

Form 5500-SF Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Short Form Annual Return/Report of Small Employee Benefit Plan This form is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA), and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). Complete all entries in accordance with the instructions to the Form 5500-SF.	OMB Nos. 1210-0110 1210-0089 2014 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 01/01/2014 and ending 12/31/2014	
A This return/report is for:	☒ a single-employer plan ☐ a multiple-employer plan (not multiemployer) (Filers checking this box must attach a list of participating employer information in accordance with the form instructions) ☐ a one-participant plan ☐ a foreign plan 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 Check box if filing under: ☒ Form 5558 ☐ automatic extension ☐ DFVC program ☐ special extension (enter description)

Part II Basic Plan Information —enter all requested information	
1a Name of plan PENSION PLAN FOR EMPLOYEES OF LONZA INC. REPRESENTED BY THE UNITED STEELWORKERS OF AMERICA (LOCAL 14964-06)	1b Three-digit plan number (PN) 004 1c Effective date of plan 08/09/1966
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) LONZA INC. 90 BOROLINE RD ALLENDALE, NJ 07401-1613	2b Employer Identification Number (EIN) 13-5665861 2c Sponsor's telephone number 201-316-9200 2d Business code (see instructions) 325100
3a Plan administrator's name and address ☒ Same as Plan Sponsor.	3b Administrator's EIN 3c Administrator's telephone number
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
5a Total number of participants at the beginning of the plan year	5a 56
b Total number of participants at the end of the plan year.....	5b 0
c Number of participants with account balances as of the end of the plan year (defined benefit plans do not complete this item)	5c
d(1) Total number of active participants at the beginning of the plan year.....	5d(1) 0
d(2) Total number of active participants at the end of the plan year.....	5d(2) 0
e Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	5e 0

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, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.			
SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2015	ALICIA CATANZARO
	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
Preparer's name (including firm name, if applicable) and address (include room or suite number) (optional)			Preparer's telephone number (optional)

- 6a** Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.) ☒ Yes ☐ No
- b** Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.) ☒ Yes ☐ No
- If you answered "No" to either line 6a or line 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.**
- c** 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 III Financial Information

7 Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a Total plan assets	7a	2596113	0
b Total plan liabilities	7b		
c Net plan assets (subtract line 7b from line 7a)	7c	2596113	0
8 Income, Expenses, and Transfers for this Plan Year		(a) Amount	(b) Total
a Contributions received or receivable from:			
(1) Employers	8a(1)		
(2) Participants	8a(2)		
(3) Others (including rollovers)	8a(3)		
b Other income (loss)	8b	99246	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		99246
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d	208584	
e Certain deemed and/or corrective distributions (see instructions)	8e		
f Administrative service providers (salaries, fees, commissions)	8f	18993	
g Other expenses	8g		
h Total expenses (add lines 8d, 8e, 8f, and 8g)	8h		227577
i Net income (loss) (subtract line 8h from line 8c)	8i		-128331
j Transfers to (from) the plan (see instructions)	8j	-2467782	

Part IV Plan Characteristics

- 9a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1B 3H
- b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

Part V Compliance Questions

10 During the plan year:		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? (See instructions and DOL's Voluntary Fiduciary Correction Program)	10a		X	
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)	10b		X	
c Was the plan covered by a fidelity bond?	10c	X		1000000
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	10d		X	
e Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service, or other organization that provides some or all of the benefits under the plan? (See instructions.)	10e		X	
f Has the plan failed to provide any benefit when due under the plan?	10f		X	
g Did the plan have any participant loans? (If "Yes," enter amount as of year end.)	10g		X	
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	10h			
i If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	10i			

Part VI Pension Funding Compliance

- 11** Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500) and line 11a below) ☒ Yes ☐ No
- 11a** Enter the unpaid minimum required contribution for current year from Schedule SB (Form 5500) line 39 **11a** 0
- 12** Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? .. ☐ Yes ☒ No
(If "Yes," complete line 12a or lines 12b, 12c, 12d, and 12e below, as applicable.)
- a** 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 letter ruling granting the waiver. Month _____ Day _____ Year _____

If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.

b Enter the minimum required contribution for this plan year.....	12b	
c Enter the amount contributed by the employer to the plan for this plan year	12c	
d Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount).....	12d	
e Will the minimum funding amount reported on line 12d be met by the funding deadline?.....	☐ Yes ☒ No ☐ N/A	

Part VII Plan Terminations and Transfers of Assets

13a Has a resolution to terminate the plan been adopted in any plan year?	☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year	13a
b Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	☒ Yes ☐ No
c 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.)	
13c(1) Name of plan(s):	13c(2) EIN(s)
CONSOLIDATED ALUMINUM CORPORATION DISCONTINUED OPERATIONS PENSION PLAN	22-2188958
	13c(3) PN(s)
	040

Part VIII Trust Information (optional)

14a Name of trust	14b Trust's EIN

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).</div> <div>File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>2014</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

Round off amounts to nearest dollar.

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

A Name of plan PENSION PLAN FOR EMPLOYEES OF LONZA INC. REPRESENTED BY THE UNITED STEELWORKERS OF AMERICA (LOCAL 14964-06)		B Three-digit plan number (PN) 004
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF LONZA INC.		D Employer Identification Number (EIN) 13-5665861
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500	

Part I Basic Information			
1 Enter the valuation date: Month 01 Day 01 Year 2014			
2 Assets:			
a Market value	2a	2596113	
b Actuarial value	2b	2424062	
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	48	2050717	2050717
b For terminated vested participants	8	186942	186942
c For active participants	0	0	0
d Total	56	2237659	2237659
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	6.33%	
6 Target normal cost	6	79000	

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		10/13/2015
	Signature of actuary	Date
LIANA PETRUSO	Type or print name of actuary	14-07060
TOWERS WATSON DELAWARE INC.	Firm name	Most recent enrollment number
263 TRESSER BLVD STAMFORD, CT 06901	Address of the firm	203-326-5400
		Telephone number (including area code)

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)	851112	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	34000	0
9 Amount remaining (line 7 minus line 8)	817112	0
10 Interest on line 9 using prior year's actual return of <u>12.41</u> %	101404	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.22</u> %		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	918516	0

Part III Funding Percentages		
14 Funding target attainment percentage	14	67.28 %
15 Adjusted funding target attainment percentage	15	108.33 %
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	108.13 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

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

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

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

21 Discount rate:				
a Segment rates:	1st segment: 4.99 %	2nd segment: 6.32 %	3rd segment: 6.99 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22
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	79000	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment.....	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..	34	79000	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	79000	0	79000
36 Additional cash requirement (line 34 minus line 35).....	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

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

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42	0	
43 Excess installment acceleration amount to be carried over to future plan years	43	0	

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Statement of Actuarial Assumptions/Methods

Economic Assumptions

Interest rate basis:

- | | |
|-----------------------|----------------|
| ▶ Applicable month | September 2013 |
| ▶ Interest rate basis | Segment rates |

Interest rates:

	Reflecting Corridors	Not Reflecting Corridors
▶ First segment rate	4.99%	1.37%
▶ Second segment rate	6.32%	4.05%
▶ Third segment rate	6.99%	5.06%
▶ Effective interest rate	6.33%	4.10%

Annual rates of increase

- | | |
|-------------------------------------|-----|
| ▶ Compensation: | N/A |
| ▶ Future Social Security wage base: | N/A |

Plan Name:	Pension Plan for Employees of Lonza Inc. Represented by the United Steelworkers of America Local 14964-06
EIN / PN:	13-5665861/ 004
Plan Sponsor:	Lonza Inc.
Valuation Date:	January 1, 2014

SCHEDULE SB ATTACHMENTS

Demographic Assumptions

Inclusion date	The valuation date coincident with or next following the date on which the employee becomes a participant.
New or rehired employees	It was assumed there will be no new or rehired employees.
Mortality	Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, projected to 2029 using Scale AA) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2021 using Scale AA).
Retirement	100% at Normal Retirement Age of 65
Benefit commencement date	
Deferred vested benefit	At age 65
Preretirement death benefit	The later of the death of the active participant or the date the participant would have attained age 55.
Form of payment	100% of participants elect a life annuity
Percent married	100% of males and females are assumed to be married.
Spouse age	Wife three years younger than husband.
Administrative expenses	Normal cost includes a provision for administrative expenses. The amount included for plan related expenses is \$79,000 determined by taking previous year's actual administrative expenses adjusted for changes in the PBGC premium.
At-risk assumptions	For at-risk calculations, all participants eligible to elect benefits during the current and subsequent ten plan years are assumed to commence benefits at the earliest possible date under the plan, but not before the end of the current plan year. In addition, these participants are assumed to elect the most valuable form of benefit under the plan under PPA assumptions, which is the life annuity form of payment.
Timing of benefit payments	Annuity payments are payable monthly at the beginning of the month.
Covered Pay	There are currently no active participants.

Plan Name: Pension Plan for Employees of Lonza Inc. Represented by the United Steelworkers of America Local 14964-06
EIN / PN: 13-5665861/ 004
Plan Sponsor: Lonza Inc.
Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS

Methods

Valuation date	First day of plan year
Funding target	Present value of accrued benefits as required by regulations under IRC §430.
Target normal cost	Present value of benefits expected to accrue during the plan year plus plan-related expenses expected to be paid from plan assets during the plan year as required by regulations under IRC §430.
Actuarial value of assets	<p>Average of the fair market value of assets on the valuation date and the two immediately preceding valuation dates, adjusted for contributions, benefits, administrative expenses and expected earnings (with such expected earnings limited as described in IRS Notice 2009-22). The average asset value must be within 10% of market value, including contributions receivable (discounted using the effective interest rate for the prior plan year).</p> <p>The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term under PPA's smoothing rules, the method has a significant bias to produce an actuarial value of assets that is below the market value of assets.</p>
Benefits not valued	<p>All benefits described in the Plan Provisions section of this report were valued based on discussions with Lonza regarding the likelihood that these benefits will be paid. Towers Watson has reviewed the plan provisions with Lonza and, based on that review, is not aware of any significant benefits required to be valued that were not.</p> <p>The plan pays small benefits (with a present value up to \$5,000) in a lump sum. Such lump sums are not explicitly valued; rather, such participants' benefits are valued using the benefit choice assumptions described above.</p>

Plan Name:	Pension Plan for Employees of Lonza Inc. Represented by the United Steelworkers of America Local 14964-06
EIN / PN:	13-5665861/ 004
Plan Sponsor:	Lonza Inc.
Valuation Date:	January 1, 2014

SCHEDULE SB ATTACHMENTS

Change in assumptions and methods since prior valuation

The following changes in assumptions and methods were made as part of this valuation:

- The segment interest rates used to calculate the funding target and target normal cost were updated from an applicable month of September 2011 to September 2012 and the segment interest rate corridors of MAP-21 as extended by HATFA were applied. For 2013, Lonza opted out of HATFA.
- The required mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvements.
- The assumed plan-related expenses added to the normal cost were changed from \$34,000 for 2013 to \$79,000 for 2014.

Plan Name: Pension Plan for Employees of Lonza Inc. Represented by the United Steelworkers of America Local 14964-06
EIN / PN: 13-5665861/ 004
Plan Sponsor: Lonza Inc.
Valuation Date: January 1, 2014

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
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 Pension Plan for Employees of Lonza Inc. Represented by the United Steelworkers of American Local 14964-06	B Three-digit plan number (PN) ▶ 004
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Lonza Inc.	D Employer Identification Number (EIN) 13-5665861
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	2596113
b Actuarial value		2b	2424062
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	48	2050717	2050717
b For terminated vested participants	8	186942	186942
c For active participants	0	0	0
d Total	56	2237659	2237659
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	6.33%	
6 Target normal cost	6	79000	

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>Liana Petruso</u> <u>LP</u>	<u>10/13/15</u>
Signature of actuary		Date
<u>Liana Petruso</u>		<u>1407060</u>
Type or print name of actuary		Most recent enrollment number
<u>Towers Watson Delaware Inc.</u>		<u>203-326-5400</u>
Firm name		Telephone number (including area code)
<u>263 Tresser Blvd</u>		
<u>Stamford CT 06901</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)	851112	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	34000	0
9 Amount remaining (line 7 minus line 8)	817112	0
10 Interest on line 9 using prior year's actual return of <u>12.41%</u>	101404	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.22%</u>		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	918516	0

Part III Funding Percentages

14 Funding target attainment percentage	14	67.28%
15 Adjusted funding target attainment percentage	15	108.33%
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	108.13%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls

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

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

Liquidity shortfall as of end of quarter of this plan year

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

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

21 Discount rate:			
a Segment rates:	1st segment: 4.99%	2nd segment: 6.32%	3rd segment: 6.99%
			☐ N/A, full yield curve used
b Applicable month (enter code)			21b 4
22 Weighted average retirement age			22
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	79000
b Excess assets, if applicable, but not greater than line 31a		31b	0
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	79000	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	79000	0	79000
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)		38a	0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances		38b	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

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

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected		☐ 2 plus 7 years	☐ 15 years
b Eligible plan year(s) for which the election in line 41a was made		☐ 2008	☐ 2009 ☐ 2010 ☐ 2011
42 Amount of acceleration adjustment	42	0	
43 Excess installment acceleration amount to be carried over to future plan years	43	0	

SCHEDULE SB ATTACHMENTS

Schedule SB -Statement by Enrolled Actuary

Plan Sponsor	Lonza Inc.
EIN/PN	13-5665861/ 004
Plan Name	Pension Plan for Employees of Lonza Inc. Represented by the United Steelworkers of America Local 14964-06
Valuation Date	January 1, 2014
Enrolled Actuary	Liana Petruso
Enrollment Number	14-07060

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan.

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 25

Change in Method

The valuation software used to produce the actuarial information submitted on this schedule has been changed and such modification may be considered to be a method change. The percentage changes in funding target, target normal cost and plan assets due to the refinements in the software are each less than 2% (disregarding the effects of any changes that are automatically approved under final IRC 430 regulations), and the modifications to the software were designed to produce results no less accurate than the results produced by the software prior to the change. Therefore the change in funding method due to a change in valuation software receives automatic approval under IRS Announcement 2010-3.

Plan Name:	Pension Plan for Employees of Lonza Inc. Represented by the United Steelworkers of America Local 14964-06
EIN / PN:	13-5665861/ 004
Plan Sponsor:	Lonza Inc.
Valuation Date:	January 1, 2014

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Statement of Actuarial Assumptions/Methods

Economic Assumptions

Interest rate basis:

- | | |
|-----------------------|----------------|
| ▶ Applicable month | September 2013 |
| ▶ Interest rate basis | Segment rates |

Interest rates:

- | | Reflecting
Corridors | Not Reflecting
Corridors |
|---------------------------|-------------------------|-----------------------------|
| ▶ First segment rate | 4.99% | 1.37% |
| ▶ Second segment rate | 6.32% | 4.05% |
| ▶ Third segment rate | 6.99% | 5.06% |
| ▶ Effective interest rate | 6.33% | 4.10% |

Annual rates of increase

- | | |
|-------------------------------------|-----|
| ▶ Compensation: | N/A |
| ▶ Future Social Security wage base: | N/A |

Plan Name:	Pension Plan for Employees of Lonza Inc. Represented by the United Steelworkers of America Local 14964-06
EIN / PN:	13-5665861/ 004
Plan Sponsor:	Lonza Inc.
Valuation Date:	January 1, 2014

SCHEDULE SB ATTACHMENTS

Demographic Assumptions

Inclusion date	The valuation date coincident with or next following the date on which the employee becomes a participant.
New or rehired employees	It was assumed there will be no new or rehired employees.
Mortality	Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, projected to 2029 using Scale AA) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2021 using Scale AA).
Retirement	100% at Normal Retirement Age of 65
Benefit commencement date	
Deferred vested benefit	At age 65
Preretirement death benefit	The later of the death of the active participant or the date the participant would have attained age 55.
Form of payment	100% of participants elect a life annuity
Percent married	100% of males and females are assumed to be married.
Spouse age	Wife three years younger than husband.
Administrative expenses	Normal cost includes a provision for administrative expenses. The amount included for plan related expenses is \$79,000 determined by taking previous year's actual administrative expenses adjusted for changes in the PBGC premium.
At-risk assumptions	For at-risk calculations, all participants eligible to elect benefits during the current and subsequent ten plan years are assumed to commence benefits at the earliest possible date under the plan, but not before the end of the current plan year. In addition, these participants are assumed to elect the most valuable form of benefit under the plan under PPA assumptions, which is the life annuity form of payment.
Timing of benefit payments	Annuity payments are payable monthly at the beginning of the month.
Covered Pay	There are currently no active participants.

Plan Name: Pension Plan for Employees of Lonza Inc. Represented by the United Steelworkers of America Local 14964-06
EIN / PN: 13-5665861/ 004
Plan Sponsor: Lonza Inc.
Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS

Methods

Valuation date	First day of plan year
Funding target	Present value of accrued benefits as required by regulations under IRC §430.
Target normal cost	Present value of benefits expected to accrue during the plan year plus plan-related expenses expected to be paid from plan assets during the plan year as required by regulations under IRC §430.
Actuarial value of assets	<p>Average of the fair market value of assets on the valuation date and the two immediately preceding valuation dates, adjusted for contributions, benefits, administrative expenses and expected earnings (with such expected earnings limited as described in IRS Notice 2009-22). The average asset value must be within 10% of market value, including contributions receivable (discounted using the effective interest rate for the prior plan year).</p> <p>The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term under PPA's smoothing rules, the method has a significant bias to produce an actuarial value of assets that is below the market value of assets.</p>
Benefits not valued	<p>All benefits described in the Plan Provisions section of this report were valued based on discussions with Lonza regarding the likelihood that these benefits will be paid. Towers Watson has reviewed the plan provisions with Lonza and, based on that review, is not aware of any significant benefits required to be valued that were not.</p> <p>The plan pays small benefits (with a present value up to \$5,000) in a lump sum. Such lump sums are not explicitly valued; rather, such participants' benefits are valued using the benefit choice assumptions described above.</p>

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EIN / PN:	13-5665861/ 004
Plan Sponsor:	Lonza Inc.
Valuation Date:	January 1, 2014

SCHEDULE SB ATTACHMENTS

Change in assumptions and
methods since prior valuation

The following changes in assumptions and methods were made as
part of this valuation:

- The segment interest rates used to calculate the funding target and target normal cost were updated from an applicable month of September 2011 to September 2012 and the segment interest rate corridors of MAP-21 as extended by HATFA were applied. For 2013, Lonza opted out of HATFA.
- The required mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvements.
- The assumed plan-related expenses added to the normal cost were changed from \$34,000 for 2013 to \$79,000 for 2014.

Plan Name:	Pension Plan for Employees of Lonza Inc. Represented by the United Steelworkers of America Local 14964-06
EIN / PN:	13-5665861/ 004
Plan Sponsor:	Lonza Inc.
Valuation Date:	January 1, 2014

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Summary of Plan Provisions

Plan Provisions

Effective Date	Adopted March 1, 1972; last restated effective January 1, 2012. The most recent plan amendment reflected in the plan provisions was effective October 1, 2013.
Covered Employees	All regular, full-time employees of the Company who are represented by the collective bargaining unit of the United Steelworkers of America, Local 14964-06 participate as of their date of hire. As of December 31, 2002, the Plan has no participants actively accruing benefits.

Definitions

Credited Service	Number of years and completed months of continuous employment
Monthly Accrued Benefit	Participants' accrued benefits are fixed since all participants are inactive. The monthly retirement benefit formula was based upon years of Credited Service times a multiplier as follows:

Effective Date	Benefit Multiplier
January 25, 1999	\$30.25
January 25, 2000	\$31.25
January 27, 2001	\$32.25
January 27, 2002	\$32.75
January 27, 2003	\$33.25
January 27, 2004	\$33.75
January 27, 2005	\$34.25

Plan Name:	Pension Plan for Employees of Lonza Inc. Represented by the United Steelworkers of America Local 14964-06
EIN / PN:	13-5665861/ 004
Plan Sponsor:	Lonza Inc.
Valuation Date:	January 1, 2014

SCHEDULE SB ATTACHMENTS

Benefits Paid Upon the Following Events

Normal retirement

- Eligibility Age 65 and 5 years of Credited Service.
- Amount The Accrued Benefit payable immediately.

Early retirement

- Eligibility Age 55 and 10 years of Credited Service.
- Amount The Accrued Benefit reduced by 0.5% for each month that the early retirement date precedes the normal retirement date. However, employees who retire from active service on or after attaining age 62 and prior to age 65 will not have their benefits reduced.

Late Retirement Benefit

- Eligibility Retirement after Normal Retirement Date.
- Amount The Accrued Benefit determined using service to the actual retirement date, payable immediately.

Supplemental Benefit

- Eligibility Effective January 27, 2001, active employees who meet requirements for Early Retirement and retire from active service after attainment of age 62 and before age 65.
- Amount A monthly benefit of \$150 payable until the employee attains age 65 or date of death, if earlier.

Termination

- Eligibility Termination with 5 years of Credited Service. As of December 31, 2002 all participants are 100% vested.
- Amount The Accrued Benefit
- Benefit Commencement Payable at Normal Retirement Date, or as early as age 55, if the employee had at least 10 years of Credited Service at termination, with a reduced benefit. The reduction is 0.5% for each month that commencement precedes age 65.

Disability Retirement Benefit

- Eligibility An employee who becomes totally and permanently disabled, who is eligible for Social Security Disability Benefits, and has at least 10 years of Credited Service.
- Amount A monthly benefit of \$300 is payable until the earlier of death, cessation of disability, or Normal Retirement Date. At Normal Retirement Date, the employee will receive a benefit based on his accrued benefit earned prior to becoming disabled.

Plan Name: Pension Plan for Employees of Lonza Inc. Represented by the United Steelworkers of America Local 14964-06
EIN / PN: 13-5665861/ 004
Plan Sponsor: Lonza Inc.
Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS

Surviving Spouse Benefit

- Eligibility 5 years of Continuous Service.
- Amount The surviving spouse will receive 50% of the benefit the employee would have received had he survived to the earliest retirement date and elected the Joint and 50% Survivor annuity option.
- Benefit Commencement The earliest date the employee would have been eligible for a retirement benefit.

2013 Lump Sum Window

Terminated vested participants as of June 30, 2013 were eligible to elect, during a window starting October 7, 2013 and ending November 15, 2013, to receive a lump sum of their benefit, payable as of December 1, 2013. The window did not include participants who were already eligible to elect a small amount lump sum, and participants who had QDRO's or who were past their Required Minimum Distribution Date as of December 1, 2013.

Other Plan Provisions

Forms of payment

- Normal Form of Payment
 - (i) Unmarried Participant: Life Annuity
 - (ii) Married Participant: Actuarially reduced 50% Joint & Survivor Annuity
 - Optional Forms
 - (i) Joint & Survivor Annuity
 - (ii) 5 Year Certain and Continuous Annuity
 - (iii) 10 Year Certain and Continuous Annuity
 - (iv) Social Security Level Income Annuity
 - (v) Life Annuity (for married participants)
- Actuarial equivalence for optional forms is the Unisex Pension 1984 Mortality Table and 6.00% interest.

Future Plan Changes

No future plan changes were recognized in determining pension cost or in determining minimum and maximum contributions.

Plan Name: Pension Plan for Employees of Lonza Inc. Represented by the United Steelworkers of America Local 14964-06
EIN / PN: 13-5665861/ 004
Plan Sponsor: Lonza Inc.
Valuation Date: January 1, 2014

SCHEDULE SB ATTACHMENTS

Changes in Benefits Valued Since Prior Year

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

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Valuation Date:	January 1, 2014

SCHEDULE SB ATTACHMENTS

Schedule SB -Statement by Enrolled Actuary

Plan Sponsor	Lonza Inc.
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Plan Name	Pension Plan for Employees of Lonza Inc. Represented by the United Steelworkers of America Local 14964-06
Valuation Date	January 1, 2014
Enrolled Actuary	Liana Petruso
Enrollment Number	14-07060

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Future Plan Changes

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Plan Name: Pension Plan for Employees of Lonza Inc. Represented by the United Steelworkers of America Local 14964-06
EIN / PN: 13-5665861/ 004
Plan Sponsor: Lonza Inc.
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SCHEDULE SB ATTACHMENTS

Changes in Benefits Valued Since Prior Year

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

Plan Name:	Pension Plan for Employees of Lonza Inc. Represented by the United Steelworkers of America Local 14964-06
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Plan Sponsor:	Lonza Inc.
Valuation Date:	January 1, 2014

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 25 Change in Method

The valuation software used to produce the actuarial information submitted on this schedule has been changed and such modification may be considered to be a method change. The percentage changes in funding target, target normal cost and plan assets due to the refinements in the software are each less than 2% (disregarding the effects of any changes that are automatically approved under final IRC 430 regulations), and the modifications to the software were designed to produce results no less accurate than the results produced by the software prior to the change. Therefore the change in funding method due to a change in valuation software receives automatic approval under IRS Announcement 2010-3.

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