

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 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 <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>KAO AMERICA INC. PENSION PLAN</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>002</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1992</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>002</u>	1c Effective date of plan <u>01/01/1992</u>	
1b Three-digit plan number (PN) ▶	<u>002</u>				
1c Effective date of plan <u>01/01/1992</u>					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>KAO AMERICA INC.</u> <u>2535 SPRING GROVE AVE</u> <u>CINCINNATI, OH 45214-1729</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>52-2064483</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>513-421-1400</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>325600</u></td> </tr> <tr> <td style="height: 40px;"></td> </tr> </table>	2b Employer Identification Number (EIN) <u>52-2064483</u>	2c Plan Sponsor's telephone number <u>513-421-1400</u>	2d Business code (see instructions) <u>325600</u>	
2b Employer Identification Number (EIN) <u>52-2064483</u>					
2c Plan Sponsor's telephone number <u>513-421-1400</u>					
2d Business code (see instructions) <u>325600</u>					

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2015	NICOLE MCCLELLAND
	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	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 2468
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) 857 6a(2) 863 6b 449 6c 1074 6d 2386 6e 114 6f 2500 6g 6h 22
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 1C 3H b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☒ <u>1</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

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 A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2014 This Form is Open to Public Inspection
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan KAO AMERICA INC. PENSION PLAN	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 KAO AMERICA INC.	D Employer Identification Number (EIN) 52-2064483

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

(a) Name of insurance carrier

AETNA LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
06-6033492	60054	000359	93	01/01/2014	12/31/2014

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

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

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

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

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

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

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

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

Schedule A (Form 5500) 2014
v. 140124

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

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

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

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

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

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

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

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

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

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

Part II Investment and Annuity Contract Information

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

4	Current value of plan's interest under this contract in the general account at year end	4		
5	Current value of plan's interest under this contract in separate accounts at year end	5		
6	Contracts With Allocated Funds:			
a	State the basis of premium rates ▶			
b	Premiums paid to carrier	6b		
c	Premiums due but unpaid at the end of the year	6c		
d	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d		
e	Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity (3) ☐ other (specify) ▶			
f	If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐			
7	Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)			
a	Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee (3) ☐ guaranteed investment (4) ☒ other ▶ ANNUITY			
b	Balance at the end of the previous year	7b	1259501	
c	Additions: (1) Contributions deposited during the year	7c(1)		
	(2) Dividends and credits	7c(2)		
	(3) Interest credited during the year	7c(3)		50324
	(4) Transferred from separate account	7c(4)		
	(5) Other (specify below)	7c(5)		
	(6) Total additions	7c(6)	50324	
d	Total of balance and additions (add lines 7b and 7c(6))	7d	1309825	
e	Deductions:			
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)		
	(2) Administration charge made by carrier	7e(2)		8500
	(3) Transferred to separate account	7e(3)		
	(4) Other (specify below)	7e(4)		
	(5) Total deductions	7e(5)	8500	
f	Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	1301325	

Part III Welfare Benefit Contract Information

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

8 Benefit and contract type (check all applicable boxes)

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

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	0
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2))		9b(3)	0
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention		9c(1)(H)	0
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).)		9e	

10 Nonexperience-rated contracts:

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

Specify nature of costs ▶

Part IV Provision of Information

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

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

<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 KAO AMERICA INC. PENSION PLAN		B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF KAO AMERICA INC.		D Employer Identification Number (EIN) 52-2064483	
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	113783043	
b Actuarial value	2b	108798945	
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.....	506	33279667	33279667
b For terminated vested participants.....	1105	19378335	19378335
c For active participants.....	892	35237271	36265686
d Total.....	2503	87895273	88923688
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	6.45%	
6 Target normal cost	6	3032738	

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.

<div>SIGN HERE</div>	<div>10/05/2015</div> <div>Signature of actuary</div> <div>DONALD BUNGENSTOCK</div> <div>Type or print name of actuary</div> <div>BUCK CONSULTANTS</div> <div>Firm name</div> <div>720 E. PETE ROSE WAY, SUITE 300 CINCINNATI, OH 45202</div> <div>Address of the firm</div>	<div>Date</div> <div>14-05702</div> <div>Most recent enrollment number</div> <div>513-784-0005</div> <div>Telephone number (including area code)</div>
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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)	11746436	26146103
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	2726190	0
9 Amount remaining (line 7 minus line 8)	9020246	26146103
10 Interest on line 9 using prior year's actual return of 11.31%	1020190	2957124
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.27%		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	10040436	29103227

Part III Funding Percentages		
14 Funding target attainment percentage	14	78.33 %
15 Adjusted funding target attainment percentage	15	122.35 %
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	92.40 %
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
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 0
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	3032738	
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	3032738	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	3032778	0	3032778
36 Additional cash requirement (line 34 minus line 35).....	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

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

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

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

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014		
A Name of plan KAO AMERICA INC. PENSION PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 KAO AMERICA INC.	D Employer Identification Number (EIN) 52-2064483	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

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

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

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

NEW YORK LIFE INVESTMENT MANAGEMENT

52-2206685

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 62 64	RETAINED BY EMPLOYER	194283	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

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

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE 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>KAO AMERICA INC. PENSION PLAN</u>		B Three-digit plan number (PN) ► <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>KAO AMERICA INC.</u>		D Employer Identification Number (EIN) <u>52-2064483</u>

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	284583	287084
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)		
(2) Participant contributions.....	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	112523542	118524393
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	1259501	1301325
(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	114067626	120112802

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	114067626	120112802
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)	18471	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		18471
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)	5448891	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		5448891
(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)		
(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)		5131000
c Other income	2c		41824
d Total income. Add all income amounts in column (b) and enter total	2d		10640186

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	4400727	
(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)		4400727
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)	194283	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		194283
j Total expenses. Add all expense amounts in column (b) and enter total	2j		4595010

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		6045176
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: CROWE HORWATH LLP

(2) EIN: 35-0921680

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		5000000
4e			
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f			
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?.....		X	
4g			
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?.....		X	
4h			
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i			
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X	
4j			
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
4k			
l Has the plan failed to provide any benefit when due under the plan?.....		X	
4l			
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

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

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

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

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

Part V Trust Information (optional)

6a Name of trust	6b Trust's EIN

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

A Name of plan <u>KAO AMERICA INC. PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>KAO AMERICA INC.</u>	D Employer Identification Number (EIN) <u>52-2064483</u>

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>13-3808042</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>33</u>

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- a** Enter the percentage of plan assets held as:

Stock: 54.0% Investment-Grade Debt: 42.0% High-Yield Debt: 1.0% Real Estate: 0.0% Other: 3.0%

- 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):

KAO AMERICA INC. PENSION PLAN
Cincinnati, Ohio

FINANCIAL STATEMENTS
December 31, 2014 and 2013

KAO AMERICA INC. PENSION PLAN
Cincinnati, Ohio

FINANCIAL STATEMENTS
December 31, 2014 and 2013

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INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator and Participants of
Kao America Inc. Pension Plan
Cincinnati, Ohio

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Kao America Inc. Pension Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2014 and 2013, and the related statements of changes in net assets available for benefits for the years then ended, and the 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 audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by New York Life Trust Company ("New York Life") and Aetna Life Insurance Company ("Aetna") except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that New York Life and Aetna hold the Plan's investment assets and execute investment transactions. The plan administrator has obtained certifications from New York Life and Aetna as of December 31, 2014 and 2013 and for the years then ended that the information provided to the plan administrator by New York Life and Aetna is complete and accurate.

(Continued)

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 supplemental Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2014 is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for purposes 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 schedules.

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 New York Life and Aetna, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Crowe Horwath LLP

Crowe Horwath LLP

Columbus, Ohio
October 14, 2015

KAO AMERICA INC. PENSION PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash	\$ 287,084	\$ 284,583
Investments, at fair value (Note 3)		
Mutual Funds	118,524,393	112,523,542
Unallocated investment contract	<u>1,301,325</u>	<u>1,259,501</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 120,112,802</u>	<u>\$ 114,067,626</u>

See accompanying notes to financial statements.

KAO AMERICA INC. PENSION PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Years ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Additions to net assets attributed to:		
Investment income (Note 3)		
Interest and dividend income	\$ 5,499,215	\$ 5,033,862
Net appreciation in fair value of investments	<u>5,149,471</u>	<u>6,752,036</u>
	10,648,686	11,785,898
 Employer contributions	 <u>-</u>	 <u>-</u>
Total additions	10,648,686	11,785,898
 Deductions from net assets attributed to:		
Benefits paid to directly to participants	4,400,727	4,437,477
Administrative expenses	<u>202,783</u>	<u>8,500</u>
Total deductions	<u>4,603,510</u>	<u>4,445,977</u>
 Net increase	 6,045,176	 7,339,921
 Net assets available for benefits		
Beginning of year	<u>114,067,626</u>	<u>106,727,705</u>
 End of year	 <u>\$ 120,112,802</u>	 <u>\$ 114,067,626</u>

See accompanying notes to financial statements.

KAO AMERICA INC. PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

NOTE 1 – DESCRIPTION OF PLAN

The following description of the Kao America Inc. Pension Plan (the “Plan”) is provided for general information purposes only. Participants should refer to the Plan Agreement for a more complete description of the Plan’s provisions.

General: The Plan is a noncontributory defined benefit plan and provides for retirement, death, and disability benefits for all eligible employees of Kao America, Inc. and affiliated employers (the “Company”) that have adopted the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Eligible employees generally include all full-time and part-time employees of the Company and certain affiliated companies that have adopted the Plan who are credited with one year of service and who have attained age 21. Affiliated companies that were participating in the Plan on January 1, 2012 included Kao Brands Company (formerly The Andrew Jergens Company), Kao Professional Salon Services, Inc., KMS Global Marketing LLC, Kao Specialties Americas LLC, and High Point Textile Auxiliaries LLC. Effective as of January 3, 2012, three of the participating affiliated companies (Kao Brands Company, Kao Professional Salon Services, Inc. and KMS Global Marketing LLC) were consolidated into a new entity named Kao USA Inc. Currently, affiliated companies participating in the Plan are Kao USA Inc., Kao Specialites America LLC and High Point Textile Auxiliaries LLC. Participants remain eligible as long as they have not experienced a separation from service.

Plan Benefits: The Plan includes a cash balance formula whereby vested participants will be entitled to a retirement benefit amount, payable for 10 years, and thereafter, for the participant’s life that is equal to the actuarial equivalent of the balance of the participant’s cash balance account as of the end of the month before the annuity start date.

The cash balance account is equal to the sum of (a) initial cash balance account as calculated as of January 1, 2001, (b) a contribution credit at each subsequent December 31 equal to 5% of the participant’s compensation for the Plan year, and (c) an interest credit at each subsequent December 31 calculated using an annual interest rate on 30-year Treasury securities for the November preceding the Plan year. The annual interest rate is 3.80% and 2.80% as of December 31, 2014 and 2013, respectively.

However, in order to protect employees enrolled in the Plan prior to January 1, 2001, certain participants will have their accrued benefits calculated under two alternatives. Upon termination or retirement, vested employees who were employed as of December 31, 2000, and were at least 40 years of age on December 31, 2001, may choose between the cash balance benefit and the “Grandfather Benefit” as described below.

The “Grandfather Benefit” calculated under the formula in effect prior to the cash balance amendment is equal to the benefit percentage (1% for each year of credited service up to a maximum of 35) times the final average pay (average of annual pay for the five highest consecutive years in last 10 years).

Effective March 31, 2009, the Plan was amended to freeze the “Grandfather Benefit” and eliminate the option for grandfathered participants to choose between the cash balance benefit and “Grandfather Benefit”. The amended formula is the greater of the cash balance benefit and “Grandfather Benefit” as of March 31, 2009, plus future accruals under the cash balance formula after March 31, 2009.

(Continued)

KAO AMERICA INC. PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

NOTE 1 – DESCRIPTION OF PLAN (Continued)

The Plan permits early retirement at ages 55 to 64 as long as an employee has 10 years of credited service. If employees terminate before rendering three years of vesting service, they forfeit the right to future retirement income unless they are reemployed and subsequently credited with three years of vesting service. Employees may elect to receive the portion of their accumulated plan benefits under one of the following options: (a) Life with Ten-Year Certain Option, (b) Joint and Survivor Annuity with 50% continuation, with 75% continuation or with 100% continuation, and (c) Life Annuity. Employees may also elect a lump-sum payment under the cash balance formula.

Death and Disability Benefits: If an active employee credited with at least three years of vesting service dies, a death benefit will be paid to the employee's spouse or beneficiary. A spouse receives a lifetime monthly benefit equal to 50% of the benefit that would have been received under the Joint and Survivor Annuity with 50% continuation method, unless the employee elected the Life with Ten-Year Certain Option. A beneficiary receives a benefit equal to the amount due under the Life with Ten-Year Certain Option. Under the Qualified Optional Survivor Annuity, a participant can elect an annuity payable monthly during his/her lifetime with a further annuity payable to his/her spouse or other designated beneficiary for the life of such spouse or beneficiary in an amount equal to 75% of the amount payable to the participant. Active employees who become totally disabled and qualify for disability benefits under the Company's provided disability plan prior to December 31, 2003, and do not return to work prior to their retirement date will be entitled to a pension benefit starting on the normal retirement date. The monthly benefit will be the larger of the normal retirement benefit based on final average pay and disability service or the benefit calculated as if the employee terminated on the last day of active employment. For vested participants who terminate on account of disability on or after January 1, 2004, the participant will be entitled to a normal, early, or vested deferred retirement benefit as provided under the Plan.

Funding: The Company contributes amounts that it considers necessary to provide assets sufficient to meet the benefits to be paid. The Company's contributions for 2014 and 2013 met the minimum funding requirements of ERISA.

Administration: Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Certain administrative expenses are paid through the Plan. Investment management fees and operating expenses charged to the Plan for investments in mutual funds are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES

Basis of Accounting: The financial statements of the Plan are prepared under the accrual basis of accounting.

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 certain reported amounts and disclosures, and actual results may differ from those estimates. It is at least reasonably possible that a significant change may occur in the near term for the estimate of the actuarial present value of accumulated plan benefits.

Payment of Benefits: Benefits payments to participants are recorded when paid.

(Continued)

KAO AMERICA INC. PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES (Continued)

Investment Valuation and Income Recognition: The Plan's investments are reported at fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest is recorded when earned. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the plan's gains and losses on investments bought and sold as well as held during the year.

Fair value is the price that would be received by the Plan for an asset or paid by the Plan to transfer a liability (an exit price) in an orderly transaction between market participants on the measurement date in the Plan's principal or most advantageous market for the asset or liability. Fair value measurements are determined by maximizing the use of observable inputs and minimizing the use of unobservable inputs. The hierarchy places the highest priority on unadjusted quoted market prices in active markets for identical assets or liabilities (level 1 measurements) and gives the lowest priority to unobservable inputs (level 3 measurements). The three levels of inputs within the fair value hierarchy are defined as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Plan has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect the Plan's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In some cases, a valuation technique used to measure fair value may include inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The following descriptions of the valuation methods and assumptions used by the Plan to estimate the fair values of investments apply to investments held directly by the Plan.

Mutual funds: The fair values of mutual funds are determined by obtaining quoted prices on nationally recognized securities exchanges (level 1 inputs).

Investment Contract: Investment contracts are valued at fair value by the insurance company based on the withdrawal value of the contract based on the terms noted in the contract (level 2 inputs). The withdrawal value of the contract approximates the contract value of the contract.

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.

(Continued)

KAO AMERICA INC. PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES (Continued)

Investments measured at fair value on a recurring basis are summarized below:

	Fair Value Measurements at December 31 Using:		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2014			
Mutual Funds			
Large cap domestic equity	\$ 21,931,932	-	-
Large cap international equity	17,289,340	-	-
Large cap blended	12,638,290	-	-
Mid cap domestic equity	8,737,706	-	-
Small cap domestic equity	4,439,613	-	-
Bond	53,487,512	-	-
Unallocated investment contract	-	1,301,325	-
Total	<u>\$ 118,524,393</u>	<u>\$ 1,301,325</u>	<u>\$ -</u>
2013			
Mutual Funds			
Large cap domestic equity	\$ 24,022,170	-	-
Large cap international equity	17,857,466	-	-
Large cap blended	12,474,999	-	-
Mid cap domestic equity	7,863,552	-	-
Small cap domestic equity	4,086,200	-	-
Bond	46,219,155	-	-
Unallocated investment contract	-	1,259,501	-
Total	<u>\$ 112,523,542</u>	<u>\$ 1,259,501</u>	<u>\$ -</u>

Risks and Uncertainties: Investments are exposed to various risks such as interest rate, market, liquidity, and credit risks. Due to the level of risk associated with certain investments and the sensitivity of certain fair value estimates to changes in valuation assumptions, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

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

(Continued)

KAO AMERICA INC. PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

NOTE 3 – INVESTMENTS - UNAUDITED INFORMATION

Substantially all information pertaining to the Plan's investments included in the financial statements, including the associated investment income (loss), dividends and interest earned, was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by New York Life Trust Company and Aetna Life Insurance Company and furnished to the Plan administrator. This information has not been audited by independent accountants.

The following presents the fair values of investments that represent 5 percent or more of the Plan's net assets available for benefits

	<u>2014</u>	<u>2013</u>
American EuroPacific Growth R4 Fund	\$ 12,201,529	\$ 12,534,694
GMO Global Balanced AA	12,638,290	12,474,999
PIMCO Long Term Credit Inst	48,082,537	40,857,185
Vanguard Institutional Index	12,539,523	15,358,525
BBH Core Select Fund	9,392,408	8,663,645

During 2014 and 2013, the Plan's investments in mutual funds (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$5,149,471 and \$6,752,036, respectively.

Interest and dividends realized on the Plan's investments for the year ended December 31, 2014 and 2013 were \$5,499,215 and \$5,033,862, respectively.

NOTE 4 - INVESTMENT CONTRACT WITH INSURANCE COMPANY

The Plan has an investment contract with Aetna Life Insurance Company ("Aetna"). Aetna maintains the contributions in a general account, which is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The contract is included in the financial statements at contract value as reported to the Plan by Aetna, which approximates fair value. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. The contract has certain restrictions that impact the ability to collect the full contract value. Plan management believes that the occurrence of events that would cause the Plan to transact at less than contract value is not probable. Aetna may not terminate the contract at any amount less than contract value.

Aetna is contractually obligated to pay the principal and specified interest rate that is guaranteed to the Plan. The crediting interest rate is based on a formula agreed upon with the issuer. Such interest rates are established every four years by Aetna. When the interest rate is changed, the new rate only applies to funds deposited from the date of change. For amounts contributed prior to January 1, 2011, the interest rate is 4%. For amounts contributed after December 31, 2010, the interest rate is 3.5%.

(Continued)

KAO AMERICA INC. PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

NOTE 5 – ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are estimated future periodic payments attributable under the Plan's provisions to services rendered by participants to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees with vested rights or their beneficiaries, (b) beneficiaries of participants who have deceased, and (c) present active employees or their beneficiaries. Benefits payable under all circumstances (i.e. retirement, disability and termination of employment) are included to the extent they are deemed attributable to employee services rendered as of the valuation date.

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

The significant actuarial assumptions used in the valuation as of December 31, 2013 were as follows:

Mortality	RP-2014 with full projection using the MP-2014 projection scale
Retirement age	A scale of estimated retirements from age 55 to 67
Investment return on assets	8%
Cash balance crediting rate	3.68%

The changes of assumptions between December 31, 2012 and December 31, 2013 include a change in the mortality assumption from the 2013 static mortality table to the RP-2014 table with the MP-2014 projection scale and a change in the cash balance interest crediting rate from 2.80% to 3.68%.

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.

(Continued)

KAO AMERICA INC. PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

NOTE 5 – ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS (Continued)

The actuarial present value of accumulated plan benefits as of December 31, 2013 and 2012 is as follows:

	<u>2013</u>	<u>2012</u>
Actuarial present value of accumulated plan benefits:		
Vested benefits:		
Participants and beneficiaries currently receiving payments	\$ 31,044,895	\$ 28,384,649
Other benefits	<u>46,145,415</u>	<u>42,397,259</u>
	77,190,310	70,781,908
Nonvested benefits	<u>914,011</u>	<u>322,798</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 78,104,321</u>	<u>\$ 71,104,706</u>

The changes in actuarial present value of accumulated plan benefits for the year ended December 31, 2013 is as follows:

Actuarial present value of accumulated plan benefits – December 31, 2012	\$ 71,104,706
Increase (decrease) during the year attributable to:	
Benefits paid	(4,437,477)
Interest due to decrease in discount period	5,514,180
Assumption changes	3,741,735
Benefits accumulated net of actuarial experience	<u>2,181,177</u>
Actuarial present value of accumulated plan benefits – December 31, 2013	<u>\$ 78,104,321</u>

NOTE 6 – PLAN TERMINATION

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA and its related regulations. In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations.

Certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation ("PBGC") if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pension. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Plan sponsor and the level of benefits guaranteed by the PBGC.

(Continued)

KAO AMERICA INC. PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

NOTE 7 - TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter dated May 5, 2014, that the Plan and related trust were designed in accordance with the applicable regulations of the IRC. Plan management believes that the Plan is designed and being operated in compliance with the applicable requirements of the IRC. Therefore, they believe that the Plan was qualified and the related trust was tax-exempt as of the financial statement date.

The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2014 and 2013, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by the IRS or Department of Labor; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2011.

NOTE 8 - PARTY-IN-INTEREST TRANSACTIONS

Parties-in-interest are defined under Department of Labor regulations as any fiduciary of the Plan, any party rendering service to the Plan, the employer, and certain others. The Plan invests in an unallocated investment contracts managed by Aetna. Aetna is a service provider to the Plan, and therefore, these transactions qualify as party-in-interest transactions. The payment of fees to Aetna and New York Life during years ended December 31, 2014 and 2013 constitute party-in-interest transactions.

NOTE 9 - SUBSEQUENT EVENTS

Plan management has evaluated subsequent events for recognition and disclosure through October 14, 2015, which is the date the financial statements were available to be issued.

SUPPLEMENTAL SCHEDULE

KAO AMERICA INC. PENSION PLAN
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2014

Name of Plan Sponsor: Kao America, Inc.
Employer Identification Number: 25-0472020
Three-Digit Plan Number: 001

(a)	(b) Identity of Issue Borrower, Lessor, or Similar Party	(c) Description of Investment	(d) Cost	(e) Current Value
<u>Mutual Funds</u>				
	American Funds	American EuroPacific Growth R4 Fund	\$ 9,713,447	\$ 12,201,529
	Brown Brothers	BBH Core Select Harriman Fund (N)	8,019,530	9,392,408
	Columbia Management	Columbia Mid Cap Value Z Fund	3,226,774	4,448,445
	Dimensional Funds	DFA Emerging Markets Value Institutional	5,766,051	5,087,811
	Fidelity Investments	Fidelity Advisor Small Cap Fund A	3,781,276	4,439,613
	GMO	GMO Global Balanced AA	12,638,290	12,638,290
	Munder Capital	Munder Mid Cap Core Growth A Fund	2,676,287	4,289,261
	PIMCO	PIMCO All Asset Fund	5,704,431	5,404,976
	PIMCO	PIMCO Long-Term Credit Institutional	49,831,064	48,082,537
	Vanguard	Vanguard Institutional Index	<u>9,677,694</u>	<u>12,539,523</u>
			111,034,844	118,524,393
<u>Unallocated Investment Contract</u>				
	*Aetna Life Insurance Co	Investment Contract	<u>1,301,325</u>	<u>1,301,325</u>
TOTAL			<u>\$ 112,336,169</u>	<u>\$ 119,825,718</u>

* Party-in-interest

See Independent Auditor's Report



Kao America Inc. Pension Plan

EIN/PN: 52-2064483 / 002

Schedule SB, Line 22 – Schedule of Active Participant Data

Age	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
Under 25	0	12	0	0	0	0	0	0	0	0	12
25-29	0	39	12	0	0	0	0	0	0	0	51
30-34	0	46	60	10	0	0	0	0	0	0	116
35-39	0	35	44	16	5	0	0	0	0	0	100
40-44	1	29	55	31	8	6	0	0	0	0	130
45-49	0	21	39	22	19	17	12	2	0	0	132
50-54	0	33	25	23	25	24	19	16	1	0	166
55-59	0	9	23	21	15	12	8	11	19	1	119
60-64	0	2	11	4	7	9	3	4	7	5	52
65-69	0	0	0	0	3	1	0	2	1	3	10
70+	0	0	0	0	2	1	0	1	0	0	4
TOTAL	1	226	269	127	84	70	42	36	28	9	892



Kao America Inc. Pension Plan

EIN/PN: 52-2064483 / 002

Schedule SB, Part V – Summary of Actuarial Assumptions and 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 premium interest rates

For 2014 Plan Year:

Segment Rates with no lookback, constrained in accordance with MAP-21 and HATFA as follows:

	Unconstrained Rates*	Rates Reflecting MAP-21 Corridor	Rates Reflecting HATFA Corridor**
First Segment Rate	1.25%	4.43%	4.99%
Second Segment Rate	4.06%	5.62%	6.32%
Third Segment Rate	5.08%	6.22%	6.99%

Effective Interest Rate
Based on HATFA rates

6.45%

For 2013 Plan Year:

Segment Rates with no lookback, constrained in accordance with MAP-21 and HATFA as follows:

	Unconstrained Rates*	Rates Reflecting MAP-21 Corridor**
First Segment Rate	1.62%	4.94%
Second Segment Rate	4.40%	6.15%
Third Segment Rate	5.45%	6.76%

Effective Interest Rate

6.27%

* Used for maximum tax-deduction and PBGC premium purposes

**Used for minimum funding 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

The Funding Target is the present value of accrued benefits 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 plan related expenses to be paid from plan assets during the year.



Kao America Inc. Pension Plan

EIN/PN: 52-2064483 / 002

Schedule SB, Part V – Summary of Actuarial Assumptions and Methods (continued)

Non-Prescribed Funding Assumptions and Methods

Salary increase assumption

4.00%

Maximum Benefit

\$210,000 per year at Age 65.

Frequency of optional payment forms

100% of non-retirement eligible terminations and 50% of retirement eligible terminations are expected to choose a lump sum payment. The other 50% of retirement eligible terminations are expected to choose the following: 15% choose a Life Only annuity, 15% choose a Ten-year certain and life annuity, 15% choose a 100% Joint & Survivor annuity and 5% choose a 50% Joint & Survivor annuity.

For purposes of determining the at-risk Funding Target and at-risk Target Normal Cost, all future retirements and terminations are assumed to elect a joint and survivor 100% form of payment.

Marital percentage

80% of participants are assumed to be married at benefit commencement. Husbands are assumed to be 3 years older than their wives.

Retirement rates

Age	Rate
55-56	15%
57-60	7%
61-64	15%
65	60%
66	30%
67+	100%

In addition, for purposes of determining at-risk Funding Target and at-risk Target Normal Cost, employees eligible to retire and receive a benefit in the next 11 years are assumed to retire when first eligible (but not before the end of the current plan year) and will elect to receive the form of benefit producing the highest present value.

Kao America Inc. Pension Plan

EIN/PN: 52-2064483 / 002

Schedule SB, Part V – Summary of Actuarial Assumptions and Methods (continued)

Withdrawal rates¹

Specimen rates as follows:

Age	Male	Female
25	10.4%	14.1%
40	3.9%	5.9%
55	0.3%	0.4%

Disability rates

Specimen rates as follows:

Age	Male	Female
25	0.03%	0.03%
40	0.08%	0.13%
55	0.69%	0.64%

Cash Balance Crediting Rate

Current Year:	3.68%
Prior Year:	2.80%

Asset valuation method

The Actuarial Value of Assets is market value as of the valuation date, including discounted receivable contributions, reduced by decreasing fractions, 2/3 and 1/3 of the of the gain/(loss) in each of the prior 2 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	8.00%	6.99%	6.99%
2013 Expected Return	8.00%	6.76%	6.76%
2012 Expected Return	8.00%	7.52%	7.52%

Future Actuarial Measurements

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.

¹ For active participants not eligible for retirement.

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <hr/> <small>Department of Labor Employee Benefits Security Administration</small> <hr/> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). File as an attachment to Form 5500 or 5500-SF.	<small>OMB No 1210-0110</small> <hr/> 2014 <hr/> 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 KAO AMERICA INC. PENSION PLAN	B Three-digit plan number (PN) ▶	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF KAO AMERICA INC.	D Employer Identification Number (EIN) 52-2064483	

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	113783043
	b Actuarial value	2b	108798945
3	Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target
	a For retired participants and beneficiaries receiving payment	506	33279667
	b For terminated vested participants	1105	19378335
	c For active participants	892	36265686
	d Total	2503	88923688
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	6.45%
6	Target normal cost	6	3032738

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

SIGN HERE	 Signature of actuary	<u>October 5, 2015</u> Date 1405702 Most recent enrollment number 513-784-0005 Telephone number (including area code)
DONALD BUNGENSTOCK Type or print name of actuary BUCK CONSULTANTS Firm name 720 E. PETE ROSE WAY, SUITE 300 CINCINNATI OH 45202 Address of the firm		

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	11746436	26146103
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	2726190	0
9 Amount remaining (line 7 minus line 8)	9020246	26146103
10 Interest on line 9 using prior year's actual return of <u>11.31%</u>	1020190	2957124
11 Prior year's excess contributions to be added to prefunding balance		
a Present value of excess contributions (line 38a from prior year)		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.27%</u>		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d - line 12)	10040436	29103227

Part III	Funding Percentages
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14	Funding target attainment percentage	14	78.33%
15	Adjusted funding target attainment percentage	15	122.35%
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	92.40%
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
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18 Contributions made to the plan for the plan year by employer(s) and employees

Part 1. Amount paid 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)

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 4.59%	2nd segment 6.32%	3rd segment: 6.99%
			☐ N/A, full yield curve used
b Applicable month (enter code)			21b 0
22 Weighted average retirement age			22 62
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions)			
a Target normal cost (line 6)		31a	3032738
b Excess assets, if applicable, but not greater than line 31a		31b	0
32 Amortization installments:			
a Net shortfall amortization installment	Outstanding Balance	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	3032738
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	3032778	0	3032778
36 Additional cash requirement (line 34 minus line 35)		36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)		37	0
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)		38a	0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances		38b	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)		39	0
40 Unpaid minimum required contributions for all years		40	0

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

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

Kao America Inc. Pension Plan

EIN/PN: 52-2064483 / 002

Schedule SB, Part V – Summary of Plan Provisions

Effective Date

November 1, 1961. Latest amendment reflected in the valuation was effective January 1, 2008.

Eligibility

Each Employee becomes a participant on the first day of the calendar month following the first twelve-month period in which he completes 1,000 hours of service.

Eligibility for benefits

Normal Retirement	Age 65
Early Retirement	Age 55 with 10 years of continuous service
Death Benefits	3 years of service
Vested Termination	3 years of service

Amount of Benefits (Cash Balance Formula)

The cash balance account is equal to the sum of a), b) and c) below:

- a) **Initial Cash Balance Account** - The initial cash balance account was determined for each participant as of January 1, 2001 as the sum of two items. First, the present value of the participant's accrued benefit as of December 31, 2000 determined under the Grandfather Benefit (final average pay) formula, commencing at age 65. Second, Transition Credit equal to the participant's years of service as of December 31, 2000 multiplied by the participant's December 31, 2000 average annual compensation multiplied by a percentage based on the participant's service as of December 31, 2000. The percentages are as follows:
 - 0.5% for service 5-10 years;
 - 1.0% for service 11-14 years; and
 - 1.5% for service of 15 years or more
- b) **Contribution Credits** - At each December 31, a participant's cash balance account will be credited with an amount equal to 5% of the participant's compensation for the plan year.
- c) **Interest Credits** - At each December 31, a participant's cash balance account will be credited with earnings at the annual interest rate on 30-year Treasury securities for the November preceding the plan year.

The following actuarial equivalent basis will be used for purposes of determining the monthly amount of an annuity equivalent of a participant's Cash Balance Account: the applicable mortality table under Code Section 417(e)(3) and the applicable interest rates under the rules of Code Section 417(e)(3) as set forth in Revenue Ruling 2007-67.

Amount of Benefits (Old Plan Grandfather Formula)

The plan provisions described below are only applicable to employees who were actively employed on January 1, 2001 and who were born on or before December 31, 1961. These employees will receive the greater of the cash balance benefit or the old plan benefit described below at termination or retirement.

Kao America Inc. Pension Plan

EIN/PN: 52-2064483 / 002

Schedule SB, Part V – Summary of Plan Provisions (continued)

Normal Retirement

The retirement benefit is 1% of average annual compensation for the highest paid five consecutive years of the ten years preceding retirement, times years of credited service up to 35.

In no event shall the benefit be less than that accrued through December 31, 1988, under the prior plan formula.

The minimum monthly benefit is \$10 for each year of credited service up to 35 years.

Early Retirement

The normal retirement benefit accrued to early retirement date is reduced by:

- 3% per year from age 65
- 5% per year from age 60

An employee who retires early with at least 30 years of service will not have his benefit reduced for the first 60 months from age 65.

Disability Eligibility

Any employee with five years of service who qualified for disability payments under the company's long-term disability plan.

Disability Benefit

A normal retirement benefit payable at age 65 based on actual service to date of disability plus $\frac{1}{2}$ of the service he would have received from the date of disability to age 65.

Deferred Vested Retirement

The normal retirement benefit accrued to the date of termination payable at age 65. Payments may begin at age 55 or later, but will be actuarially reduced from age 65.

Preretirement death benefit

With Spouse – A monthly amount payable to survivor equal to 50% of the amount which would have been payable to the employee had he retired the day before death and elected a 50% joint and survivor annuity. Benefit will not be payable before employee would have reached early retirement age.

Without Spouse – A monthly amount payable to the beneficiary equal to the survivor annuity which would have been payable had the employee retired the day before death and elected a 10-year certain and life annuity. The benefit will not be payable before the employee would have reached early retirement age.

Kao America Inc. Pension Plan

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Schedule SB, Part V – Summary of Plan Provisions (continued)

Normal Form of Annuity

Without Spouse – Ten-year certain and life annuity

With Spouse – 50% joint and survivor annuity actuarially equivalent to the ten-year certain and life annuity.

Optional Forms of Annuity

Life annuity; joint and survivor (100%, 75% or 50%); and ten-year certain and life. A lump sum is available under the cash balance formula only.

Definition of Compensation

Total compensation to the extent that the amounts are includable in gross income, plus elective deferrals to the Company's Profit Sharing and Flexible Benefits Plans, less reimbursements or other expense allowances.

KAO AMERICA INC. PENSION PLAN
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2014

Name of Plan Sponsor:	Kao America, Inc.
Employer Identification Number:	25-0472020
Three-Digit Plan Number:	001

<u>(a)</u>	<u>(b)</u> Identity of Issue Borrower, Lessor, or Similar Party	<u>(c)</u> Description of Investment	<u>(d)</u> Cost	<u>(e)</u> Current Value
<u>Mutual Funds</u>				
	American Funds	American EuroPacific Growth R4 Fund	\$ 9,713,447	\$ 12,201,529
	Brown Brothers	BBH Core Select Harriman Fund (N)	8,019,530	9,392,408
	Columbia Management	Columbia Mid Cap Value Z Fund	3,226,774	4,448,445
	Dimensional Funds	DFA Emerging Markets Value Institutional	5,766,051	5,087,811
	Fidelity Investments	Fidelity Advisor Small Cap Fund A	3,781,276	4,439,613
	GMO	GMO Global Balanced AA	12,638,290	12,638,290
	Munder Capital	Munder Mid Cap Core Growth A Fund	2,676,287	4,289,261
	PIMCO	PIMCO All Asset Fund	5,704,431	5,404,976
	PIMCO	PIMCO Long-Term Credit Institutional	49,831,064	48,082,537
	Vanguard	Vanguard Institutional Index	<u>9,677,694</u>	<u>12,539,523</u>
			111,034,844	118,524,393
<u>Unallocated Investment Contract</u>				
	*Aetna Life Insurance Co	Investment Contract	<u>1,301,325</u>	<u>1,301,325</u>
TOTAL			<u>\$ 112,336,169</u>	<u>\$ 119,825,718</u>

* Party-in-interest

See Independent Auditor's Report



Kao America Inc. Pension Plan

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Schedule SB, Line 24 - Change in Actuarial Assumptions

The cash balance interest crediting rate was changed from 2.80% to 3.68%.

The cash balance crediting rate for 2014 was selected to be equal to the mortality average 30-year treasury constant maturity published in the December before the valuation date.