013. Retrospective presentation is permitted but not required. The adoption of this amendment did not have a material impact on the presentation of the Plan’s financial statements.

Use of Estimates – The preparation of the Plan’s financial statements in conformity with U.S. GAAP requires management to make significant estimates and assumptions that affect the reported amounts of net assets available for benefits and accumulated plan benefits at the date of the financial statements, the changes in net assets available for benefits and changes in accumulated plan benefits during the reporting period, and, when applicable, disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Investment Valuation and Income Recognition – A separate account for the Plan is maintained by the Master Trust reflecting the Plan’s share of the Master Trust. Interest in the Master Trust is determined on a monthly basis and is based upon the beginning of the month value of the Plan’s interest in the Master Trust plus actual contributions and allocated investment income (loss), less actual distributions and an allocation of administrative expenses. Investments of the Master Trust are stated at fair value. 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. See Note 9 for discussion of fair value measurements.

PDG CHEMICAL INC. PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)

From time to time the Master Trust's investment managers may use derivative financial instruments including forward exchange contracts and future contracts. Derivative instruments are used primarily to mitigate exposure to foreign exchange rate and interest rate fluctuations as well as manage the investment mix in the portfolio. The Master Trust's interest in funds which utilize such financial instruments is not considered significant to the Plan's financial statements.

Purchases and sales of securities by the Master Trust are accounted for on a trade date basis (the date the order to buy or sell is originated). Gains or losses on the sale or distribution of securities are computed on a first-in, first-out basis. Dividend income is recorded on the ex-dividend date. Income from other investments is recorded as earned. The net appreciation or depreciation in the fair value of investments, which consist of the realized gains or losses and the unrealized appreciation or depreciation on those investments, is included in "Investment income from the Lyondell Chemical Company Retirement Master Trust" in the Statements of Changes in Net Assets Available for Benefits.

Interest and dividends earned, net appreciation or depreciation in the fair value of investments, and expenses incurred under the collective investment accounts of the Master Trust are allocated to the Plan based upon the average monthly investment balance in the Master Trust of each plan participating in the trust.

Risks and Uncertainties – The Master Trust invests in a combination of common and preferred stock, fixed income securities, bank common and commingled funds, short-term investments, open ended real estate funds, hedge funds, private equity funds, convertible securities, U.S. government securities, and cash and cash equivalents. Investment securities are exposed to various risks, such as market and credit risks. Changes in the values of investment securities will continue to occur in the near term and such changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits.

The actuarial present value of accumulated plan benefits is reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumption 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.

Benefits Paid to Participants – Benefits are paid by the Plan and are recorded when paid.

Administrative Expenses – Certain administrative expenses are paid by the Plan and Plan sponsor. Administrative expenses paid by the Master Trust and allocated to the Plan were \$65,016 and \$62,383 for the years December 31, 2014 and 2013, respectively, and are included in "Investment income from the Lyondell Chemical Company Retirement Master Trust" in the Statements of Changes in Net Assets Available for Benefits. See Note 10 for discussion of related-party transactions.

3. Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump sum distributions, which are attributable under the Plan's provisions to the service that employees have rendered, as of the beginning of the plan year. Accumulated plan benefits include benefits expected to be paid to: (a) retired or terminated employees or their beneficiaries; (b) beneficiaries of employees who have died; and (c) present employees or their beneficiaries. Benefit accruals under the Plan were frozen effective January 1, 2012, except with respect to participants receiving long-term disability benefits under the Company's disability plan. Thus, participants generally do not accrue additional benefits after that date. However, participants receiving long-term disability benefits under the

PDG CHEMICAL INC. PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)

Company's disability plan continue to earn service credit while disabled and accrue benefits based on years of service multiplied by a monthly benefit rate specified in the Plan document.

The 2013 actuarial present value of accumulated plan benefits was determined by the Plan's actuary, Mercer. The actuarial method used to determine the present value of accumulated plan benefits is the projected unit credit actuarial cost method. The more significant assumptions underlying the actuarial valuation are as follow:

	<u>December 31, 2013</u>
Investment return	8.0% per year
Interest rate	8.0% per year
Mortality table	RP-2014 Separate employer/annuitant healthy mortality table for males and females with no collar adjustment, projected generationally with scale MP-2014
Assumed average retirement age	61 years of age

In the Statement of Changes in Accumulated Plan Benefits, the change in actuarial assumptions was \$58,442. This amount represents actuarial assumption changes since January 1, 2013 and includes changes to the mortality assumption.

Plan contributions and the actuarial present value of accumulated plan benefits are prepared based upon certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change.

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

4. Funding Policy

The funding policy of the Company is to satisfy legal minimum funding requirements, as determined under the standard unit credit method, as adopted January 1, 2008, under the Pension Protection Act of 2006 ("PPA"), with the discretion to make additional contributions from time to time. Fluctuations in the return (interest, dividends, and net appreciation or depreciation in fair value) on investments of the Plan from the assumed rate serve to reduce or increase the future contributions required to provide for the benefits defined under the Plan.

Contributions for the years ended December 31, 2014 and 2013 were zero and, as determined by the Plan's actuaries, met the minimum funding requirements under ERISA and the Internal Revenue Code of 1986 (the "Code"), each as amended by the PPA.

PDG CHEMICAL INC. PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)

5. Plan Termination

Although it has not expressed any intention to do so, Equistar has the right, under the terms of the Plan document, to discontinue benefit accruals at any time and to terminate the Plan, subject to the applicable provisions of ERISA and the Code.

Participants' retirement allowances under the Plan are insured to the extent required by law through the Pension Benefit Guaranty Corporation ("PBGC"). If the Plan were to be terminated, priorities of payment of benefits would be made in accordance with the requirements of ERISA and the Code.

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.

6. Tax Status

U.S. GAAP requires the Plan's management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service ("IRS"). The plan administrator has analyzed the tax positions of the Plan, and has concluded that as of December 31, 2014 and 2013, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) 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 statute of limitations for collecting income taxes from the Plan is closed for the years prior to 2011.

The IRS issued a determination letter dated February 10, 2012, stating that the Plan and related Master Trust are designed in accordance with applicable sections of the Code. The Plan has been amended since receiving the determination letter. However, the BAC believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Code and, therefore, that the related trust is tax-exempt. Accordingly, no provision is made for federal income taxes.

7. Information Certified by the Plan's Trustee

The plan administrator has elected the method of compliance permitted by Section 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the Trustee has certified that the following data included in the accompanying financial statements are complete and accurate:

- Plan interest in the Master Trust, at fair value, excluding accrued administrative expenses of \$13,912 and \$15,343 at December 31, 2014 and 2013, respectively
- Investment income from the Master Trust
- Investment amounts as shown in Note 8 and Note 9, except for the non-monetary information included in the net asset value per share table as shown in Note 9 which was not certified by the Trustee

PDG CHEMICAL INC. PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)

8. Interest in Lyondell Chemical Company Retirement Master Trust

The Master Trust is a pooled investment trust composed of the beneficial interests of certain participating defined benefit plans (“Master Trust Plans”) of Lyondell and certain of its subsidiaries and affiliates. The Master Trust consists of a portfolio of investments in a combination of common and preferred stock, fixed income securities, bank common and commingled funds, short-term investments, open ended real estate funds, hedge funds, private equity funds, convertible securities, U.S. government securities, and cash and cash equivalents.

Master Trust Plans do not own specific securities or other assets in the Master Trust but have an undivided interest in the Master Trust. The Plan’s undivided interest in the investment holdings of the Master Trust, consisting of total investments, receivables from sales of securities, accrued interest, dividends and payables from purchases of securities, and other payables and receivables, was approximately 1% at both December 31, 2014 and 2013. Investment income (loss) related to the Master Trust is allocated to the Master Trust Plans based upon each plan’s average monthly investment balance in the Master Trust.

PDG CHEMICAL INC. PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)

The net assets of the Master Trust as of December 31, 2014 and 2013 are as follows:

	December 31,	
	2014	2013
Assets		
Investments, at fair value:		
Common and preferred stock		
Domestic	\$ 377,788,189	\$ 454,034,972
International	319,451,030	156,147,091
Fixed income securities		
Corporate bonds	241,996,772	176,209,641
Mortgage-backed securities	2,880,137	15,348,843
Municipal bonds	4,177,414	7,433,199
Foreign government issued bonds	3,347,413	5,989,317
Asset-backed securities	1,498,470	2,094,896
Commingled funds		
Domestic equity	75,461,021	108,734,982
International equity	240,600,940	463,727,144
Fixed income	238,109,375	188,923,043
Real estate	89,526,694	77,091,036
Hedge funds	126,998,116	125,364,557
Private equity	35,777,673	26,324,146
Convertible securities	734,250	1,439,222
U.S. government securities		
Agency securities	32,409,565	67,062,153
U.S. Treasury securities	74,408,079	75,051,844
Cash and cash equivalents	31,887,075	38,157,910
Total investments	<u>1,897,052,213</u>	<u>1,989,133,996</u>
Receivables:		
Sales of securities	28,134,436	37,505,489
Accrued interest and dividends	16,693,773	9,798,654
Total receivables	<u>44,828,209</u>	<u>47,304,143</u>
Total assets	1,941,880,422	2,036,438,139
Liabilities		
Purchase of securities	45,389,251	74,467,680
Other payables	15,285,938	7,229,611
Total liabilities	<u>60,675,189</u>	<u>81,697,291</u>
Net assets	<u>\$ 1,881,205,233</u>	<u>\$ 1,954,740,848</u>

PDG CHEMICAL INC. PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)

The following table presents the investments that represent 5 percent or more of the Master Trust's net assets for the years ended December 31, 2014 and 2013, respectively:

	2014
Commingled fund	
Fixed Income	
Brandywine GL Opportunistic Fixed Income	\$ 114,693,202
	2013
Commingled funds	
Domestic equity	
EB DV Stock Index Fund	\$ 108,734,982
International equity	
Mercator International Fund	121,149,896
Mondrian International Small Cap Equity Fund	119,286,626

PDG CHEMICAL INC. PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)

The components of total investment income of the Master Trust for the years ended December 31, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Investment income:		
Net appreciation (depreciation) in fair value of investments:		
Common and preferred stock	\$ 9,210,155	\$ 170,736,757
Fixed income securities	(5,879,618)	(192,950)
Commingled funds	12,327,425	72,176,553
Real estate	9,338,038	10,824,515
Hedge funds	(1,573,199)	7,554,227
Private equity	(360,880)	(4,246,415)
Convertible securities	18,108	(30,290)
U.S. government securities	6,590,331	(8,780,590)
Cash and cash equivalents	8,561	(2,121)
Total	<u>29,678,921</u>	<u>248,039,686</u>
Interest, dividend and other income:		
Interest income	15,046,329	13,694,620
Dividend income	18,884,496	13,876,804
Other income ^(a)	4,034,466	8,955,665
Total	<u>37,965,291</u>	<u>36,527,089</u>
Total investment income	<u>\$ 67,644,212</u>	<u>\$ 284,566,775</u>

^(a) Comprised of income generated from the Master Trust's investment in partnership arrangements.

9. Fair Value Measurements

ASC 820, *Fair Value Measurements*, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. ASC 820 also specifies a fair value hierarchy based upon the observability of inputs used in valuation techniques. Observable inputs (highest level) reflect market data obtained from independent sources, while unobservable inputs (lowest level) reflect internally-developed market assumptions. In accordance with ASC 820, fair value measurements are classified using the following hierarchy:

Level 1 – Quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs or significant value-drivers are observable in active markets.

Level 3 – Model-derived valuations in which one or more significant inputs or significant value-drivers are unobservable.

PDG CHEMICAL INC. PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)

When available, quoted market prices are used to determine fair value and such measurements are classified within Level 1. In some cases where market prices are not available, observable market based inputs are used to calculate fair value, in which case the measurements are classified within Level 2. If quoted or observable market prices are not available, fair value is based upon internally-developed models that use, where possible, current market-based parameters such as interest rates, yield curves and currency rates. These measurements are classified within Level 3.

Fair value measurements are classified according to the lowest level input or value-driver that is significant to the valuation. A measurement may therefore be classified within Level 3 even though there may be significant inputs that are readily observable.

Changes in Fair Value Levels – Management reviews the disclosures regarding fair value measurements annually at year end. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified as Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which cases it is reclassified as Level 3.

Valuation methodologies used for major investment types measured at fair value include:

Common and preferred stock – Valued at the closing price reported on the active market on which the individual securities are traded.

Fixed income securities – Certain securities that are not traded on an exchange are valued at the closing price reported by pricing services. Other securities are valued based on yields currently available on comparable securities of issuers with similar credit ratings.

Commingled funds – Valued based upon the unit values of such collective trust funds held by the Master Trust at year end. Unit values are based on the fair value of the underlying assets of the fund derived from inputs principally from, or corroborated by, observable market data by correlation or other means.

Real estate – Valued on the basis of a discounted cash flow approach, which includes the future rental receipts, expenses, and residual values as the highest and best use of the real estate from a market participant view as rental property.

Hedge funds – Valued based upon the unit values of such alternative investments held by the Master Trust at year end. Unit values are based on the fair value of the underlying assets of the fund.

Private equity – Valued based upon the unit values of such alternative investments held by the Master Trust at year end. Unit values are based on the fair value of the underlying assets of the fund. Certain securities held in the fund are valued at the closing price reported on the exchange or other established quotation service for over-the-counter securities. Other assets held in the fund are valued based on the most recent financial statements prepared by the fund manager.

Convertible securities – Valued at the quoted prices for similar assets or liabilities in active markets.

U.S. government securities – Certain securities are valued at the closing price reported on the active market on which the individual securities are traded. Other securities are valued based on yields currently available on comparable securities of issuers with similar credit ratings.

Cash and cash equivalents – Valued at the quoted prices for similar assets or liabilities in active markets.

PDG CHEMICAL INC. PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The investments of the Master Trust that are measured at fair value as of December 31, 2014 are summarized below:

	December 31, 2014			
	Fair Value	Level 1	Level 2	Level 3
Common and preferred stock				
Domestic	\$ 377,788,189	\$ 375,052,082	\$ 2,218,812	\$ 517,295
International	319,451,030	318,090,735	1,360,295	--
Fixed income securities				
Corporate bonds	241,996,772	--	241,996,772	--
Mortgage-backed securities	2,880,137	--	2,880,137	--
Municipal bonds	4,177,414	--	4,177,414	--
Foreign government issued bonds	3,347,413	--	3,347,413	--
Asset-backed securities	1,498,470	--	1,498,470	--
Commingled funds				
Domestic equity	75,461,021	--	75,461,021	--
International equity	240,600,940	--	240,600,940	--
Fixed income	238,109,375	--	238,109,375	--
Real estate	89,526,694	--	--	89,526,694
Hedge funds	126,998,116	--	--	126,998,116
Private equity	35,777,673	--	--	35,777,673
Convertible securities	734,250	--	734,250	--
U.S. government securities				
Agency securities	32,409,565	--	32,409,565	--
U.S. Treasury securities	74,408,079	74,408,079	--	--
Cash and cash equivalents	31,887,075	31,887,075	--	--
Total investments in Master Trust	<u>\$ 1,897,052,213</u>	<u>\$ 799,437,971</u>	<u>\$ 844,794,464</u>	<u>\$ 252,819,778</u>

PDG CHEMICAL INC. PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)

The investments of the Master Trust that are measured at fair value as of December 31, 2013 are summarized below:

	December 31, 2013			
	Fair Value	Level 1	Level 2	Level 3
Common and preferred stock				
Domestic	\$ 454,034,972	\$ 454,034,972	\$ --	\$ --
International	156,147,091	156,147,091	--	--
Fixed income securities				
Corporate bonds	176,209,641	--	176,209,641	--
Mortgage-backed securities	15,348,843	--	15,348,843	--
Municipal bonds	7,433,199	--	7,433,199	--
Foreign government issued bonds	5,989,317	--	5,989,317	--
Asset-backed securities	2,094,896	--	2,094,896	--
Commingled funds				
Domestic equity	108,734,982	--	108,734,982	--
International equity	463,727,144	--	463,727,144	--
Fixed income	188,923,043	--	188,923,043	--
Real estate	77,091,036	--	--	77,091,036
Hedge funds	125,364,557	--	--	125,364,557
Private equity	26,324,146	--	--	26,324,146
Convertible securities	1,439,222	--	1,439,222	--
U.S. government securities				
Agency securities	67,062,153	--	67,062,153	--
U.S. Treasury securities	75,051,844	75,051,844	--	--
Cash and cash equivalents	38,157,910	38,157,910	--	--
Total investments in Master Trust	<u>\$ 1,989,133,996</u>	<u>\$ 723,391,817</u>	<u>\$ 1,036,962,440</u>	<u>\$ 228,779,739</u>

PDG CHEMICAL INC. PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)

The following table sets forth a summary of changes in the fair value of the Master Trust Level 3 assets for the years ended December 31, 2014 and 2013, respectively:

	<u>Real Estate</u>	<u>Hedge Funds</u>	<u>Private Equity</u>	<u>Common and Preferred Stock</u>	<u>Total</u>
Balance at December 31, 2012	\$ 60,167,154	74,554,865	13,748,873	--	148,470,892
Realized gain (loss)	3,028,916	--	(14,132)	--	3,014,784
Unrealized gain (loss) relating to instruments still held at the reporting date	7,795,599	7,554,227	(4,232,283)	--	11,117,543
Purchases	9,043,315	43,646,090	20,977,999	--	73,667,404
Sales	(2,943,948)	(390,625)	(4,156,311)	--	(7,490,884)
Balance at December 31, 2013	77,091,036	125,364,557	26,324,146	--	228,779,739
Realized gain (loss)	2,873,005	574,212	(576,103)	(185,112)	2,686,002
Unrealized gain (loss) relating to instruments still held at the reporting date	6,464,580	(2,147,411)	215,224	363,438	4,895,831
Purchases	8,065,108	24,941,369	21,376,165	338,969	54,721,611
Sales	(4,967,035)	(21,734,611)	(11,561,759)	--	(38,263,405)
Balance at December 31, 2014	<u>\$ 89,526,694</u>	<u>\$ 126,998,116</u>	<u>\$ 35,777,673</u>	<u>\$ 517,295</u>	<u>\$ 252,819,778</u>

PDG CHEMICAL INC. PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)

The following table summarizes investments measured at fair value based on net asset value (NAVs) per share as of December 31, 2014 and 2013, respectively:

	December 31, 2014					
	Fair Value	Unfunded Commitments	Remaining Life	Redemption Frequency (if currently eligible)	Trade to Settlement Terms	Redemption Notice Period
Commingled fund investing in Domestic Equity ^(a)	\$ 75,461,021	\$ —	N/A	daily, pending market condition	1 to 3 days	3 to 4 days
Commingled fund investing in International Equity ^(b)	240,600,940	—	N/A	daily, pending market condition	1 to 3 days	3 days
Commingled fund investing in Fixed Income ^(c)	238,109,375	—	N/A	daily, pending market condition	1 to 3 days	3 to 7 days
Real Estate ^(d)	89,526,694	12,811,660	10 years	quarterly, pending market condition	15 to 25 days	45 to 90 days
Hedge Funds ^(e)	126,998,116	—	N/A	monthly, pending market condition	10 to 30 days	20 to 90 days
Private Equity ^(f)	35,777,673	99,000,000	10 years	quarterly, pending market condition	N/A	N/A
Total	<u>\$ 806,473,819</u>	<u>\$ 111,811,660</u>				

PDG CHEMICAL INC. PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)

	December 31, 2013					
	Fair Value	Unfunded Commitments	Remaining Life	Redemption Frequency (if currently eligible)	Trade to Settlement Terms	Redemption Notice Period
Commingled fund investing in Domestic Equity ^(a)	\$ 108,734,982	\$ —	N/A	daily, pending market condition	1 to 3 days	3 to 4 days
Commingled fund investing in International Equity ^(b)	463,727,144	—	N/A	daily, pending market condition	1 to 3 days	3 days
Commingled fund investing in Fixed Income ^(c)	188,923,043	—	N/A	daily, pending market condition	1 to 3 days	3 to 7 days
Real Estate ^(d)	77,091,036	19,000,000	10 years	quarterly, pending market condition	15 to 25 days	45 to 90 days
Hedge Funds ^(e)	125,364,557	—	N/A	monthly, pending market condition	10 to 30 days	20 to 90 days
Private Equity ^(f)	26,324,146	111,000,000	10 years	quarterly, pending market condition	N/A	N/A
Total	<u>\$ 990,164,908</u>	<u>\$ 130,000,000</u>				

PDG CHEMICAL INC. PENSION PLAN

NOTES TO THE FINANCIAL STATEMENTS—(CONTINUED)

- (a) This category represents a common collective trust fund that seeks to approximate the total return of the S&P 500 Total Return Index. At December 31, 2014, there were no redemption restrictions on this fund.
- (b) This category represents a group of common collective trusts that seek to achieve greater returns than the MSCI EAFE Net Dividend Growth, MSCI EAFE Small Cap Net, and the MSCI Emerging Market Net Dividend Indices. At December 31, 2014, there were no redemption restrictions on these funds.
- (c) This category represents a group of common collective trusts that seek to achieve greater returns than the Barclays U.S. Treasury TIPS, and JP Morgan Emerging Market Global Bond Indices. At December 31, 2014, there were no redemption restrictions on these funds.
- (d) This category represents our investments in real estate funds that seek to achieve greater returns than the NCREIF Property IQ in Arrears index. At December 31, 2014, there were no redemption restrictions on these funds.
- (e) This category represents our investments in hedge funds either directly or through fund of funds that seek to achieve greater returns than the HFRI Fund of Funds-Conservative, HFRI Fund Weighted Composite, and HFRI Event Driven (Total) indices. At December 31, 2014, there were no redemption restrictions on these funds.
- (f) This category represents capital commitments to private placement limited partnerships that seek to approximate the total return of the Cambridge Associates U.S. Private Equity IQA Index over a market cycle. Private equity partnerships are illiquid investments. As such, the specific redemption restrictions and guidelines are incorporated in a Limited Partnership Agreement, Limited Liability Company Agreement, or other binding agreement as is appropriate for the investment.

10. Related-Party Transactions

The Plan, through its interest in the Master Trust, holds shares of short-term investment and S&P Index funds managed by Mellon Capital, a subsidiary of The Bank of New York Mellon, the Trustee of the Plan. These transactions fall under the definition of a party-in-interest transaction; however, the Company does not believe that they give rise to prohibited transactions under ERISA. Fees paid by the Company on behalf of the Plan for certain administrative costs were approximately \$15,825 and \$22,259 in 2014 and 2013, respectively.

11. Commitments and Contingencies

The Plan is subject to commitments and contingencies arising from the ordinary course of business to which the Plan is a party. It is management's belief that the ultimate resolution of these commitments and contingencies will not have a material adverse impact on the Plan's financial statements.

12. Subsequent Events

The Company has evaluated subsequent events through September 25, 2015, the date the financial statements were available to be issued.

Schedule SB, line 26 — Schedule of Active Participant Data

Attained age	Years of credited service										
	Under 1	1–4	5–9	10–14	15–19	20–24	25–29	30–34	35–39	40 & up	Total
Under 25											
25–29											
30–34											
35–39											
40–44			1								1
45–49		1									1
50–54			1								1
55–59					1						1
60–64			1								1
65–69											
70 & up											
Total		1	3		1						5

In each cell, the number is the count of transfer/LOA participants for each age/service combination.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Actuarial Assumptions for January 1, 2014 Funding Valuation**

Discount rate sponsor elections

- | | | |
|-------------------------------------|------------|---------------|
| • Segment rates or full yield curve | Segment | |
| • Look-back months | 4 | |
| | Stabilized | Nonstabilized |
| • First 5 years | 4.99% | 1.37% |
| • Next 15 years | 6.32% | 4.05% |
| • Over 20 years | 6.99% | 5.06% |

Given the segment rate look-back elections made by Equistar Chemicals, LP, the stabilized and nonstabilized rates are those prescribed by IRC Section 430 and relevant regulations.

Mortality sponsor elections

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

Other economic assumptions

- | | |
|---------------------------------|----------------|
| • Salary increases | Not applicable |
| • Flat-dollar benefit increases | Not applicable |
| • Social Security wage base | Not applicable |
| • Inflation | 2.50% per year |

The inflation assumption is based on the inflation assumption periodically published in Mercer Investment Consulting's Capital Markets Outlook.

- | | |
|------------------------------|--|
| • Expected investment return | 8.00% per year for years 2012 through 2014 |
|------------------------------|--|

The expected investment return is based on a blend of the hypothetical past performance of the plan's target asset mix, and the median simulated investment return using capital market assumptions published in Mercer Investment Consulting's Capital Markets Outlook for the plan's target asset mix. The expected investment return is net of an adjustment of 20 basis points for investment expenses assumed to be paid from plan assets.

- | | |
|------------|--|
| • Expenses | Expected administrative expenses (assumed to equal prior year administrative expenses but adjusted for PBGC premium, with current year PBGC premiums replacing prior year) discounted with the effective interest rate to the beginning of the year are included in normal cost. |
|------------|--|
-

Demographic assumptions

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

Withdrawal incidence	See table of sample rates. (Withdrawal incidence is assumed to cease when participant first attains eligibility for Early retirement or Normal retirement under the terms of the plan.)
Disability incidence	100% of 1985 Pension Disability Table, Class 2, Sex Distinct published in the 1986 Proceedings of the Conference of Consulting Actuaries. See table of sample rates.

Retirement incidence	Attained age	Percentage
	55	10%
	56	10
	57	10
	58	10
	59	15
	60	15
	61	15
	62	30
	63	20
	64	20
	65	30
	66	30
	67	30
	68	30
	69	30
	70 and above	100
	(Retirement incidence is assumed to begin when participant first attains eligibility for Early retirement or Normal retirement under the terms of the plan.)	
Benefit commencement age for		
• Future and current vested deferred	62 (if eligible to commence at 62; otherwise age 65)	
• Future and current disabled participants	65	
Spouse assumptions	<u>Male participants</u>	<u>Female participants</u>
• Percentage married	80%	80%
• Spouse age difference	4 years younger	3 years older

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

Form of payment	<u>Life Annuity</u>	<u>100% J&S</u>	<u>55% J&S</u>
• Active retirements	35%	65%	0%
• Future vested deferred	35%	65%	0%
• Future disabilities	35%	65%	0%
• Future deaths	0%	0%	100%
• Current vested deferred	35%	65%	0%
Unpredictable contingent event assumptions	Not applicable		
At-risk assumptions	Not applicable		

Table of Sample Rates

Attained age	Percentage		
	<u>Disability incidence</u>		Withdrawal
	Male	Female	
20	0.064%	0.055%	10.0%
25	0.093	0.096	10.0
30	0.134	0.165	6.5
35	0.199	0.252	6.0
40	0.314	0.357	6.0
45	0.505	0.522	6.0
50	0.830	0.854	3.5
55	1.502	1.490	3.5
60	2.266	1.793	3.5
65	3.028	2.095	3.5

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Actuarial Methods for Funding*****Asset Methods***

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

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

Participant Methods

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

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

Minimum Funding Methods

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

A detailed description of the calculation follows:

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

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment 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

2014**This Form is Open to Public
Inspection**For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014▶ **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 PDG CHEMICAL INC. PENSION PLAN		B Three-digit plan number (PN) ▶	004
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF EQUISTAR CHEMICALS, LP		D Employer Identification Number (EIN) 76-0550481	
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>01</u> Day <u>01</u> Year <u>2014</u>			
2 Assets:			
a Market value.....		2a	11471130
b Actuarial value.....		2b	10656173
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment.....	104	5640805	5640805
b For terminated vested participants.....	81	2444748	2444748
c For active participants.....	5	105672	121304
d Total.....	190	8191225	8206857
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	6.39%	
6 Target normal cost.....	6	127673	

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**

PAB

Signature of actuary

PENNY A. BAILEY

Type or print name of actuary

MERCER

Firm name

701 MARKET ST., SUITE 1100

ST. LOUIS MO 63101-1867

Address of the firm

9/30/2015

Date

1405451

Most recent enrollment number

314-588-2500

Telephone number (including area code)

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

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

Schedule SB (Form 5500) 2014
v. 140124

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	3207150
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	552493
9 Amount remaining (line 7 minus line 8)	0	2654657
10 Interest on line 9 using prior year's actual return of <u>16.26</u> %	0	431647
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.27</u> %		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections		
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	3086304

Part III Funding Percentages

14 Funding target attainment percentage	14	92.23 %
15 Adjusted funding target attainment percentage	15	129.84 %
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	82.08 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ▶			18(b)	0	18(c) 0

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

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

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If line 20a is "Yes," see instructions and complete the following table as applicable:	

Liquidity shortfall as of end of quarter of this plan year

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

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

21 Discount rate:			
a Segment rates:	1st segment: 4.99%	2nd segment: 6.32%	3rd segment: 6.99%
			☐ N/A, full yield curve used
b Applicable month (enter code)			21b 4
22 Weighted average retirement age			22 61
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	127673
b Excess assets, if applicable, but not greater than line 31a		31b	0
32 Amortization installments:		Outstanding Balance	
a Net shortfall amortization installment		636988	374343
b Waiver amortization installment			
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount		33	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ...		34	502016
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement		502016	502016
36 Additional cash requirement (line 34 minus line 35)		36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)		37	0
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)		38a	0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances		38b	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)		39	0
40 Unpaid minimum required contributions for all years		40	0

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

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

Schedule SB, 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 61.

(A) Retirement age	(B) Retirement Percent	(C) Lx	(D) Number of employees expected to retire (B) x (C)	(E) (A) x (D)
55	10%	10,000	1,000	55,000
56	10%	9,000	900	50,400
57	10%	8,100	810	46,170
58	10%	7,290	729	42,282
59	15%	6,561	984	58,065
60	15%	5,577	837	50,192
61	15%	4,740	711	43,374
62	30%	4,029	1,209	74,944
63	20%	2,820	564	35,538
64	20%	2,256	451	28,882
65	30%	1,805	542	35,200
66	30%	1,264	379	25,019
67	30%	885	265	17,779
68	30%	619	186	12,631
69	30%	433	130	8,972
70	100%	303	303	21,237
Total			10,000	605,683
Average				60.57

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Actuarial Assumptions for January 1, 2014 Funding Valuation**

Discount rate sponsor elections

- Segment rates or full yield curve Segment
 - Look-back months 4
- | | Stabilized | Nonstabilized |
|-----------------|------------|---------------|
| • First 5 years | 4.99% | 1.37% |
| • Next 15 years | 6.32% | 4.05% |
| • Over 20 years | 6.99% | 5.06% |

Given the segment rate look-back elections made by Equistar Chemicals, LP, the stabilized and nonstabilized rates are those prescribed by IRC Section 430 and relevant regulations.

Mortality sponsor elections

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

Other economic assumptions

- Salary increases Not applicable
- Flat-dollar benefit increases Not applicable
- Social Security wage base Not applicable
- Inflation 2.50% per year

The inflation assumption is based on the inflation assumption periodically published in Mercer Investment Consulting's Capital Markets Outlook.

- Expected investment return 8.00% per year for years 2012 through 2014

The expected investment return is based on a blend of the hypothetical past performance of the plan's target asset mix, and the median simulated investment return using capital market assumptions published in Mercer Investment Consulting's Capital Markets Outlook for the plan's target asset mix. The expected investment return is net of an adjustment of 20 basis points for investment expenses assumed to be paid from plan assets.

- Expenses Expected administrative expenses (assumed to equal prior year administrative expenses but adjusted for PBGC premium, with current year PBGC premiums replacing prior year) discounted with the effective interest rate to the beginning of the year are included in normal cost.
-

Demographic assumptions

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

Withdrawal incidence	See table of sample rates. (Withdrawal incidence is assumed to cease when participant first attains eligibility for Early retirement or Normal retirement under the terms of the plan.)
Disability incidence	100% of 1985 Pension Disability Table, Class 2, Sex Distinct published in the 1986 Proceedings of the Conference of Consulting Actuaries. See table of sample rates.

Retirement incidence	Attained age	Percentage
	55	10%
	56	10
	57	10
	58	10
	59	15
	60	15
	61	15
	62	30
	63	20
	64	20
	65	30
	66	30
	67	30
	68	30
	69	30
	70 and above	100

(Retirement incidence is assumed to begin when participant first attains eligibility for Early retirement or Normal retirement under the terms of the plan.)

Benefit commencement age for	
• Future and current vested deferred	62 (if eligible to commence at 62; otherwise age 65)
• Future and current disabled participants	65

Spouse assumptions	<u>Male participants</u>	<u>Female participants</u>
• Percentage married	80%	80%
• Spouse age difference	4 years younger	3 years older

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

Form of payment	<u>Life Annuity</u>	<u>100% J&S</u>	<u>55% J&S</u>
• Active retirements	35%	65%	0%
• Future vested deferred	35%	65%	0%
• Future disabilities	35%	65%	0%
• Future deaths	0%	0%	100%
• Current vested deferred	35%	65%	0%
Unpredictable contingent event assumptions	Not applicable		
At-risk assumptions	Not applicable		

Table of Sample Rates

Attained age	Percentage		
	<u>Disability incidence</u>		<u>Withdrawal</u>
	<u>Male</u>	<u>Female</u>	
20	0.064%	0.055%	10.0%
25	0.093	0.096	10.0
30	0.134	0.165	6.5
35	0.199	0.252	6.0
40	0.314	0.357	6.0
45	0.505	0.522	6.0
50	0.830	0.854	3.5
55	1.502	1.490	3.5
60	2.266	1.793	3.5
65	3.028	2.095	3.5

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Actuarial Methods for Funding*****Asset Methods***

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

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

Participant Methods

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

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

Minimum Funding Methods

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

A detailed description of the calculation follows:

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

Schedule SB, line 24 — Change in Actuarial Assumptions

- Interest discounts and mortality rates were updated from 2013 to 2014 in accordance with PPA.
- An experience study was completed in 2013. The following assumptions were updated as a result of the experience study:
 - Inflation
 - Withdrawal incidence
 - Disability incidence
 - Retirement incidence
 - Benefit commencement age
 - Spouse age difference
 - Form of payment

Schedule SB, line 26 — Schedule of Active Participant Data

Attained age	Years of credited service										
	Under 1	1–4	5–9	10–14	15–19	20–24	25–29	30–34	35–39	40 & up	Total
Under 25											
25–29											
30–34											
35–39											
40–44			1								1
45–49		1									1
50–54			1								1
55–59					1						1
60–64			1								1
65–69											
70 & up											
Total		1	3		1						5

In each cell, the number is the count of transfer/LOA participants for each age/service combination.

Schedule SB, line 32 — Schedule of Amortization Bases

The total shortfall amortization charge is the sum of the individual shortfall amortization installment for each plan year covered under PPA. Although an individual shortfall amortization installment can be negative, the combined shortfall amortization charge cannot be less than \$0.

Shortfall bases				
Year established		Outstanding balance	Years remaining	2014 Installment
2009	\$	496,035	2	\$ 254,055
2010		159,910	3	55,919
2011		713,467	4	191,599
2013		(212,096)	6	(40,148)
2014		(520,328)	7	(87,082)
Total	\$	636,988		\$ 374,343

Schedule SB, Part V — Summary of Plan Provisions**Summary of Major Plan Provisions**

Effective date and plan year	Original plan: May 1, 1987. Restated plan: January 1, 2011. Plan year: Calendar year.
Status of the plan	Effective January 1, 2012, the plan has frozen benefit accruals and new employees are not eligible to participate in the plan. However, the plan was amended in 2013 to clarify that participants eligible for long-term disability benefits continue to accrue continuous service while on disability.
Significant events that occurred during the year	None
Eligibility	Employee covered under the extended pension agreement.

Definitions

- Continuous service Service is credited at the rate of 1/12th of a year for every full 125 hours worked as an employee in the bargaining unit through December 31, 2011. If eligible for long-term disability benefits, service is credited while on disability.
- Normal retirement age Age 65.
- Early retirement age The earlier of age 60 with 10 or more years of continuous service or age 55 with 85 points.

- Accrued benefit Years of continuous service multiplied by monthly benefit rates as follows:

Termination date July 1, 1990 – June 30, 1991

Occupational Class 1	\$24.50
Occupational Class 2	25.00
Occupational Class 3	25.50

Termination date July 1, 1991 – March 31, 1993

Occupational Class 1	\$26.50
Occupational Class 2	27.00
Occupational Class 3	27.50

All participants:

<u>Effective date</u>	<u>Monthly benefit rate</u>
April 1, 1993	\$30.50
June 1, 1996	32.00
June 1, 2000	34.00
June 1, 2001	35.00
June 1, 2002	36.00
June 1, 2003	40.00
June 1, 2007	42.00
June 1, 2008	43.00

Schedule SB, Part V — Summary of Plan Provisions

	June 1, 2009	44.00
	June 1, 2010	44.50
<hr/>		
Normal retirement		
• Eligibility	Attainment of normal retirement age.	
• Benefit	The accrued benefit determined at retirement.	
<hr/>		
Early retirement		
• Eligibility	Attainment of early retirement age.	
• Benefit	The accrued benefit determined at early retirement age reduced by 3/10 of 1% for each complete calendar month preceding age 62. In addition, an annual supplement of \$2,400 is payable until age 62 if the participant retires with 85 or more age/service points.	
<hr/>		
Late retirement		
• Eligibility	Retirement after attainment of normal retirement age.	
• Benefit	The accrued benefit determined at retirement based on member's age and service at retirement.	
<hr/>		
Deferred vested		
• Eligibility	Five years of continuous service.	
• Benefit	The accrued benefit determined as of the date of termination payable at 65 or at early retirement age with a reduction. If commencement age precedes age 65 the benefit is reduced 6-2/3% per year.	
<hr/>		
Disability		
• Eligibility	Participant on long-term disability.	
• Benefit	The accrued benefit determined as of the earlier of a participant's recovery from disability if not re-employed or normal retirement age.	
<hr/>		
Pre-retirement death		
• Eligibility	Five years of continuous service.	
• Benefit	Life annuity payable to the spouse only. Payment commences on the later of date of death or the date the participant would have reached early retirement age. Benefit is calculated as if the participant had terminated on the date of death, survived to earliest commencement date and commenced receiving a 55% joint and survivor benefit.	

Schedule SB, Part V — Summary of Plan Provisions

Other provisions

- **Normal form of benefit** Survivor benefits are payable only as described above. Monthly benefits are paid in the form of a single life annuity if the member has no spouse as of the date payments begin, or if the participant so elects. Otherwise, benefits are paid as a 55% joint and survivor annuity.
- **Optional forms of payment** Single life annuity.
Joint and survivor annuity (100%, 75% and 50%).
- **Actuarial equivalence** See table of sample factors for a 55% joint & survivor annuity based on the spouse age difference assumptions:

<u>Age</u>	<u>Male</u>	<u>Female</u>
55	0.893	0.918
60	0.880	0.915
65	0.880	0.915

The conversion factors for a 100% joint & survivor annuity are .66 for male participants and .73 for female participants based on the spouse age difference assumptions.

For actual factors used see the plan document.

Miscellaneous

- **Maximum benefits** Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2014, the limit is \$210,000.
 - **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 2014, the limit is \$260,000.
-

Schedule SB, Part V — Summary of Plan Provisions***Benefits Included or Excluded***

Unless noted below, all benefits provided by the plan, as restated effective January 1, 2011, signed on November 21, 2011, are included in this valuation.

- **Most recent plan amendments included:** First Amendment to the PDG Chemical Inc. Pension Plan, effective as of January 1, 2013, and signed on August 16, 2013.
- **Plan amendments excluded:** None.
- **Late retirement increases:**
 - Active participants: The plan provides benefit suspension notices to participants who work beyond normal retirement. The Plan distributes benefits to active participants who work beyond age 70 ½.
 - Deferred vested participants: Current deferred vested participants over normal retirement age are not valued including the late retirement actuarial increases. The Plan distributes benefits to all deferred vested participants upon attaining age 65; any participants that are unpaid after age 65 because they cannot be located are not significant.
- **Internal Revenue Code limitations:** The limitations of Internal Revenue Code Sections 415(b) and 401(a)(17) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60 percent of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy accruals.

Plan Provisions Specific to Funding***Additional Benefits Included or Excluded***

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

Plan Provision Changes Since Prior Valuation

Maximum benefit amounts under IRS rules were updated from 2013 to 2014

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 61.

(A) Retirement age	(B) Retirement Percent	(C) Lx	(D) Number of employees expected to retire (B) x (C)	(E) (A) x (D)
55	10%	10,000	1,000	55,000
56	10%	9,000	900	50,400
57	10%	8,100	810	46,170
58	10%	7,290	729	42,282
59	15%	6,561	984	58,065
60	15%	5,577	837	50,192
61	15%	4,740	711	43,374
62	30%	4,029	1,209	74,944
63	20%	2,820	564	35,538
64	20%	2,256	451	28,882
65	30%	1,805	542	35,200
66	30%	1,264	379	25,019
67	30%	885	265	17,779
68	30%	619	186	12,631
69	30%	433	130	8,972
70	100%	303	303	21,237
Total			10,000	605,683
Average				60.57

Schedule SB, Part V — Summary of Plan Provisions**Summary of Major Plan Provisions**

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Significant events that occurred during the year	None
Eligibility	Employee covered under the extended pension agreement.

Definitions

- Continuous service: Service is credited at the rate of 1/12th of a year for every full 125 hours worked as an employee in the bargaining unit through December 31, 2011. If eligible for long-term disability benefits, service is credited while on disability.
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- Accrued benefit: Years of continuous service multiplied by monthly benefit rates as follows:

<u>Termination date July 1, 1990 – June 30, 1991</u>	
Occupational Class 1	\$24.50
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Schedule SB, Part V — Summary of Plan Provisions

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Schedule SB, Part V — Summary of Plan Provisions

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Plan Provision Changes Since Prior Valuation

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Schedule SB, line 32 — Schedule of Amortization Bases

The total shortfall amortization charge is the sum of the individual shortfall amortization installment for each plan year covered under PPA. Although an individual shortfall amortization installment can be negative, the combined shortfall amortization charge cannot be less than \$0.

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- An experience study was completed in 2013. The following assumptions were updated as a result of the experience study:
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