

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>RETIREMENT PLAN FOR EMPLOYEES OF BABCOCK AND WILCOX GOVERNMENTAL OPERATIONS</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>12/01/2003</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>12/01/2003</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>12/01/2003</u>					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>BABCOCK & WILCOX INVESTMENT COMPANY</u> <u>11525 N. COMMUNITY HOUSE ROAD</u> <u>SUITE 600</u> <u>CHARLOTTE, NC 28277</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>72-1172705</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>980-365-4000</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>339900</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>72-1172705</u>	2c Plan Sponsor's telephone number <u>980-365-4000</u>	2d Business code (see instructions) <u>339900</u>	
2b Employer Identification Number (EIN) <u>72-1172705</u>					
2c Plan Sponsor's telephone number <u>980-365-4000</u>					
2d Business code (see instructions) <u>339900</u>					

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/09/2015	ROCHELLE WALD
	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 BABCOCK AND WILCOX RETIREMENT COMMITTEE 13024 BALLANTYNE CORPORATE PLACE SUITE 700 CHARLOTTE, NC 28277	3b Administrator's EIN 20-1391710 3c Administrator's telephone number 704-625-4900
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 9392
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 a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits..... d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6a(1) 2986 6a(2) 2773 6b 4295 6c 1284 6d 8352 6e 941 6f 9293 6g 6h 16
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 1B 3F 3H b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☐ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

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 _____

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

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>RETIREMENT PLAN FOR EMPLOYEES OF BABCOCK AND WILCOX GOVERNMENTAL OPERATIONS</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>BABCOCK & WILCOX INVESTMENT COMPANY</u>	D Employer Identification Number (EIN) <u>72-1172705</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2014</u>	
2 Assets:	
a Market value	2a <u>982284078</u>
b Actuarial value	2b <u>970389055</u>
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment.....	(1) Number of participants <u>5079</u> (2) Vested Funding Target <u>608942494</u> (3) Total Funding Target <u>608942494</u>
b For terminated vested participants.....	<u>1383</u> <u>29980261</u> <u>29980261</u>
c For active participants.....	<u>2986</u> <u>282955871</u> <u>297092956</u>
d Total.....	<u>9448</u> <u>921878626</u> <u>936015711</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b
5 Effective interest rate	5 <u>6.43%</u>
6 Target normal cost	6 <u>18730469</u>

Statement by Enrolled Actuary

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

SIGN HERE		<u>09/01/2015</u>
Signature of actuary		Date
<u>SONJA C. BORSARI, FSA, EA, MAAA</u>		<u>14-05568</u>
Type or print name of actuary		Most recent enrollment number
<u>BUCK CONSULTANTS, LLC</u>		<u>203-975-0260</u>
Firm name		Telephone number (including area code)
<u>595 SUMMER STREET, SUITE 3 S</u> <u>STAMFORD, CT 06901-3246</u>		
Address of the firm		

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

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

Schedule SB (Form 5500) 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	46371072
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	32831730
9 Amount remaining (line 7 minus line 8)	0	13539342
10 Interest on line 9 using prior year's actual return of <u>7.29</u> %	0	987018
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		33900791
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>6.62</u> %		70772
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		2393433
c Total available at beginning of current plan year to add to prefunding balance		36364996
d Portion of (c) to be added to prefunding balance		36364996
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	50891356

Part III Funding Percentages		
14 Funding target attainment percentage	14	98.23 %
15 Adjusted funding target attainment percentage	15	103.67 %
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	97.75 %
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
04/15/2015	80000	0			
			Totals ▶	18(b)	80000
				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	73844
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 64
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	18730469										
b Excess assets, if applicable, but not greater than line 31a	31b	0										
32 Amortization installments:	<table border="1"> <tr> <td></td> <td>Outstanding Balance</td> <td>Installment</td> </tr> <tr> <td>a Net shortfall amortization installment.....</td> <td>16518012</td> <td>13621725</td> </tr> <tr> <td>b Waiver amortization installment</td> <td>0</td> <td>0</td> </tr> </table>				Outstanding Balance	Installment	a Net shortfall amortization installment.....	16518012	13621725	b Waiver amortization installment	0	0
	Outstanding Balance	Installment										
a Net shortfall amortization installment.....	16518012	13621725										
b Waiver amortization installment	0	0										
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33											
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	32352194										
	Carryover balance	Prefunding balance	Total balance									
35 Balances elected for use to offset funding requirement.....	0	32352381	32352381									
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	73844										
38 Present value of excess contributions for current year (see instructions)												
a Total (excess, if any, of line 37 over line 36)	38a	73844										
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0										
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0										
40 Unpaid minimum required contributions for all years	40	0										

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

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

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 <div style="border: 1px solid black; text-align: center; padding: 5px; font-weight: bold; font-size: 1.2em;">2014</div> 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>RETIREMENT PLAN FOR EMPLOYEES OF BABCOCK AND WILCOX GOVERNMENTAL OPERATIONS</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>BABCOCK & WILCOX INVESTMENT COMPANY</u>	D Employer Identification Number (EIN) <u>72-1172705</u>	

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

b Name of sponsor of entity listed in (a): BABCOCK AND WILCOX INVESTMENT COMPANY

c EIN-PN <u>72-1172705-003</u>	d Entity code <u>M</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>1046429846</u>
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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
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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
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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
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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>RETIREMENT PLAN FOR EMPLOYEES OF BABCOCK AND WILCOX GOVERNMENTAL OPERATIONS</u>		B Three-digit plan number (PN) <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>BABCOCK & WILCOX INVESTMENT COMPANY</u>		D Employer Identification Number (EIN) <u>72-1172705</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	<div style="display: flex; justify-content: space-between;"> (a) Beginning of Year (b) End of Year </div>
a Total noninterest-bearing cash	1a	
b Receivables (less allowance for doubtful accounts):		
(1) Employer contributions.....	1b(1)	37300000
(2) Participant contributions.....	1b(2)	
(3) Other.....	1b(3)	178990
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)	945960064
(12) Value of interest in 103-12 investment entities.....	1c(12)	1046429846
(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	983439054	1046509846

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	983439054	1046509846
---	-----------	-----------	------------

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)	80000	
(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)		80000
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)		127087692
(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		127167692

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	64096900	
(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)		64096900
f Corrective distributions (see instructions).....	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)		
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)		
(4) Other.....	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		64096900

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		63070792
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: L.J. MOSBY P.C.

(2) EIN: 84-1656069

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		15000000
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

<div>SCHEDULE R (Form 5500) <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>		<div>Retirement Plan Information</div> <div>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).</div> <div>▶ File as an attachment to Form 5500.</div>		<div>OMB No. 1210-0110</div> <div>2014</div> <div>This Form is Open to Public Inspection.</div>	
For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014					
A Name of plan RETIREMENT PLAN FOR EMPLOYEES OF BABCOCK AND WILCOX GOVERNMENTAL OPERATIONS				B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 BABCOCK & WILCOX INVESTMENT COMPANY				D Employer Identification Number (EIN) 72-1172705	
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	0
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): 36-1561860					
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	1
Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)					
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?..... ☐ Yes ☒ No ☐ N/A					
If the plan is a defined benefit plan, go to line 8.					
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____					
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.					
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....				6a	
b Enter the amount contributed by the employer to the plan for this plan year.....				6b	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)				6c	
If you completed line 6c, skip lines 8 and 9.					
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?..... ☐ Yes ☐ No ☐ N/A					
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?..... ☐ Yes ☐ No ☒ N/A					
Part III Amendments					
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... ☒ Increase ☐ Decrease ☐ Both ☐ No					
Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.					
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					
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.					
Schedule R (Form 5500) 2014 v. 140124					

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: 43.0% Investment-Grade Debt: 47.0% High-Yield Debt: 3.0% Real Estate: 0.0% Other: 7.0%

- 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):

RETIREMENT PLAN FOR EMPLOYEES OF

**BABCOCK & WILCOX
GOVERNMENTAL OPERATIONS**

DECEMBER 31, 2014 and 2013

EIN 72-1172705

PLAN # 001

**RETIREMENT PLAN FOR EMPLOYEES OF
BABCOCK & WILCOX
GOVERNMENTAL OPERATIONS
FINANCIAL STATEMENTS
December 31, 2014 and 2013**

TABLE OF CONTENTS

	<u>Page(s)</u>
<u>Report of Independent Auditors</u>	1
<u>Financial Statements</u>	
Statements of Net Assets Available for Benefits at December 31, 2014 and 2013	3
Statements of Changes in Net Assets Available for Benefits for the Years Ended December 31, 2014 and 2013	3
Notes to Financial Statements	4 – 15
Supplemental Schedule:	
Schedule of Assets (Held at End of Year), December 31, 2014	16
*All other supplemental schedules have been omitted as they are not applicable	

Independent Auditor's Report

To the Participants and the Plan Committee of the Retirement Plan for Employees of Babcock & Wilcox Government Operations

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Retirement Plan for Employees of Babcock & Wilcox Government Operations (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 ended December 31, 2014 and 2013, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate 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 Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 8, which was certified by Northern Trust Company and The Bank of New York Mellon, the trustees 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 trustees held the Plan's investment assets and execute investment transactions. The Plan administrator has obtained a certification from the trustees as of December 31, 2014 and 2013 and for the years then ended that the information provided to the Plan administrator by the trustees is complete and accurate.

Disclaimer of Opinion

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

Other Matters

The Plan has elected to early adopt the accounting and disclosure provisions of Accounting Standards Update 2015-12, with retroactive application to 2013, as described by the last paragraph of Note 3 to the financial statements.

The supplemental Schedule of Assets Held at Year End as of December 31, 2014 is required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on the supplemental schedule.

Report on Form and Content In Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustees, 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 Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.



September 24, 2015

Houston, Texas

**RETIREMENT PLAN FOR EMPLOYEES OF
BABCOCK & WILCOX
GOVERNMENTAL OPERATIONS**

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31,	
	<u>2014</u>	<u>2013</u>
Assets:		
Investments, at fair value:		
Plan's interest in net assets of the Master Trust	\$1,046,429,846	\$945,960,064
Contributions receivable:		
Employer contributions	<u>80,000</u>	<u>37,300,000</u>
Total contributions receivable	80,000	37,300,000
Total assets	1,046,509,846	983,260,064
Liabilities	<u>-</u>	<u>-</u>
Net assets available for benefits	<u>\$1,046,509,846</u>	<u>\$ 983,260,064</u>

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	For the Year Ended December 31,	
	<u>2014</u>	<u>2013</u>
Additions to Net Assets:		
Plan's interest in investment income of the Master Trust	\$ 127,087,692	\$ 63,650,161
Employer contributions	<u>80,000</u>	<u>37,306,166</u>
Total additions	<u>127,167,692</u>	<u>100,956,327</u>
Deductions from Net Assets:		
Benefits paid directly to participants	<u>(64,096,900)</u>	<u>(60,225,826)</u>
Total deductions	<u>(64,096,900)</u>	<u>(60,225,826)</u>
Net increase before transfers	63,070,792	40,730,501
Transfers:		
Retirement Plan for Employees of Babcock & Wilcox Commercial Operations	<u>178,990</u>	<u>-</u>
Net increase	63,249,782	40,730,501
Net assets available for benefits:		
Beginning of year	<u>983,260,064</u>	<u>942,529,563</u>
End of year	<u>\$1,046,509,846</u>	<u>\$ 983,260,064</u>

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

**RETIREMENT PLAN FOR EMPLOYEES OF
BABCOCK & WILCOX
GOVERNMENTAL OPERATIONS**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

NOTE 1 – BASIS OF FINANCIAL STATEMENTS

Babcock & Wilcox Investment Company (“BWICO”), is a subsidiary of The Babcock & Wilcox Company (“B&W”). In June 2010, BWICO established The Babcock & Wilcox Company Master Trust (the “Master Trust”).

The Retirement Plan for Employees of Babcock & Wilcox Governmental Operations (the “Plan”) participates with certain other retirement plans of affiliates of B&W in the Master Trust. All contributions made to the Plan are invested in the Master Trust. The Investment Committee, a committee appointed by the Board of Directors of BWICO, has full discretionary authority for the management and control of the assets of the Trust. The Investment Committee may delegate authority to investment managers to manage, including the power to acquire and dispose of certain assets of the Trust. The Plan’s interest in the net assets of the Master Trust is based on the Plan’s beginning share plus employer contributions and allocated investment income, less allocated expenses and benefits paid directly to participants. Investment income of the Master Trust is allocated by the Trustee among the participating retirement plans each month based on the relative fair values of each plan’s investment in the Master Trust.

During 1987, the Trust purchased a non-participating single premium annuity contract from Metropolitan Life Insurance Company (“Metropolitan”) covering substantially all pre-January 1, 1987 retirees, including retirees of certain predecessor plans (the “1987 Annuity Contract”). Under the contract, Metropolitan is obligated to pay the pension benefits to said retirees or their beneficiaries. The contract with Metropolitan is excluded from Plan assets, and benefits to be provided by the contract are excluded from the actuarial data provided in these financial statements.

In December 2011, the Trust purchased a non-participating single premium annuity contract from Metropolitan covering those retirees covered by the 1987 Annuity Contract who received an ad hoc pension increase in 1998. Under the contract, Metropolitan is obligated to pay the ad hoc pension increase granted in 1998 to said retirees or their beneficiaries. The contract with Metropolitan is excluded from Plan assets, and benefits to be provided by the contract beginning January 1, 2012 are excluded from the actuarial data and benefits paid amounts provided in the Plan’s financial statements.

NOTE 2 – DESCRIPTION OF PLAN

The following brief description of the Plan is provided for general information purposes only. Participants should refer to the Summary Plan Description for more detailed information or to the official plan documents for complete information.

General

The Plan is a non-contributory defined benefit plan administered by a Retirement Committee (the “Committee”) appointed by the Board of Directors of BWICO. The Plan covers substantially all hourly-paid employees of B&W and certain of its subsidiaries and affiliates and salaried employees of B&W and certain of its subsidiaries who were employed prior to April 1, 2001, except non-

resident alien employees who do not earn income in the United States, employees under certain collective bargaining agreements, and leased employees. Eligible employees became participants when they attained age 21 and completed one year of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

Pension Benefits and Vesting

An employee who has participated in the Plan for five years (including participation in a predecessor plan) is entitled to receive pension benefits at his normal retirement age, but based on age and years of service, a participant may elect early retirement. Benefits are also payable upon the death or disability of a participant. Participants become fully vested in the Plan benefits after five years of service. Benefits under the Plan are based on years of service and a flat benefit rate for substantially all hourly employees and on years of service and the highest consecutive five-year average of compensation during the last ten years of service for all other employees. Supplemental payments are also made to certain participants affected by changes in other postretirement benefit plans.

Effective April 1, 2006, the Plan was closed to new salaried participants and was amended for salaried employees hired on or since April 1, 2001. For these employees, benefits accrued as of March 31, 2006 became fully vested and future benefit accruals ceased, other than certain cost of living increases. Any pension benefits earned to that date will remain payable pursuant to the Plan upon retirement, death or disability.

Effective April 1, 2007, the Plan was amended for salaried employees with five to ten years of service as of January 1, 2007. These employees were offered a one-time option of continuing to earn benefits under the Plan or receiving an on-going service-based cash contribution to the predecessor plan of The Babcock and Wilcox Company Thrift Plan. These contributions have been made to The Babcock & Wilcox Company Thrift Plan (the “Thrift Plan”), which was established on June 18, 2010.

Benefit payments have historically been made in the form of equal recurring monthly payments. The Plan was amended in 2012 to provide a one-time opportunity for certain terminated vested participants who had not begun to receive benefits to elect to receive a single lump sum payment in the amount actuarially equivalent to the expected monthly annuity the participant would have otherwise received in full satisfaction of their benefits under the Plan. These elections were made and payments finalized in 2012.

On October 4, 2012, employees were notified that, effective December 31, 2015, benefit accruals for salaried employees covered under the Plan will cease. Though accrued benefits will be frozen as of that date, service beyond this date will continue to count toward eligibility for early retirement, disability retirement and early commencement of deferred vested benefits. Furthermore, effective January 1, 2016, the employer of each affected participant will make cash contributions to the Thrift Plan for those employees impacted by the Plan freeze. The amount of these contributions will be determined based on years of service in accordance with a schedule set forth in the Thrift Plan. Those participants already receiving service-based contributions in the Thrift Plan and for whom benefit accruals have already been frozen will no longer receive annual cost of living adjustments to their accrued benefit after December 31, 2015. See Note 7 for further information regarding accumulated plan benefits.

Change in Trustee

Effective April 1, 2013, The Northern Trust Company (“Trustee”) replaced The Bank of New York Mellon (“Prior Trustee”) as trustee of the Master Trust (collectively referred to as the “Trustees”).

Concurrent with the change in trustee, the Trust is now a single pool of assets in which each of the participating plans hold master trust units representing its proportionate interest in the pool. During the first quarter of calendar year 2013, the Master Trust was comprised of six pools of funds, each representing a distinct asset class.

Evaluation of Subsequent Events

The plan administrator has evaluated subsequent events through September 24, 2015, which is the date the financial statements were available to be issued, for their impact on amounts recorded and related disclosures, and have incorporated the related effects as appropriate. See Note 12 for further information regarding subsequent events.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements of the Plan are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”). Benefit payments to participants are recorded upon distribution.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Among the most significant estimates in the financial statements are the fair value of certain investments without actively quoted market prices and the assumptions underlying the actuarial present value of accumulated plan benefits. Actual results could differ from those estimates, and those differences could be material.

Investment Valuation and Income Recognition

Investments in securities are valued at fair value. Fair value determinations are made by reference to available quoted market prices on national exchanges when available, by reference to quoted prices for similar securities when available, or by using a range of techniques appropriate to the nature of the investment. See Note 9 for further discussion of valuation methodologies used with respect to the investments of the Master Trust.

Realized gains and losses on the sale of investments and unrealized gains and losses in the fair value of investments held by the Master Trust are presented as net appreciation (depreciation) in the fair value of investments in the Master Trust. Purchases and sales of investments are recorded on the trade dates. Interest income is accrued as earned; dividends are recorded as income on the ex-dividend date.

Risks and Uncertainties

The Plan invests in various investment securities. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially

affect the amounts reported in the financial statements.

Contributions Receivable

Contributions receivable at December 31, 2014 and 2013 are comprised of contributions funded during 2015 and 2014, respectively, which have been designated as being attributable to the 2014 and 2013 plan years, respectively.

Transfers with Affiliated and Unaffiliated Plans

Transfers to or from an affiliated plan may be recognized from time to time to move actuarially determined asset values associated with the liabilities of participants who may transfer between affiliated retirement plans as a result of a transfer between various business units of B&W.

Administrative Expenses

Administrative expenses paid from the Master Trust, including Trustee fees, are deducted from investment income. The Plan's portion of these fees was approximately \$5,587,329 and \$4,790,194 for the years ended December 31, 2014 and 2013, respectively.

Recent Accounting Pronouncements

On July 31, 2015 the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") 2015-12 "Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962) and Health and Welfare Benefit Plans (Topic 965)" to simplify reporting for the financial statements of employee benefit plans. The ASU eliminates or reduces the scope of several financial statement disclosures required in financial statements and becomes effective for plan years beginning after December 15, 2015, with earlier application permitted. Among the simplifications included in the ASU are the elimination of separate disclosure of investments exceeding 5% of the net assets available for benefits, and elimination of the disaggregation of investments by nature, characteristics and risk, with presentation of fair value to be made only by investment type (such as mutual funds). The Plan has elected to early adopt the provisions of ASU 2015-12 in these financial statements, with retroactive presentation of comparative 2013 data.

NOTE 4 – TAX STATUS

By letter dated February 16, 2011 the Internal Revenue Service ("IRS") informed the Plan that it made a favorable determination with respect to the tax-qualified status of the Plan and its related trust. The Plan has been amended since receiving the determination letter, however, the Committee and the Plan's tax counsel believe the Plan is designed and currently being operated in compliance with the applicable regulations of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America require the Plan administrators to evaluate tax positions taken by the Plan and recognize a tax liability if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrators have analyzed the tax positions taken by the Plan and have concluded that as of December 31, 2014 there are no uncertain positions taken, or expected to be taken, that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress, and tax periods prior to 2011 are believed to be no longer subject to potential

audit.

NOTE 5 – FUNDING POLICY

The Plan is funded based on actuarial recommendations and to at least meet the minimum funding requirements of ERISA. During the years ended December 31, 2014 and 2013, the Plan met these minimum funding requirements.

NOTE 6 – PLAN TERMINATION

In the event of Plan termination, benefits accrued under the Plan would become nonforfeitable to the extent then funded and the net assets of the Plan would be allocated as prescribed by ERISA and its related regulations. The Committee would determine the date and method of distribution of the net assets and would distribute such assets in accordance with the provisions of the Plan.

Certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (“PBGC”) (a U.S. governmental agency) if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain dollar amount and type limitations. The maximum annual benefit for a 65 year old retiree guaranteed by PBGC for plans terminating in 2014 and 2013 was \$59,318 and \$57,477, respectively. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits and may also depend on the level of benefits guaranteed by the PBGC. Some benefits may be fully or partially provided for by the then existing assets and the PBGC guaranty while others benefits may not be provided for at all.

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

NOTE 7 – ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. The actuarial present value of accumulated plan benefits, as calculated by the Plan's actuary, is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The foregoing actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

For accounting purposes life expectancy of participants and disabled participants was determined using the tables mandated by the Pension Protection Act, projected 7 years for annuitants and 15 years for non-annuitants. The expected rate of return on plan assets used in the valuations was 7.2% at January 1, 2014 and 2013. The discount rate used in the valuations was 4.8% and 4.1% at January 1, 2014 and 2013, respectively. The actuarial cost method is the Unit Credit Method. The Plan's actuary

has used the Standard Premium Funding Target for 2014 and the Alternative Premium Funding Target for 2013 for funding purposes. In developing the Plan's funding requirements, the Plan's actuary has used the Segment Rates with adjustments under MAP-21 and HATFA, mortality rates mandated by IRS regulations and expected administrative expenses of \$2,200,000 loaded into the target normal cost. Wage and social security increases of 2.5% per year and cost of living increases through 2015 of 2.0% per year have been assumed. Decrements in participant levels have generally been based on historical business unit experience.

The actuarial present value of accumulated plan benefits was as follows:

	January 1,	
	2014	2013
Vested and nonvested benefits:		
Participants currently receiving payments	\$ 682,967,235	\$ 669,572,566
Other participants	407,117,516	480,578,169
Total vested	1,090,084,751	1,150,150,735
Nonvested benefits	18,710,020	19,722,942
	<u>\$ 1,108,794,771</u>	<u>\$ 1,169,873,677</u>

The changes in the actuarial present value of accumulated plan benefits that occurred during the years ended January 1, 2014 and 2013 were as follows:

	January 1,	
	2014	2013
Increase (decrease) during the year attributable to:		
Benefits accumulated	\$ 35,654,250	\$ 18,753,385
Plan amendments	5,359,031	-
Change in assumptions	(88,608,067)	91,205,354
Increase due to passage of time	46,742,576	50,344,270
Benefits paid	(60,226,696)	(77,626,775)
Net increase (decrease)	(61,078,906)	82,676,234
Actuarial present value of accumulated plan benefits:		
Beginning of period	1,169,873,677	1,087,197,443
End of period	<u>\$ 1,108,794,771</u>	<u>\$ 1,169,873,677</u>

The fluctuations in the 2014 and 2013 actuarial present value due to changes in assumptions were primarily due to changes in the discount rate used to determine the present value of the obligations.

Benefit restrictions can be placed on the Plan based generally upon the ratio of adjusted actuarial value of plan assets to an actuarially determined funding target. No restrictions were applicable for 2014 or 2013.

NOTE 8 – FINANCIAL INFORMATION OF THE MASTER TRUST (Certified by Trustees) (Unaudited)

Pursuant to the provisions of 29CFR 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's independent auditors did not perform any auditing procedures with respect to the information certified by the Trustees, except for comparing such information to the related financial statements. All financial data included in the financial statements and their accompanying notes relating to investments, income (loss) from investments, and net appreciation (depreciation) in fair value of investments was obtained from the information certified by the Trustees. The Trustees, on a combined basis, have certified the Plan's interest in net assets of the Master Trust of \$1,046,429,846

and \$945,960,064 at December 31, 2014 and 2013, respectively, and the Plan's interest in investment income of the Master Trust, before related expenses, of \$132,675,021 and \$68,440,355 for the years ended December 31, 2014 and 2013, respectively. At December 31, 2014 and 2013, the Plan had a proportionate undivided interest in the net assets held by the Master Trust of 49.5% and 48.7%, respectively.

The following is a summary of the Master Trust's financial information and data certified by the Trustee as complete and accurate in accordance with 29CFR2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

**NET ASSETS OF THE MASTER TRUST
(CERTIFIED BY TRUSTEES)**

	December 31,	
	2014	2013
Values determined by quoted market prices:		
Common stocks.....	\$ 141,471,005	\$ 144,430,637
U.S. Government securities	324,169,054	355,244,747
Interest-bearing cash	30,794,147	38,368,045
Values determined otherwise:		
Fixed income securities and corporate bonds	793,292,760	583,271,025
Commingled trust funds.....	688,256,082	693,250,034
Partnerships with security holdings	109,550,950	114,901,922
Real estate	4,791,585	6,175,198
Total Investments	2,092,325,583	1,935,641,608
Other investment related net assets (liabilities)	9,625,728	(2,938,764)
Interest and dividends receivable	11,912,261	11,307,458
Net Assets	<u>\$ 2,113,863,572</u>	<u>\$ 1,944,010,302</u>

**INVESTMENT INCOME OF THE MASTER TRUST
(CERTIFIED BY TRUSTEES)**

	For the year ended December 31,	
	2014	2013
Net realized and unrealized appreciation/ (depreciation) in fair value of investments:		
Values determined by quoted market prices:		
Common stock	\$ 11,962,016	\$ 35,549,069
Preferred stock	-	(18,802)
U.S. Government securities	72,490,284	(65,118,011)
Futures contracts	-	(134,820)
Values determined otherwise:		
Fixed income securities and corporate bonds .	71,915,257	(59,411,402)
Partnerships with security holdings	20,105,350	15,758,366
Real estate	316,368	4,818,890
Commingled trust funds.....	42,644,203	163,558,375
Other investments	(12,231)	(475,530)
	219,421,247	94,526,135
Interest income.....	44,431,698	40,019,217
Dividend income	5,642,281	4,775,171
Other investment expenses	(11,773,168)	(9,682,702)
Total Investment Income	<u>\$ 257,722,058</u>	<u>\$ 129,637,821</u>

A substantial portion of the Master Trust's investments consist of interest bearing securities. The Master Trust also holds several fixed income futures contracts to provide interest rate risk reduction for its U.S. Government securities portfolio. At December 31, 2014, these contracts had maturity dates of March 2015 and affected approximately one third of its portfolio. At December 31, 2013, these contracts had maturity dates of March 2014 and affected approximately one fourth of its portfolio. The Master Trust maintained no other significant positions in futures or forward contracts at December 31, 2014 and 2013.

Prior to changing trustees in 2013, the Master Trust participated in a securities lending program with the Prior Trustee, authorizing the Prior Trustee to lend securities held in the Master Trust account to third parties. The Prior Trustee obtained collateral from the borrower in the form of cash, letters of credit issued by an entity other than the borrower, or acceptable securities. The cash received as collateral for the securities lent to third parties was invested in units of a fund managed by the Prior Trustee ("the "Collateral Fund") for the benefit of various trusts participating in a similar program. The Master Trust, the borrowers and the Prior Trustee each receive a percentage of the net income derived from securities lending activities. Income earned by the Master Trust during 2013 was approximately \$35,000, net of bank fees. As of April 1, 2013, the Master Trust no longer participated in securities lending.

Substantially all of cash and cash equivalent balances held by the Master Trust are in excess of federally insured limits.

NOTE 9 – FAIR VALUE OF INVESTMENTS

Financial Accounting Standards Board Accounting Standards Codification 820, *Fair Value Measurements and Disclosures* ("ASC 820"), defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. ASC 820 also expands the disclosure requirements around fair value and establishes a hierarchy for valuation inputs that emphasizes the use of observable inputs when measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). Categorization of instruments within the fair level hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1	Inputs are based on unadjusted quoted prices for identical instruments traded in active markets.
Level 2	Inputs are based on unadjusted quoted prices for similar instruments in active markets or identical instruments in inactive markets and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the asset or liability.
Level 3	Inputs are generally unobservable and typically reflect estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are usually determined using model-based techniques that include option pricing models, discounted cash flow models and similar valuation techniques.

Following is a description of the primary valuation methodologies used to measure the fair value of each class of Plan assets at December 31, 2014 and 2013.

Common stocks: Valued at the quoted market price of shares held as evidenced on listed trading exchanges.

Preferred stocks: Valued at the quoted market price of shares held as evidenced on listed trading exchanges when available, or by comparison of the security to the quoted market price of similar securities and of similar credit ratings.

Convertible securities: Valued based on comparison of the security to similar securities and of similar credit ratings.

Fixed income securities: Valued based on comparisons with the quoted market price of similar securities with similar credit ratings (market approach) or by performing discounted cash flow analysis considering market conditions, credit terms and comparative credit ratings of the issuers (income approach). Observable inputs include quoted market prices for similar securities, interest rates on securities and credit ratings of various issuers.

U. S. Government securities: Valued using quoted market prices of the securities held as evidenced on listed trading exchanges.

Futures contracts: Valued using quoted market prices of the securities held as evidenced on listed trading exchanges.

Cash and cash equivalents: Valued at the notional monetary amount, adjusted for currency exchange rates when applicable.

Commingled trust funds: Valued by the trust manager at redemption prices established by the trustee based on the value of the underlying securities held in trust, which include securities having quoted market prices, securities similar to securities having quoted market prices (market approach) and securities for which discounted cash flow analysis and other subjective factors are necessary for valuation (income approach).

Partnerships with security holdings: Valued by the manager of the partnership or investment entity based upon the value of the underlying securities held, including those having a quoted market price and those valued in comparison to similar securities having a quoted market price (market approach). Other investments valued using a number of subjective factors regarding market and economic conditions, business performance expectations and formal appraisals (income approach).

Real estate: Valued using the value of the underlying interest in the properties held by the investment manager using independent appraisals or internally by portfolio managers using subjective techniques by comparison with similar investments, discounted cash flows and expected market conditions (income approach). Valued at cost if believed to be the only indicator of value.

The significant unobservable inputs for partnerships with security holdings and the real estate investments, both of which are Level 3 investments, are future income generated by these investments and related interest rates. The values are positively impacted by increases in operating cash flows of the underlying investments and are negatively impacted by increases in actual or expected interest rates. These values may also be influenced by growth rates, general market, economic and competitive conditions.

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

Fair Value Measurements

The following table sets forth by level, within the fair value hierarchy, the Master Trust's assets at fair value as of December 31, 2014:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stocks	\$141,471,005	\$ -	\$ -	\$ 141,471,005
Fixed income securities	-	793,292,760	-	793,292,760
U. S. Government securities	308,867,000	15,302,054	-	324,169,054
Cash and accrued items	48,452,198	3,879,938	-	52,332,136
Commingled trust funds	-	688,256,082	-	688,256,082
Partnerships with security holdings	-	-	109,550,950	109,550,950
Real estate	-	-	4,791,585	4,791,585
Total	\$498,790,203	\$1,500,730,834	\$114,342,535	\$2,113,863,572

The following table sets forth by level, within the fair value hierarchy, the Master Trust's assets at fair value as of December 31, 2013:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stocks	\$144,430,637	\$ -	\$ -	\$ 144,430,637
Fixed income securities	-	583,271,025	-	583,271,025
U. S. Government securities	355,244,747	-	-	355,244,747
Cash and accrued items	41,236,770	5,499,969	-	46,736,739
Commingled trust funds	-	693,250,034	-	693,250,034
Partnerships with security holdings	-	-	114,901,922	114,901,922
Real estate	-	-	6,175,198	6,175,198
Total	\$540,912,154	\$1,282,021,028	\$121,077,120	\$1,944,010,302

Level 2 investments were valued at December 31, 2014 and 2013 using the market approach, with the exception of certain U. S. Government agency securities which were valued using the income approach. Level 3 investments at December 31, 2014 and 2013 were primarily valued using the income approach. There were no transfers of securities between levels in 2014 or 2013.

Change in Level 3 Investments

The following table sets forth a summary of changes in the Level 3 investments for the years ended December 31, 2014 and 2013:

	For the year ended December 31,	
	<u>2014</u>	<u>2013</u>
Balance at beginning of period	\$ 121,077,120	\$ 125,778,650
Issuances and acquisitions	10,386,757	6,015,928
Dispositions	(34,113,883)	(31,252,693)
Realized gain	24,598,035	17,936,316
Unrealized gain (loss)	(7,605,494)	2,598,919
Balance at end of period	\$ 114,342,535	\$ 121,077,120

All realized and unrealized gains and losses are included in the Plan's interest in investment income of the Trusts in the accompanying statement of changes in net assets.

The Master Trust invests in a variety of partnerships which in turn hold investments in the securities of private companies or real estate entities. These investments are long-term in nature and are less liquid than investments that are publicly traded or provided through other investment arrangements. These investments constituted 5.4% and 6.2% of total investments held by the Master Trust at December 31, 2014 and 2013, respectively.

These investments are valued by the investment manager or general partner (the "Fund Manager") using the practical expedient of a reported Net Asset Value ("NAV") for the funds, based upon estimates developed by the Fund Manager for each of the underlying investments held by the fund. Generally these investment funds have a stated life, with the Fund Manager having the option to extend that life for one or more years to enhance the possible return of the fund. Distributions from these funds are based upon interim cash flows and eventual liquidation of the underlying investments over the limited life of the fund. Early liquidation by the Trust of its participation in these investments is through negotiated, secondary market sales and is subject to the consent of the respective Fund Manager, which may not be provided. Readily accessible active secondary markets do not necessarily exist for these funds and their investees and unfavorable market, economic or financing conditions may limit or preclude opportunities for the Master Trust to liquidate its investments. Early liquidations may not be possible when requested, and may not occur at values equivalent to the previously estimated NAV for the fund. NAVs are also subject to significant changes over the length of the fund's life dependent upon economic and market conditions. In addition, participation in these investment vehicles often include a commitment to make additional future cash contributions to the fund upon a capital call by the Fund Manager (characterized as Future Commitments in the following table).

The following table is additional information for the Plan's investments for which fair value is estimated using the practical expedient of reporting NAV:

Fund Name	Fund Description		Fair Value 12/31/14	Fair Value 12/31/13	Future Commitments At 12/31/14	Contract Term Date*
Pathway Private Equity Fund XII	(a)	\$	45,841,999	\$ 56,214,877	\$ 8,664,596	03/11/20
Private Pathway Equity Fund 2008 LP	(b)		35,450,000	25,177,696	15,976,386	12/26/23
Huff Alternative Fund II	(c)		17,573,604	17,233,686	11,220,642	10/15/15
Venture Capital Fund of America III	(d)		3,998,124	4,254,581	-	07/14/17
Harbourvest VI-P	(e)		3,716,225	5,034,476	360,000	06/30/17
Colony Investors IV	(f)		2,212,000	2,231,500	-	11/04/09
DB Global Opportunity Fund II	(g)		1,463,592	2,663,952	-	10/15/15
CVC European II	(h)		140,996	3,399,957	1,958,069	06/03/15
Others (7)	(i)		3,945,995	4,866,395	1,366,970	2008-17
Total		\$	114,342,535	\$ 121,077,120	\$ 39,546,663	

* Contracts that are not extended have historical contract termination dates and have moved into liquidation.

Fund investment strategies – the fund seeks to primarily invest in:

- (a) a diversified portfolio of private equity partnerships
- (b) a diversified portfolio of private equity partnerships
- (c) a range of private debt and equity to public securities, from late stage venture capital and early stage growth companies to bank loan participations, and in distressed securities
- (d) secondary positions in venture capital transactions and in private equity funds
- (e) a diversified pool of newly raised private equity partnerships
- (f) a diversified portfolio of real estate investments

- (g) global real estate through joint venture, loan portfolios and operating companies
- (h) private equity limited partnerships investing in leveraged buyouts and mature businesses
- (i) a range of investment opportunities from buyout transactions and domestic real estate to European operating companies and real estate

NOTE 10 – RELATED PARTY TRANSACTIONS

The Company, the Trustees and the affiliates of both are parties-in-interest to the Plan. B&W provides administrative services to and on behalf of the Plan with no compensation or reimbursement from the Plan. Fees paid by the Master Trust to the Trustees for custodial, recordkeeping, and investment advisory services provided to all plans in the Master Trust were approximately \$591,544 and \$553,181 for the years ended December 31, 2014 and 2013, respectively.

NOTE 11 – RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following tables reconcile certain balances and transactions in the financial statements to amounts reflected in Form 5500:

	December 31,	
	2014	2013
Net Assets Available for Benefits per the Financial Statements	\$ 1,046,509,846	\$ 983,260,064
Net Transfers from Affiliated Plan included in 5500 but not Financial Statements	-	178,990
Net Assets Available for Benefits Per Form 5500	\$ 1,046,509,846	\$ 983,439,054
		Year Ended December 31, 2014
Transfers from Affiliated Plan per Financial Statements		\$ 178,990
Transfers from Affiliated Plan recognized in Prior Year Form 5500		(178,990)
Transfers from Affiliated Plan per Form 5500		\$ -

NOTE 12 – SUBSEQUENT EVENTS

On June 30, 2015, B&W completed the spin-off of its Power Generation business into an independent, publicly traded company named Babcock and Wilcox Enterprises (“BWE”). Prior to the spin-off, Babcock and Wilcox Power Generation Group, Inc., a subsidiary of BWE and plan sponsor of the Retirement Plan for Employees of Babcock & Wilcox Commercial Operations (“Commercial Operations Plan”), established a new master trust (“B&W Pension Trust”), and the assets of the Master Trust attributable to the Commercial Operations Plan were transferred to the B&W Pension Trust as a result of the spin-off. The value of the assets transferred was approximately \$931,034,550. Concurrent with the spin-off, B&W was renamed BWX Technologies, Inc.

On May 28, 2015, the Board of Directors of BWICO amended the Plan to close it to hourly employees of Babcock & Wilcox Nuclear Operation Group Inc.’s Euclid facility hired on or after June 1, 2015. This subset of employees will instead receive service based company cash contributions to a defined contribution plan which will have no impact on the Plan.

**RETIREMENT PLAN FOR EMPLOYEES OF
BABCOCK & WILCOX
GOVERNMENTAL OPERATIONS**

**EIN 72-1172705, PLAN # 001
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS HELD AT YEAR END
As of December 31, 2014**

<u>(a)</u>	<u>(b)</u> <u>Identity of Issue</u>	<u>(c)</u> <u>Description</u>	<u>(d)</u> <u>Cost</u>	<u>(e)</u> <u>Current Value</u>
*	The Babcock & Wilcox Company Master Trust	Master Trust Investment	\$ <u>1,046,429,846</u>	\$ <u>1,046,429,846</u>

* Indicates party-in-interest to the Plan
This schedule has been prepared from information certified by the Trustee as being complete and accurate.

Retirement Plan for Employees of Babcock and Wilcox
Governmental Operations

EIN/PN: 72-1172705 / 001



Schedule SB, line 26 – Schedule of Active Participant Data

Years of Credited Service																							
		Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & up		Total	
		No.	Avg. Comp.*	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Attained Age	Under 25	20		50		2		0		0		0		0		0		0		0		72	
	25 to 29	6		64		51		2		0		0		0		0		0		0		123	
	30 to 34	9		56		99		96		2		0		0		0		0		0		262	
	35 to 39	10		53		50		136	83,646	17		2		0		0		0		0		268	81,369
	40 to 44	6		52		73		148	77,733	33	112,519	10		2		0		0		0		324	91,487
	45 to 49	7		58		68		141	86,458	34	113,332	46	107,783	35	111,856	0		0		0		389	103,089
	50 to 54	4		49		70		139	112,967	54	113,780	44	120,938	99	119,193	34	124,807	3		0		496	117,962
	55 to 59	9		37		59		106	100,900	25		35	113,502	69	116,981	71	119,395	73	100,965	11		495	112,167
	60 to 64	1		17		39		77		19		22		30	90,378	21		63	123,431	104	101,634	393	106,319
	65 to 69	0		1		8		25		4		4		9		4		9		75	107,494	139	107,016
	70 & up	0		0		2		2		3		1		1		0		1		15		25	
	Total	72		437		521	104,476	872	94,387	191	112,950	164	109,200	245	114,091	130	118,101	149	109,509	205	103,211	2,986	107,891

*Average Compensation excludes participants with a frozen benefit or hourly pay. Cells with at least 20 participants with no average pay shown contain fewer than 20 non-frozen hourly participants.

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

Prescribed Funding Assumptions and Methods

The following assumptions and methods are prescribed by ERISA, as amended by PPA 2006, MAP-21 and HATFA.

Funding interest rates

For 2014 Plan Year: Segment Rates with four-month lookback, constrained in accordance with HATFA as follows:

	Unconstrained Rates*	Rates Reflecting HATFA Corridor**
First Segment Rate	1.37%	4.99%
Second Segment Rate	4.05%	6.32%
Third Segment Rate	5.06%	6.99%

Effective Interest Rate
Based on HATFA rates 6.43%

For 2013 Plan Year: Segment Rates with four-month lookback, constrained in accordance with HATFA as follows:

	Unconstrained Rates*	Rates Reflecting HATFA Corridor**
First Segment Rate	1.75%	5.23%
Second Segment Rate	4.62%	6.51%
Third Segment Rate	5.72%	7.16%

Effective Interest Rate
Based on HATFA rates 6.62%

* Used for maximum tax-deduction purposes

** Used for minimum funding purposes and benefit restriction purposes

Mortality

Mortality tables mandated by PPA as specified in IRS Regulation 1.430(h)(3)-1, applied on a static basis, projected 7 years from the valuation date for annuitants and 15 years for non-annuitants.

Actuarial cost method

Unit Credit Method. The Funding Target is the present value of accrued benefits and based on compensation and service to date. The Target Normal Cost is the present value of benefits expected to be accrued during the current plan year, reflecting the effect of expected compensation increases during the year and including expected expenses to be paid from plan assets during the year.

**Retirement Plan for Employees of Babcock and Wilcox
Governmental Operations**



EIN/PN: 72-1172705 / 001

Non-Prescribed Funding Assumptions and Methods

The following assumptions were selected by the plan's enrolled actuary. The asset valuation method was selected by the plan sponsor and is an acceptable method under PPA.

Salary increase assumption

2.50% per annum.

Social Security

Based on the Social Security Act in effect on the valuation date with assumed increases of 2.50% per annum in both the Social Security wage index and taxable wage base, and with an assumed increase of 2.00% per annum in the Consumer Price Index.

Expenses

Expected plan expenses of \$2,200,000 were added to the Target Normal Cost.

Frequency of optional payment forms

	B&W Salaried	B&W Hourly	MMC Salaried	MMC Hourly
Single Life Annuity	35.0%	30.0%	38.9%	30.0%
Joint & Survivor 50%	25.0%	60.0%	27.8%	60.0%
Joint & Survivor 75%	5.0%	10.0%	5.5%	10.0%
Joint & Survivor 100%	25.0%	---	27.8%	---
Joint & Last Survivor $66\frac{2}{3}\%$	5.0%	---	---	---
10-year Certain & Life	5.0%	---	---	---

Marital percentage

90% of male and 50% of female participants are assumed to be married at death. Husbands are assumed to be two years older than their wives.

Mortality table

The mortality table is applied on a static basis. Separate annuitant and non-annuitant tables were used.

Cost of living increases

For participants whose accrued benefits were frozen as of March 31, 2006 or March 31, 2007, the assumed annual future cost of living increase is 2.00% through 2015 and 0% thereafter.

Decrements

Representative values of the assumed annual rates of withdrawal, vesting, early retirement, disability and death are shown below. Terminated vested participants are assumed to retire at age 65, unless adjusted for hardship service.

Retirement Plan for Employees of Babcock and Wilcox
Governmental Operations



EIN/PN: 72-1172705 / 001

Non-Prescribed Funding Assumptions and Methods (continued)

McDermott Employees:

Age	Withdrawal	Annual Rate of		Disability	Death ¹	
		Early Retirement (Pre 4/1/98 Hires)	Early Retirement (Post 4/1/98 Hires)		Male	Female
25	0.07875			0.001	0.000281	0.000138
30	0.05888			0.001	0.000384	0.000197
35	0.04372			0.001	0.000668	0.000345
40	0.03397			0.002	0.000855	0.000455
45	0.02633			0.002	0.001032	0.000704
50	0.01980	0.100		0.003	0.001263	0.001019
51	0.01875	0.025		0.004	0.001312	0.001136
52	0.01792	0.025		0.005	0.001363	0.001307
53	0.01710	0.025		0.005	0.001459	0.001504
54	0.01643	0.025		0.006	0.001565	0.001734
55	0.01575	0.025	0.025	0.007	0.001737	0.002001
56	0.01538	0.040	0.040	0.008	0.001952	0.002315
57	0.01538	0.040	0.040	0.009	0.002207	0.002603
58	0.01560	0.040	0.040	0.010	0.002504	0.002846
59	0.01575	0.100	0.100	0.011	0.002765	0.003112
60	0.01635	0.100	0.100	0.013	0.003056	0.003399
61	0.01643	0.120	0.120	0.016	0.003472	0.003705
62	0.01770	0.150	0.150		0.003818	0.004026
63	0.01905	0.200	0.200		0.004300	0.004357
64	0.02025	0.300	0.300		0.004669	0.004694
65	0.00000	0.400	0.400		0.005032	0.005033
66		0.350	0.350		0.005542	0.005367
67		0.350	0.350		0.005883	0.005692
68		0.350	0.350		0.006025	0.006005
69		0.350	0.350		0.006318	0.006303
70		1.000	1.000		0.006401	0.006583

¹ Pre-commencement rates

Retirement Plan for Employees of Babcock and Wilcox
Governmental Operations



EIN/PN: 72-1172705 / 001

Non-Prescribed Funding Assumptions and Methods (continued)

B&W Salaried Employees:

Age	Withdrawal	Annual Rate of		Disability	Death ¹	
		Early Retirement (Pre 4/1/98 Hires)	Early Retirement (Post 4/1/98 Hires)		Male	Female
25	0.07875			0.000	0.000281	0.000138
30	0.05888			0.000	0.000384	0.000197
35	0.04372			0.000	0.000668	0.000345
40	0.03397			0.000	0.000855	0.000455
45	0.02633			0.001	0.001032	0.000704
50	0.01980	0.100		0.002	0.001263	0.001019
51	0.01875	0.025		0.003	0.001312	0.001136
52	0.01792	0.025		0.003	0.001363	0.001307
53	0.01710	0.025		0.003	0.001459	0.001504
54	0.01643	0.025		0.004	0.001565	0.001734
55	0.01575	0.025	0.025	0.005	0.001737	0.002001
56	0.01538	0.040	0.040	0.005	0.001952	0.002315
57	0.01538	0.040	0.040	0.006	0.002207	0.002603
58	0.01560	0.040	0.040	0.007	0.002504	0.002846
59	0.01575	0.100	0.100	0.008	0.002765	0.003112
60	0.01635	0.100	0.100	0.009	0.003056	0.003399
61	0.01643	0.120	0.120	0.010	0.003472	0.003705
62	0.01770	0.150	0.150	0.011	0.003818	0.004026
63	0.01905	0.200	0.200	0.012	0.004300	0.004357
64	0.02025	0.300	0.300	0.013	0.004669	0.004694
65	0.00000	0.400	0.400	0.000	0.005032	0.005033
66		0.350	0.350		0.005542	0.005367
67		0.350	0.350		0.005883	0.005692
68		0.350	0.350		0.006025	0.006005
69		0.350	0.350		0.006318	0.006303
70		1.000	1.000		0.006401	0.006583

¹ Pre-commencement rates

Retirement Plan for Employees of Babcock and Wilcox
Governmental Operations



EIN/PN: 72-1172705 / 001

Non-Prescribed Funding Assumptions and Methods (continued)

B&W Hourly Employees:

Age	Withdrawal	Annual Rate of		Disability	Death ¹	
		Early Retirement Reduced	Unreduced		Male	Female
25	0.07875			0.000	0.000281	0.000138
30	0.05888			0.000	0.000384	0.000197
35	0.04372			0.000	0.000668	0.000345
40	0.03397			0.000	0.000855	0.000455
45	0.02633			0.001	0.001032	0.000704
50	0.01980			0.002	0.001263	0.001019
51	0.01875			0.003	0.001312	0.001136
52	0.01792			0.003	0.001363	0.001307
53	0.01710			0.003	0.001459	0.001504
54	0.01643			0.004	0.001565	0.001734
55	0.01575	0.050	0.050	0.005	0.001737	0.002001
56	0.01538	0.040	0.040	0.005	0.001952	0.002315
57	0.01538	0.040	0.040	0.006	0.002207	0.002603
58	0.01560	0.040	0.040	0.007	0.002504	0.002846
59	0.01575	0.040	0.040	0.008	0.002765	0.003112
60	0.01635	0.060	0.060	0.009	0.003056	0.003399
61	0.01643		0.075	0.010	0.003472	0.003705
62	0.01770		0.100	0.011	0.003818	0.004026
63	0.01905		0.100	0.012	0.004300	0.004357
64	0.02025		0.100	0.013	0.004669	0.004694
65	0.00000		0.500	0.000	0.005032	0.005033
66			0.200		0.005542	0.005367
67			0.200		0.005883	0.005692
68			0.200		0.006025	0.006005
69			0.200		0.006318	0.006303
70			1.000		0.006401	0.006583

¹ Pre-commencement rates

Retirement Plan for Employees of Babcock and Wilcox
Governmental Operations



EIN/PN: 72-1172705 / 001

Non-Prescribed Funding Assumptions and Methods (continued)

Marine Mechanical Hourly and Salaried Employees:

Age	Withdrawal		Annual Rate of Early Retirement		Disability		Death ¹	
	Male	Female	MMC Hourly	MMC Salaried	Male	Female	Male	Female
25	0.0690	0.1085			0.001	0.001	0.000281	0.000138
30	0.0521	0.0634			0.001	0.001	0.000384	0.000197
35	0.0324	0.0465			0.001	0.002	0.000668	0.000345
40	0.0169	0.0324			0.002	0.003	0.000855	0.000455
45	0.0085	0.0155			0.003	0.005	0.001032	0.000704
50	0.0014	0.0014			0.005	0.006	0.001263	0.001019
51	0.0014	0.0014			0.006	0.007	0.001312	0.001136
52					0.006	0.007	0.001363	0.001307
53					0.007	0.007	0.001459	0.001504
54					0.008	0.008	0.001565	0.001734
55			0.025	0.025	0.009	0.008	0.001737	0.002001
56			0.025	0.040	0.010	0.008	0.001952	0.002315
57			0.025	0.040	0.011	0.009	0.002207	0.002603
58			0.025	0.040	0.012	0.010	0.002504	0.002846
59			0.025	0.100	0.014	0.010	0.002765	0.003112
60			0.025	0.100	0.015	0.011	0.003056	0.003399
61			0.025	0.120	0.016	0.012	0.003472	0.003705
62			0.850	0.150	0.017	0.013	0.003818	0.004026
63			0.500	0.200	0.018	0.015	0.004300	0.004357
64			0.500	0.300	0.020	0.016	0.004669	0.004694
65			1.000	0.400	0.021	0.017	0.005032	0.005033
66				0.350	0.021	0.017	0.005542	0.005367
67				0.350	0.021	0.017	0.005883	0.005692
68				0.350	0.021	0.017	0.006025	0.006005
69				0.350	0.021	0.017	0.006318	0.006303
70				1.000	0.021	0.017	0.006401	0.006583

¹ Pre-commencement rates

Non-Prescribed Funding Assumptions and Methods (continued)

Asset valuation method

The Actuarial Value of Assets is Market Value as of the valuation date, including discounted receivable contributions, reduced by 2/3 and 1/3 of the gain/(loss) in the prior two years, respectively. The gain/(loss) for each period is determined as the actual return on Market Value during the period less the expected return on Market Value based on an assumed earnings rate chosen by the actuary but required by PPA to be not greater than the applicable third segment rate. The resulting value is constrained to be within a corridor of 90% to 110% of Market Value, including discounted receivable contributions.

	Actuary's Assumption	Third Segment Rate	Reflecting PPA Limit
2014 Expected Return	7.20%	6.99%	6.99%
2013 Expected Return	7.20%	7.16%	7.16%
2012 Expected Return	7.20%	7.52%	7.20%

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, changes expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions, applicable law or regulations. An analysis of the potential range of such future differences is beyond the scope of this report.

**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 RETIREMENT PLAN FOR EMPLOYEES OF BABCOCK AND WILCOX GOVERNMENTAL OPERATIONS		B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF BABCOCK & WILCOX INVESTMENT COMPANY		D Employer Identification Number (EIN) 72-1172705
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B ☐ 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	982284078
b Actuarial value		2b	970389055
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.....	5079	608942494	608942494
b For terminated vested participants.....	1383	29980261	29980261
c For active participants.....	2986	282955871	297092956
d Total.....	9448	921878626	936015711
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	6.43%	
6 Target normal cost.....	6	18730469	

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**

Sonja C. Borsari

Signature of actuary

Sonja C. Borsari, FSA, EA, MAAA

Type or print name of actuary

BUCK CONSULTANTS, LLC

Firm name

595 Summer Street, Suite 3 S

STAMFORD CT 06901-3246

Address of the firm

09/01/2015

Date

1405568

Most recent enrollment number

203-975-0260

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	46371072
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	32831730
9	Amount remaining (line 7 minus line 8)	0	13539342
10	Interest on line 9 using prior year's actual return of <u>7.29</u> %	0	987018
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year).....		33900791
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>6.62</u> %		70772
b(2)	Interest on line 38b from prior year Schedule SB, using prior year's actual return		2393433
c	Total available at beginning of current plan year to add to prefunding balance		36364996
d	Portion of (c) to be added to prefunding balance.....		36364996
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	50891356

Part III Funding Percentages			
14	Funding target attainment percentage	14	98.23%
15	Adjusted funding target attainment percentage	15	103.67%
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	97.75%
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
04/15/2015	80000	0			
Totals ►			18(b)	80000	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 73844
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
0	0
(3) 3rd	(4) 4th
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 64
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	18730469	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:			
a Net shortfall amortization installment	Outstanding Balance	Installment	
	16518012	13621725	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	32352194	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	32352381	32352381
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	73844	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	73844	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

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

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

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

This table calculates the weighted average retirement age for all active persons in the plan.

(1) Age	(2) Expected Active Headcount	(3) Retirement Rate	(4) Expected Retirements (2)*(3)	(5) Weighted Age (1)*(4)
50	1,055.2697	0.0120	12.6272	631.3625
51	1,114.4859	0.0034	3.7557	191.5393
52	1,184.0655	0.0039	4.5697	237.6260
53	1,270.1336	0.0042	5.3860	285.4594
54	1,323.8147	0.0043	5.6501	305.1063
55	1,377.8877	0.0300	41.3409	2,273.7499
56	1,426.0459	0.0327	46.6968	2,615.0203
57	1,468.8383	0.0329	48.3900	2,758.2306
58	1,487.6917	0.0332	49.3698	2,863.4486
59	1,500.5358	0.0616	92.4159	5,452.5388
60	1,485.6081	0.0684	101.6269	6,097.6122
61	1,428.4398	0.0826	117.9373	7,194.1760
62	1,352.8785	0.1596	215.8963	13,385.5736
63	1,189.4200	0.1436	170.8300	10,762.2922
64	1,058.5589	0.1845	195.2786	12,497.8295
65	903.6168	0.4625	417.8983	27,163.3878
66	526.6380	0.2709	142.6737	9,416.4640
67	409.7053	0.2638	108.0900	7,242.0309
68	316.9944	0.2568	81.3932	5,534.7342
69	245.5387	0.2493	61.2065	4,223.2508
70	189.6610	0.9947	188.6610	13,206.2700
71	5.9728	1.0000	5.9728	424.0709
72	1.0000	1.0000	1.0000	72.0000
73	7.0000	1.0000	7.0000	511.0000
74	5.0000	1.0000	5.0000	370.0000
75	4.0000	1.0000	4.0000	300.0000
Total			2,134.6669	13,6014.7739
Weighted Average Retirement Age = 136,014.7739 / 2,134.6669				63.7171
Rounded Weighted Average Retirement Age				64

Note to Column 2: The Expected Active Headcount for each age includes persons who are eligible to retire and persons who are not eligible to retire at each age.

Note to Column 3: At each age, these retirement rates are a weighted average of the rates shown in Attachment to Part V for active participants eligible to retire at the age and zero for all other active participants.

General note: The table presents values rounded to fewer significant digits than used in the calculation.

Schedule SB, Part V – Summary of Plan Provisions

Summary of Main Plan Provisions for McDermott – Pre April 1, 1998 Hires

Eligibility

Completion of one year of service.

Normal retirement

Eligibility

Later of age 65 and completion of 5 years of service.

Benefit

Greatest of the following:

1. PIA Offset Formula

1-2/3% of final average monthly compensation times credited service up to 40 years, minus 1.00% of the participant's age 65 (age 62 for pilots) monthly Primary Insurance Amount under the Social Security Law in effect at retirement times credited service up to 40 years, minus the monthly profit sharing and stock bonus retirement plan offset.

2. Minimum Formula

The greater of \$125.00 or \$12.00 times credited service.

3. Frozen Grandfathered Formula

For participants in the plan on December 31, 1975, a percentage of final average monthly compensation based on credited service as of February 28, 1994 minus the same percentage of the participant's age 65 (age 62 for pilots) monthly Primary Insurance Amount under the Social Security Law in effect on July 1, 1968 minus the monthly profit sharing and stock bonus retirement offset plus the benefit determined under the above PIA offset formula for service after February 28, 1994.

Benefits under this formula will be frozen as of December 31, 2015.

Early retirement

Eligibility

Later of age 50 and completion of 10 years of service.

Benefit

Accrued pension reduced by 0.6% for each month that early retirement date precedes age 60, but not less than \$12 per month for each year of credited service. If participant completed at least 6 months service in a hardship area, one month is subtracted from age 60 for each month of hardship service (maximum 10 years) to determine reductions.

Deferred vested retirement

Eligibility

Completion of 5 years of service.

Summary of Main Plan Provisions for McDermott – Pre April 1, 1998 Hires (continued)

Benefit

Accrued pension deferred to Normal Termination Benefit Commencement Date (normal retirement date, or if participant completed 6 months service in hardship area, date determined by subtracting number of months hardship service (maximum 120) from normal retirement date). The accrued pension is 1-2/3% of final average monthly compensation at Date of Termination, times credited service at Date of Termination up to 40 years, minus 1.00% of the participant's age 65 (age 62 for pilots) monthly Primary Insurance Amount under the Social Security Law in effect at retirement, times credited service at normal retirement up to 40 years, multiplied by a fraction whose numerator is the credited service at termination and whose denominator is the credited service at normal retirement, minus the monthly profit sharing and stock bonus retirement plan offset, subject to the minimum benefits described under Normal Retirement determined based on service at date of termination. Benefits under this formula will be frozen as of December 31, 2015.

Disability retirement

Eligibility

Completion of 15 years of service and total and permanent disability prior to normal retirement date.

Benefit

Accrued pension (including minimum).

Death benefit

Eligibility

Death in active service after completion of 5 years of service.

Death prior to Normal Retirement Date while receiving a disability pension.

Death after terminating employment with eligibility for a vested, early or normal retirement pension and prior to commencing receipt of benefits.

Benefit

The amount that would have been payable to the spouse had the member terminated from service on the date of death (if termination had not already occurred), survived to age 65, begun to receive benefits under a 50% joint and survivor annuity, and then died. The benefit to the spouse shall begin on what would have been the member's normal retirement date. However, the spouse may elect to begin receiving reduced benefits as early as the date which would have been the member's early retirement date.

Normal form of benefit

Single

Life annuity.

Married

50% joint and survivor annuity (actuarial equivalent of life annuity).

Optional forms

Ten year certain and life annuity.

Reduced 66 2/3% joint and last survivor annuity.

100% joint and survivor annuity.

75% joint and survivor annuity.

**Retirement Plan for Employees of Babcock and Wilcox
Governmental Operations**



EIN/PN: 72-1172705 / 001

Summary of Main Plan Provisions for McDermott – Pre April 1, 1998 Hires (continued)

Additional benefits

Early deferred participants, retired participants, and beneficiaries in receipt as of April 1, 1998.

An additional monthly amount determined by the participant's postretirement medical election and life insurance coverage:

Coverage Type	Additional Monthly Benefit
Single with Life Insurance	\$ 123
Dependent with Life Insurance	\$ 229
Family with Life Insurance	\$ 335
Life Insurance Only	\$ 17

**Retirement Plan for Employees of Babcock and Wilcox
Governmental Operations**



EIN/PN: 72-1172705 / 001

Summary of Main Plan Provisions for Babcock & Wilcox– Pre April 1, 1998 Hires

Coverage

Salaried

Salaried employees of The Babcock & Wilcox Company.

Barberton Hourly

Members of Locals No. 900, 902 and 903 of the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers.

Lynchburg Hourly

Hourly paid employees at the Company's Naval Nuclear Fuel Division Lynchburg Plant who are not covered by a collective bargaining agreement.

Bettis Hourly

Hourly employees at the Company's Bettis, Pennsylvania site Department 224.

Eligibility

Attainment of age 21 and completion of 1 year of service.

Normal retirement

Eligibility

Later of age 65 and completion of 5 years of service.

Benefit

Salaried

1.25% of average annual compensation for the 5 highest paid years during the last 10 years of credited service multiplied by years of credited service.

If member has 15 or more years of service, minimum benefit is \$1,500. Proportionately less for less service.

For members affected by the \$150,000 pay limit, the fresh-start formula with extended wear away applies to the December 31, 1993 frozen accrued benefit.

Benefits under this formula will be frozen as of December 31, 2015.

Barberton Hourly

For terminations/retirements occurring between	Per month of service
5/1/2003 – 4/30/2004	\$34.00
5/1/2004 – 4/30/2005	35.00
5/1/2005 – 4/30/2006	36.00
5/1/2006 – 4/30/2007	37.00
5/1/2007 – 4/30/2008	38.00
5/1/2008 – 4/30/2009	40.00
5/1/2009 – 4/30/2010	40.50
5/1/2010 – 4/30/2011	42.00
5/1/2011 – 4/30/2012	43.00
5/1/2012 – 4/30/2013	44.00
5/1/2011 – 4/30/2012	45.50
After 5/1/2014	47.00

Summary of Main Plan Provisions for Babcock & Wilcox– Pre April 1, 1998 Hires (continued)

Lynchburg and Bettis Hourly

\$44.00 a month per year of service for terminations on or after January 1, 2008.

\$45.25 a month per year of service for terminations on or after January 1, 2009.

\$46.50 a month per year of service for terminations on or after January 1, 2010.

\$47.75 a month per year of service for terminations on or after January 1, 2011.

\$49.00 a month per year of service for terminations on or after January 1, 2012.

\$50.25 a month per year of service for terminations on or after January 1, 2013.

\$51.75 a month per year of service for terminations on or after January 1, 2014.

Early retirement

Eligibility

Salaried

Later of age 50 with completion of 15 years of service.

Hourly

Later of age 55 with completion of 15 years of service.

Benefit

Salaried

Accrued pension (excluding minimum) if age plus service equals 75; otherwise reduced by 4% times the difference between 75 and the member's age plus service.

Hourly

Accrued pension reduced by 0.4% for each month member is under age 62 plus:

An additional supplement of \$250 per month payable until age 65 for Barberton Hourly participants retiring on or after November 1, 2000.

An additional supplement of \$250 per month payable until age 65 for Lynchburg Hourly and Bettis Hourly participants retiring on or after January 1, 2002.

Special early retirement

Eligibility

Hourly

Attainment of age 62 and completion of 10 years of service or completion of 30 years of service.

Barberton Hourly layoffs with 25 or more years of service who retired by August 1, 1999, receive an unreduced benefit when they would have had 30 years of service.

**Retirement Plan for Employees of Babcock and Wilcox
Governmental Operations**



EIN/PN: 72-1172705 / 001

Summary of Main Plan Provisions for Babcock & Wilcox– Pre April 1, 1998 Hires (continued)

Benefit

Accrued pension plus an additional amount equal to:

An additional supplement of \$200 per month for Lynchburg Hourly and Bettis Hourly participants payable until age 62.

An additional supplement of \$250 payable until age 65 for Barberton Hourly participants retiring on or after November 1, 2000. For Barberton participants retiring on or after May 1, 2005 with 30 or more years of service, the prior supplement is replaced by the following benefit. A monthly supplement payable to age 65 in the following amounts:

Age at Retirement	Monthly Temporary Supplemental Benefit
Under age 60	\$ 250.00
At least 60 but under age 62	\$ 300.00
At least 62 but under age 64	\$ 350.00
Age 64 and older	\$ 400.00

An additional supplement for Barberton Hourly with at least 30 years of service, a supplement of \$200 per month to age 62 for retirement prior to age 58. If a participant retires at or after age 58, the supplement is paid until the earlier of age 65 or 60 months.

An additional supplement of \$250 per month payable until age 65 for Lynchburg Hourly and Bettis Hourly participants retiring on or after January 1, 2002.

Disability retirement

Eligibility

Salaried

15 years of service and permanently and totally disabled.

Hourly

Completion of 10 years of service and totally and permanently disabled.

Benefit

Salaried

Accrued pension (including minimum).

Hourly

Accrued pension plus, until the member is eligible for unreduced benefits under the Social Security Act, an additional amount equal to:

An additional supplement of \$250 per month payable until age 65 for Barberton Hourly participants retiring on or after November 1, 2000.

An additional supplement of \$250 per month payable until age 65 for Lynchburg Hourly and Bettis Hourly participants retiring on or after January 1, 2002.

**Retirement Plan for Employees of Babcock and Wilcox
Governmental Operations**



EIN/PN: 72-1172705 / 001

Summary of Main Plan Provisions for Babcock & Wilcox– Pre April 1, 1998 Hires (continued)

Deferred vested retirement

Eligibility

Completion of 5 years of service.

Benefit

Salaried

Accrued pension deferred to age 65 or actuarially reduced pension payable at age 50 or later if member had 15 years of service.

Hourly

Accrued pension deferred to age 65 or actuarially reduced pension at age 55 if member had 15 years of service or at age 62 if member had 10 years of service.

Death benefit

Eligibility

Salaried

Death in active service after completion of 5 years of service.

Death prior to Normal Retirement Date while receiving a disability pension.

Death after terminating employment with eligibility for a vested, early or normal retirement pension and prior to commencing receipt of benefits.

Hourly

Death in active service after completion of 5 years of service.

Death after terminating employment with eligibility for a vested, early or normal retirement pension and prior to commencing receipt of benefits.

Benefit

The amount that would have been payable to the spouse had the member terminated from service on the date of death (if termination had not already occurred), survived to age 65, begun to receive benefits under a 50% joint and survivor annuity, and then died. The benefit to the spouse shall begin on what would have been the member's normal retirement date. However, the spouse may elect to begin receiving reduced benefits as early as the date which would have been the member's early retirement date.

Normal form of benefit

Salaried

Single

Life annuity.

Married

50% joint and survivor annuity (actuarial equivalent of life annuity).

**Retirement Plan for Employees of Babcock and Wilcox
Governmental Operations**



EIN/PN: 72-1172705 / 001

Summary of Main Plan Provisions for Babcock & Wilcox– Pre April 1, 1998 Hires (continued)

Hourly

Single

Life annuity, except if member dies between ages 65 and 70, remaining monthly payments he would have received had he lived until age 70 are paid (except in case of vested deferred retirement).

Married

Reduced 50% joint and survivor annuity (actuarial equivalent of life annuity). Amounts payable for temporary periods are payable to pensioner only.

Optional forms- available for Salaried participants only

Ten year certain and life annuity.

Reduced 66 2/3% joint and last survivor annuity.

100% joint and survivor annuity.

75% joint and survivor annuity.

Additional benefits

As of April 1, 1998 for early deferred participants, retired participants, and beneficiaries in receipt at Salaried or Lynchburg Hourly locations.

Coverage Type	Additional Monthly Benefit
Single with Life Insurance	\$ 123.00
Dependent with Life Insurance	\$ 229.00
Family with Life Insurance	\$ 335.00
Life Insurance Only	\$ 17.00

As of November 1, 2000 for early deferred participants, retired participants and beneficiaries in receipt at Barberton hourly.

Coverage Type	Additional Monthly Benefit
Single with Life Insurance	\$ 49.00
Family with Life Insurance	\$ 74.00
Life Insurance Only	\$ 24.00

For Barberton hourly participants who retired prior to November 1, 2000 a monthly supplement to age 65.

Coverage Type	Additional Monthly Benefit
Single	\$ 81.00
Family	\$ 268.00

Contributions

All contributions to support the Plan are paid by the Company.

Retirement Plan for Employees of Babcock and Wilcox Governmental Operations



EIN/PN: 72-1172705 / 001

Summary of Main Plan Provisions All Post April 1, 1998 Hires

Coverage

Salaried

Salaried employees of The Babcock & Wilcox Company.

Barberton Hourly

Members of Locals No. 900, 902 and 903 of the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers.

Lynchburg Hourly

Hourly paid employees at the Company's Naval Nuclear Fuel Division Lynchburg Plant who are not covered by a collective bargaining agreement.

Bettis Hourly

Hourly paid employees at the Company's Bettis, Pennsylvania site Department 224.

Eligibility

Attainment of age 21 and completion of 1 year of service. As of April 1, 2006, no new salaried employees are eligible to enter the plan.

Normal retirement

Eligibility

Later of age 65 and completion of 5 years of service.

Benefit

Salaried

1.2% of final average monthly compensation up to the Social Security limit times credited service up to 35 years plus 1.65% of final average monthly compensation in excess of the Social Security Limit times credited service up to 35 years.

For salaried employees hired on or after April 1, 2001 with one year of service and are participants in the plan: Benefit is accrued benefit as of March 31, 2006, increased each year in the same percentage as increases in the Consumer Price Index, up to a maximum of 8% a year for each year they remain in the employ of the company. The increase in accrued benefit from January 1, 2013 to December 31, 2013 was 1.18%.

For employees who elected to stop accruals in the plan as of April 1, 2007: Benefit is accrued benefit as of March 31, 2007 increased each year in the same percentage as increases in the Consumer Price

Index, up to a maximum of 8% a year for each year they remain in the employ of the company. The increase in accrued benefit from January 1, 2013 to December 31, 2013 was 1.18%.

Benefits under this formula will be frozen as of December 31, 2015.

**Retirement Plan for Employees of Babcock and Wilcox
Governmental Operations**



EIN/PN: 72-1172705 / 001

Summary of Main Plan Provisions All Post April 1, 1998 Hires (continued)

Barberton Hourly

For terminations/retirements occurring between	Per month of service
5/1/2003 – 4/30/2004	\$34.00
5/1/2004 – 4/30/2005	35.00
5/1/2005 – 4/30/2006	36.00
5/1/2006 – 4/30/2007	37.00
5/1/2007 – 4/30/2008	38.00
5/1/2008 – 4/30/2009	40.00
5/1/2009 – 4/30/2010	40.50
5/1/2010 – 4/30/2011	42.00
5/1/2011 – 4/30/2012	43.00
5/1/2012 – 4/30/2013	44.00
5/1/2011 – 4/30/2012	45.50
After 5/1/2014	47.00

Lynchburg Hourly and Bettis Hourly

\$44.00 a month per year of service for terminations on or after January 1, 2008.

\$45.25 a month per year of service for terminations on or after January 1, 2009.

\$46.50 a month per year of service for terminations on or after January 1, 2010.

\$47.75 a month per year of service for terminations on or after January 1, 2011.

\$49.00 a month per year of service for terminations on or after January 1, 2012.

\$50.25 a month per year of service for terminations on or after January 1, 2013.

\$51.75 a month per year of service for terminations on or after January 1, 2014.

Early retirement

Eligibility

Later of age 55 and completion of 15 years of service.

Benefit

Salaried

Accrued pension reduced by 0.4% for each month that early retirement date precedes age 62.

Hourly

Accrued pension reduced by 0.4% for each month member is under age 62, plus:

An additional supplement of \$250 per month payable until age 65 for Barberton Hourly participants retiring on or after November 1, 2000.

An additional supplement of \$250 per month payable until age 65 for Lynchburg Hourly and Bettis Hourly participants retiring on or after January 1, 2002.

Retirement Plan for Employees of Babcock and Wilcox Governmental Operations



EIN/PN: 72-1172705 / 001

Summary of Main Plan Provisions All Post April 1, 1998 Hires (continued)

Special early retirement

Eligibility

Hourly

Attainment of age 62 and completion of 10 years of service or completion of 30 years of service.

Barberton Hourly layoffs with 25 or more years of service who retired by August 1, 1999 and receive an unreduced benefit when they would have had 30 years of service.

Benefit

Accrued pension plus an additional amount equal to:

An additional supplement of \$200 per month for Lynchburg Hourly and Bettis Hourly participants payable until age 62.

An additional supplement of \$250 payable until age 65 for Barberton Hourly participants retiring on or after November 1, 2000. For Barberton participants retiring on or after May 1, 2005 with 30 or more years of service, the prior supplement is replaced by the following benefit. A monthly supplement payable to age 65 in the following amounts:

Age at Retirement	Monthly Temporary Supplemental Benefit
Under age 60	\$250.00
At least 60 but under age 62	\$300.00
At least 62 but under age 64	\$350.00
Age 64 and older	\$400.00

An additional supplement for Barberton Hourly with at least 30 years of service equal to \$200 per month to age 62 for retirement prior to age 58. If a participant retires at or after age 58, the supplement is paid until the earlier of age 65 or 60 months

An additional supplement of \$250 per month payable until age 65 for Lynchburg Hourly and Bettis Hourly participants retiring on or after January 1, 2002.

Disability retirement

Eligibility

Salaried

Completion of 15 years of service and totally and permanently disabled prior to normal retirement date.

Hourly

Completion of 10 years of service and totally and permanently disabled.

Benefit

Salaried

Accrued pension.

Summary of Main Plan Provisions All Post April 1, 1998 Hires (continued)

Hourly

Accrued pension plus, until the member is eligible for unreduced benefits under the Social Security Act, an additional amount equal to:

An additional supplement of \$250 per month payable until age 65 for Barberton Hourly participants retiring on or after November 1, 2000.

An additional supplement of \$250 per month payable until age 65 for Lynchburg Hourly and Bettis Hourly participants retiring on or after January 1, 2002.

Deferred vested retirement

Eligibility

Completion of 5 years of service. For salaried employees with a frozen accrued benefit as of March 31, 2006, vesting is 100% regardless of years of service.

Benefit

Salaried

Accrued pension deferred to Normal Termination Benefit Commencement Date (normal retirement date) based on final average monthly compensation and credited service as of date of termination. Benefits under this formula will be frozen as of December 31, 2015.

Hourly

Accrued pension deferred to age 65 or actuarially reduced pension at age 55 if member had 15 years of service or at age 62 if member had 10 years of service.

Death benefit

Eligibility

Salaried

Death in active service after completion of 5 years of service.

Death prior to Normal Retirement Date while receiving a disability pension.

Death after terminating employment with eligibility for a vested, early or normal retirement pension and prior to commencing receipt of benefits.

Hourly

Death in active service after completion of 5 years of service.

Death after terminating employment with eligibility for a vested, early or normal retirement pension and prior to commencing receipt of benefits.

Benefit

The amount that would have been payable to the spouse had the member terminated from service on the date of death (if termination had not already occurred), survived to age 65, begun to receive benefits under a 50% joint and survivor annuity, and then died. The benefit to the spouse shall begin on what would have been the member's normal retirement date. However, the spouse may elect to begin receiving reduced benefits as early as the date which would have been the member's early retirement date.

**Retirement Plan for Employees of Babcock and Wilcox
Governmental Operations**



EIN/PN: 72-1172705 / 001

Summary of Main Plan Provisions All Post April 1, 1998 Hires (continued)

Normal form of benefit

Salaried

Single

Life annuity.

Married

50% joint and survivor annuity (actuarial equivalent of life annuity).

Hourly

Single

Life annuity, except if member dies between ages 65 and 70, remaining monthly payments he would have received had he lived until age 70 are paid (except in case of vested deferred retirement).

Married

Reduced 50% joint and survivor annuity (actuarial equivalent of life annuity). Amounts payable for temporary periods are payable to pensioner only.

Optional forms- available for Salaried participants only

Ten year certain and life annuity.

Reduced 66 2/3% joint and last survivor annuity.

100% joint and survivor annuity.

75% joint and survivor annuity.

Contributions

All contributions to support the Plan are paid by the Company.

Retirement Plan for Employees of Babcock and Wilcox Governmental Operations



EIN/PN: 72-1172705 / 001

Summary of Main Plan Provisions – Marine Mechanical Hourly

Eligibility

All hourly employees of Marine Mechanical Corporation.

Normal retirement

Eligibility

Attainment of age 65.

Benefit

If termination prior to November 1, 2008: \$30 times years of benefit service.

If termination on or after November 1, 2008: \$31 times years of benefit service.

If termination on or after January 1, 2010: \$32 times years of benefit service.

If termination on or after January 1, 2011: \$33 times years of benefit service.

If termination on or after January 1, 2012: \$34 times years of benefit service.

If termination on or after January 1, 2013: \$36 times years of benefit service.

If termination on or after January 1, 2014: \$37 times years of benefit service.

Early retirement

Eligibility

Attainment of age 55 and completion of 10 years of vesting service.

Benefit

The monthly benefit payable at Normal Retirement reduced 5% for each year that benefit commencement precedes age 62.

Supplemental early retirement

Eligibility

Certain employees of the Aircraft Workers Alliance Amalgamated, Inc. who were vested in the TRW-AWA Retirement Plan on October 20, 1986 and completion of 10 years of service.

Benefit

Supplemental benefit from actual retirement age to attainment of age 60, so that Plan benefit and Supplement benefit equal \$1,000 per month, based on normal annuity form.

Supplement benefit from age 60 (or actual retirement age if later) to attainment of age 62, so that Plan benefit plus the Supplement benefit plus the TRW benefit equal \$1,000 per month based on normal annuity form.

The Supplement benefit ceases at attainment of age 62.

Disability benefit

Eligibility

Participant is receiving long-term disability benefits or worker's compensation or on an approved sick leave.

Benefit

The participant continues to accrue vesting and benefit service under the Plan while disabled.

**Retirement Plan for Employees of Babcock and Wilcox
Governmental Operations**



EIN/PN: 72-1172705 / 001

Summary of Main Plan Provisions – Marine Mechanical Hourly (continued)

Layoff benefit

Eligibility

Participant on layoff who returns to active employment within 36 months.

Benefit

Participant receives vesting and benefit service for the period of layoff.

Termination benefit

Eligibility

Completion of five years of vesting service.

Benefit

The Normal Retirement benefit payable at age 65 accrued as of date of termination. Benefits commencing after attainment of age 55 and prior to attainment of age 65 are reduced 6.6% for each year benefit commencement precedes age 65.

Preretirement death

Eligibility

Completion of five years of vesting service.

Benefit

The surviving spouse is eligible to receive a benefit commencing on the first day of the month following the later of the date of the Participant's death or the date the Participant would have attained age 55. The amount of the benefit is equal to the accrued benefit as of date of death which would have been payable had the Participant survived to age 65 and retired at that age under the joint and 50% survivor option.

Normal form of benefit

Single

Life annuity.

Married

50% joint and survivor annuity (actuarial equivalent of life annuity)

Optional forms

25% joint and survivor annuity.

50% joint and survivor annuity.

75% joint and survivor annuity.

100% joint and survivor annuity.

Definitions

Year of Service

One month of service is credited for each month in which an employee is credited with one or more hours of service. Credit is given for service with Argo-Tech Corporation prior to December 24, 1990.

Retirement Plan for Employees of Babcock and Wilcox Governmental Operations



EIN/PN: 72-1172705 / 001

Summary of Main Plan Provisions – Marine Mechanical Salaried

Eligibility

All full-time, salaried employees of Marine Mechanical Corporation hired before December 31, 2007.

Normal retirement

Eligibility

Attainment of age 65.

Benefit

1.0% of Average Compensation times years of service; plus 0.5% of Average Compensation in excess of Covered Compensation times years of service (maximum 35); minus the December 24, 1990 accrued benefit payable from the Argo-Tech Corporation Salaried Pension Plan. Benefit is not less than \$20 times years of benefit service.

For salaried employees hired on or after January 1, 2003, benefit is accrued as of December 31, 2007 increased each year in the same percentage as increases in the Consumer Price Index, up to a maximum of 8% a year for each year they remain in the employ of the company. The increase in accrued benefit from January 1, 2013 to December 31, 2013 was 1.18%.

Benefits under this formula will be frozen as of December 31, 2015.

Early retirement

Eligibility

Attainment of age 55 with completion of five years of service.

Benefit

The monthly benefit payable at normal retirement reduced 5% for each of the first five years and 6.5% for each of the next two years that benefit commencement precedes age 62.

Disability benefit

Eligibility

Participant is receiving employer sponsored short-term or long-term disability benefits, worker's compensation or on an approved sick leave.

Benefit

The participant continues to accrue vesting and benefit service while disabled. Benefits under this formula will be frozen as of December 31, 2015.

Termination benefit

Eligibility

Completion of five years of vesting service.

Benefit

The Normal Retirement benefit payable at age 65 accrued as of date of termination. Benefits commencing after attainment of age 55 and prior to attainment of age 65 are reduced 6.67% for each year of the first five years benefit commencement precedes age 65 and 3.33% for each of the next five years. Benefits under this formula will be frozen as of December 31, 2015.

**Retirement Plan for Employees of Babcock and Wilcox
Governmental Operations**



EIN/PN: 72-1172705 / 001

Summary of Main Plan Provisions – Marine Mechanical Salaried (continued)

Preretirement death

Eligibility

Completion of five years of vesting service.

Benefit

The surviving spouse is eligible to receive a benefit commencing on the first day of the month following the later of the date of the Participant's death or the date the Participant would have attained age 55. The amount of the benefit is equal to the accrued benefit as of date of death which would have been payable had the Participant survived to age 65 and retired at that age under the joint and 50% survivor option. Benefits under this formula will be frozen as of December 31, 2015.

Normal form of benefit

Single

Life annuity.

Married

50% joint and survivor annuity (actuarial equivalent of life annuity)

Optional forms

25% joint and survivor annuity.

50% joint and survivor annuity.

75% joint and survivor annuity.

100% joint and survivor annuity.

Definitions

Average Compensation

1/12 of average annual compensation over the five consecutive years of the final ten years that produce the highest average. Annual compensation is W-2 compensation increased by qualified deferrals.

Covered Compensation

The average of Social Security Wage Bases over the 35-year period ending with the year in which the employee attains Social Security Retirement Age.

Year of Service

One month of service is credited for each month in which an employee is credited with one or more hours of service. Credit is given for service with Argo-Tech Corporation prior to December 24, 1990 to a maximum of 4 years and 2 months.

Summary of Changes from the January 1, 2013 Valuation

- The following locations had a multiplier increase:

Lynchburg and Bettis Hourly

\$51.75 per month per year of service for terminations on or after January 1, 2014.

Barberton Hourly

\$45.50 per month per year of service for terminations between May 1, 2013 and April 30, 2014.

\$47.00 per month per year of service for terminations on or after May 1, 2014.

**RETIREMENT PLAN FOR EMPLOYEES OF
BABCOCK & WILCOX
GOVERNMENTAL OPERATIONS**

**EIN 72-1172705, PLAN # 001
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS HELD AT YEAR END
As of December 31, 2014**

<u>(a)</u>	<u>(b)</u> <u>Identity of Issue</u>	<u>(c)</u> <u>Description</u>	<u>(d)</u> <u>Cost</u>	<u>(e)</u> <u>Current Value</u>
*	The Babcock & Wilcox Company Master Trust	Master Trust Investment	\$ <u>1,046,429,846</u>	\$ <u>1,046,429,846</u>

* Indicates party-in-interest to the Plan
This schedule has been prepared from information certified by the Trustee as being complete and accurate.

Retirement Plan for Employees of Babcock and Wilcox
Governmental Operations



EIN/PN: 72-1172705 / 001

Schedule SB, line 32 – Schedule of Amortization Bases

Date Established	Type Of Base	Years Remaining	Shortfall Amortization Installment	Present Value of Remaining Installments as of January 1, 2014
January 1, 2010	Shortfall	3	\$ 21,937,961	\$ 62,735,415
January 1, 2011	Shortfall	4	10,618,916	39,542,278
January 1, 2012	Shortfall	5	(21,062,322)	(95,765,625)
January 1, 2013	Shortfall	6	(162,710)	(859,573)
January 1, 2014	Shortfall	7	<u>1,551,213</u>	<u>9,268,777</u>
Subtotal			\$ 12,883,058	\$ 14,921,272
Amounts transferred in from McDermott Plan				
January 1, 2008	Shortfall ¹	1	\$ 273,056	\$ 273,056
January 1, 2009	Shortfall ¹	2	8,611	16,813
January 1, 2010	Shortfall ¹	3	<u>457,000</u>	<u>1,306,871</u>
Subtotal			738,667	1,596,740
Total			\$ 13,621,725	\$ 16,518,012

¹ Base is the result of a merger between this plan and the Retirement Plan for Employees of McDermott Incorporated EIN/PN: 74-1932246/001 on April 30, 2010.