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).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2015

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A This return/report is for:
- [ ] a multiemployer plan;
- [X] 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. . . . . ▶ [X]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
RETIREMENT PLAN FOR EMPLOYEES OF BABCOCK & WILCOX COMMERCIAL OPERATIONS

1b Three-digit plan number (PN) ▶ 032

1c Effective date of plan 02/01/2005

2a Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
THE BABCOCK & WILCOX COMPANY

13024 BALLANTYNE CORPORATE PLACE
SUITE 700
CHARLOTTE, NC 28277

2b Employer Identification Number (EIN)
13-2933685

2c Plan Sponsor's telephone number
704-625-4900

2d Business code (see instructions)
339900

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.	10/12/2016	BRITTANY HELMICK
	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)

Preparer's telephone number

3a Plan administrator's name and address ☐ Same as Plan Sponsor

THE BABCOCK & WILCOX BENEFITS COMMITTEE

13024 BALLANTYNE CORPORATE PLACE
SUITE 700
CHARLOTTE, NC 28277

3b Administrator's EIN: 13-2933685

3c Administrator's telephone number: 704-625-4900

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name: BABCOCK & WILCOX POWER GENERATION GROUP INC.

4b EIN: 13-2933685

4c PN: 032

5	Total number of participants at the beginning of the plan year	**5**	7803
6	Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a(1)	Total number of active participants at the beginning of the plan year	**6a(1)**	1226
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	1183
b	Retired or separated participants receiving benefits	**6b**	4440
c	Other retired or separated participants entitled to future benefits	**6c**	1178
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	6801
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	873
f	Total. Add lines **6d** and **6e**.	**6f**	7674
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	14
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
1A 1B 3F 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1)	☐	Insurance
(2)	☐	Code section 412(e)(3) insurance contracts
(3)	X	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)	X	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)	X	**R** (Retirement Plan Information)
(2)	☐	**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)	X	**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	X		**H** (Financial Information)
(2)	☐		**I** (Financial Information – Small Plan)
(3)	☐	0	**A** (Insurance Information)
(4)	☐		**C** (Service Provider Information)
(5)	X		**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 2015 Form M-1 annual report. If the plan was not required to file the 2015 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2015

This Form is Open to Public Inspection

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

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

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

A Name of plan
RETIREMENT PLAN FOR EMPLOYEES OF BABCOCK & WILCOX COMMERCIAL OPERATIONS

B Three-digit plan number (PN) ▶ 032

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
THE BABCOCK & WILCOX COMPANY

D Employer Identification Number (EIN)
13-2933685

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 2015

2 Assets:

a Market value	**2a**	940861745
b Actuarial value	**2b**	901001426

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	5300	621636427	621636427
b For terminated vested participants	1381	38649380	38649380
c For active participants	1226	211306132	222666202
d Total	7907	871591939	882952009

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**	6.22%
6 Target normal cost	**6**	15475766

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

10/10/2016
Date

SONJA C. BORSARI, FSA, EA, MAAA
Type or print name of actuary

14-05568
Most recent enrollment number

BUCK CONSULTANTS, LLC
Firm name

203-975-0260
Telephone number (including area code)

595 SUMMER STREET, SUITE 3 S
STAMFORD, CT 06901-3246
Address of the firm

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

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	31530670
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	27787286
9	Amount remaining (line 7 minus line 8)	0	3743384
10	Interest on line 9 using prior year's actual return of 13.97%	0	522951
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		2676841
	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 6.43%		0
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		373955
	c Total available at beginning of current plan year to add to prefunding balance		3050796
	d Portion of (c) to be added to prefunding balance		2679961
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	6946296

Part III Funding Percentages

14	Funding target attainment percentage	14	101.25 %
15	Adjusted funding target attainment percentage	15	102.04 %
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	98.23 %
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? [X] Yes [ ] No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] 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:	2nd segment:	3rd segment:	
4.72 %	6.11 %	6.81 %	☐ N/A, full yield curve used

b Applicable month (enter code) — **21b**: 4

22 Weighted average retirement age — **22**: 63

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**	15475766
b Excess assets, if applicable, but not greater than line 31a	**31b**	11103121

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount — **33**:

34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	4372645

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	4372645	4372645

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 D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2015

This Form is Open to Public Inspection.

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan
RETIREMENT PLAN FOR EMPLOYEES OF BABCOCK & WILCOX COMMERCIAL OPERATIONS

B Three-digit plan number (PN) ▶ 032

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
THE BABCOCK & WILCOX COMPANY

D Employer Identification Number (EIN)
13-2933685

Part I **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: BWXT MASTER TRUST

b Name of sponsor of entity listed in (a): BWXT INVESTMENT COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
72-1172705-003	M	0

a Name of MTIA, CCT, PSA, or 103-12 IE: B&W PENSION TRUST

b Name of sponsor of entity listed in (a): THE BABCOCK & WILCOX COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
13-2933685-033	M	854052746

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

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

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

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

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a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

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.**

OMB No. 1210-0110

2015

This Form is Open to Public Inspection

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan
RETIREMENT PLAN FOR EMPLOYEES OF BABCOCK & WILCOX COMMERCIAL OPERATIONS

B Three-digit plan number (PN) ▶ 032

C Plan sponsor's name as shown on line 2a of Form 5500
THE BABCOCK & WILCOX COMPANY

D Employer Identification Number (EIN)
13-2933685

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	2900000	0
(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)	940475883	854052746
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(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	943375883	854052746
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	0	0
k Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	943375883	854052746

Part II Income and Expense Statement

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

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

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		-23182654
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		-23182654
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	63286587	
(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)		63286587
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		0
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		63286587
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		-86469241
l Transfers of assets:			
(1) To this plan	2l(1)		19124855
(2) From this plan	2l(2)		21978751

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)** [X] Disclaimer **(4)** [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: DIXON HUGHES GOODMAN LLP **(2)** EIN: 56-0747981

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:

		Yes	No	N/A	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X		
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.)	4b		X		

		Yes	No	N/A	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.)	4c		X		
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X		
e Was this plan covered by a fidelity bond?	4e	X			15000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X		
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X		
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X		
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i		X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X		
l Has the plan failed to provide any benefit when due under the plan?	4l		X		
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				
o Did the plan trust incur unrelated business taxable income?	4o				
p Were in-service distributions made during the plan year?	4p				

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)
BWXT RETIREMENT PLAN	72-1172705	001

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

6a Name of trust

6b Trust's EIN

6c Name of trustee or custodian

6d Trustee's or custodian's telephone number

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

2015

This Form is Open to Public Inspection.

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan
RETIREMENT PLAN FOR EMPLOYEES OF BABCOCK & WILCOX COMMERCIAL OPERATIONS

B Three-digit plan number (PN) ▶ 032

C Plan sponsor's name as shown on line 2a of Form 5500
THE BABCOCK & WILCOX COMPANY

D Employer Identification Number (EIN)
13-2933685

Part I Distributions

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 36-1561860

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year **3** 5

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☒ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☒ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 a Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

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: 40.0% Investment-Grade Debt: 53.0% High-Yield Debt: 1.0% Real Estate: 0.0% Other: 6.0%

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):

Part VII IRS Compliance Questions

20a Is the plan a 401(k) plan?	☐ Yes	☐ No
20b If "Yes," how does the 401(k) plan satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under sections 401(k)(3) and 401(m)(2)?	☐ Design-based safe harbor method	☐ ADP/ACP test
20c If the ADP/ACP test is used, did the 401(k) plan perform ADP/ACP testing for the plan year using the "current year testing method" for nonhighly compensated employees (Treas. Reg sections 1.401(k)-2(a)(2)(ii) and 1.401(m)-2(a)(2)(ii))?	☐ Yes	☐ No
21a Check the box to indicate the method used by the plan to satisfy the coverage requirements under section 410(b):	☐ Ratio percentage test	☐ Average benefit test
21b Does the plan satisfy the coverage and nondiscrimination tests of sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules?	☐ Yes	☐ No
22a Has the plan been timely amended for all required tax law changes?	☐ Yes	☐ No ☐ N/A

22b Date the last plan amendment/restatement for the required tax law changes was adopted ____/____/____. Enter the applicable code _____ (See instructions for tax law changes and codes).

22c If the plan sponsor is an adopter of a pre-approved master and prototype (M&P) or volume submitter plan that is subject to a favorable IRS opinion or advisory letter, enter the date of that favorable letter _____/_____/_____ and the letter's serial number _____.

22d If the plan is an individually-designed plan and received a favorable determination letter from the IRS, enter the date of the plan's last favorable determination letter _____/_____/_____.

23 Is the Plan maintained in a U.S. territory (i.e., Puerto Rico (if no election under ERISA section 1022(i)(2) has been made), American Samoa, Guam, the Commonwealth of the Northern Mariana Islands or the U.S. Virgin Islands)?	☐ Yes	☐ No

The Babcock & Wilcox Company

Retirement Plan for Employees of Babcock & Wilcox Commercial Operations

Financial statements as of and for the years ended
December 31, 2015 and 2014, and
Independent Auditors' Report

DIXON HUGHES GOODMAN LLP

Independent Auditors' Report

To the Babcock & Wilcox Investment Committee
The Retirement Plan for Employees of Babcock & Wilcox Commercial Operations

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Retirement Plan for Employees of Babcock & Wilcox Commercial Operations (the "Plan"), which comprise the statement of net assets available for benefits as of December 31, 2015, and the related statements of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on 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 ("ERISA"), the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 8, which was certified by Northern Trust Corporation, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2015, and for the year ended December 31, 2015, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

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

DIXON HUGHES GOODMAN LLP

Other Matter-Supplemental Schedule

The supplemental schedule as of December 31, 2015 and for the year ended December 31, 2015 is required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis, and is not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on the supplemental schedule.

Other Matter-2014 Financial Statements

The financial statements of the plan as of December 31, 2014, were audited by predecessor auditors. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed the predecessor auditors not to perform and they did not perform, any auditing procedures with respect to the information certified by the trustee. Their report, dated September 24, 2015, indicated that (*a*) because of the significance of the information that they did not audit, they were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, they did not express an opinion on the financial statements (*b*) the form and content of the information included in the financial statements other than that derived from the information certified by the trustee, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

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

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Dixon Hughes Goodman LLP

Charlotte, North Carolina
June 30, 2016

Retirement Plan for Employees of Babcock & Wilcox Commercial Operations
Statement of Net Assets Available for Benefits

	December 31, 2015	December 31, 2014
Investments, at fair value:		
Plan's interest in net assets of the Master Trust	$ 854,052,746	$ 940,475,883
Contributions receivable:		
Employer contributions	—	2,900,000
Total contributions receivable:	—	2,900,000
Net assets available for benefits	**$ 854,052,746**	**$ 943,375,883**

Retirement Plan for Employees of Babcock & Wilcox Commercial Operations
Statement of Changes in Net Assets Available for Benefits

	December 31, 2015	December 31, 2014
Additions to net assets		
Plan's interest in investment income of the Master Trust	$ —	$ 116,371,412
Employer contributions	—	2,900,000
Total additions	—	119,271,412
Deductions from net assets:		
Plan's interest in investment loss of the Master Trust	23,182,654	—
Benefits paid directly to participants	63,286,587	60,410,127
Total deductions	86,469,241	60,410,127
Net (decrease)/increase before transfers from Master Trust	(86,469,241)	58,861,285
Retirement plan for employees of Babcock & Wilcox Government Operations, net	2,853,896	178,990
Net (decrease)/increase	**$ (89,323,137)**	**$ 58,682,295**
Net assets available for benefits		
Beginning of period	943,375,883	884,693,588
End of period	**$ 854,052,746**	**$ 943,375,883**

RETIREMENT PLAN FOR EMPLOYEES OF
BABCOCK & WILCOX
COMMERCIAL OPERATIONS

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 and 2014

NOTE 1 - BASIS OF FINANCIAL STATEMENTS

On June 30, 2015, The Babcock & Wilcox Company (the "former Parent") completed the spin-off of its Power Generation business into an independent, publicly traded company named Babcock & Wilcox Enterprises, Inc. ("B&W"). Prior to the spin-off, the former Parent established a new master trust (the "B&W Pension Trust") to hold the assets of the Retirement Plan for Employees of Babcock & Wilcox Commercial Operations (the "Plan"). Concurrent with the spin-off, the former Parent was renamed BWX Technologies, Inc. and Babcock and Wilcox Power Generation Group, Inc., a subsidiary of B&W, was renamed as The Babcock & Wilcox Company (the "Company").

All contributions made to the Plan are invested in the B&W Pension Trust. The Babcock & Wilcox Investment Committee (the "Investment Committee"), a committee appointed by the Board of Directors of the Company, has full discretionary authority for the management and control of the assets of the B&W Pension Trust. The Investment Committee may delegate authority to investment managers to manage certain assets of the B&W Pension Trust, including the power to acquire and dispose of certain assets of the B&W Pension Trust.

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

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

NOTE 2 - DESCRIPTION OF PLAN

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

General

The Plan is a non-contributory defined benefit pension plan administered by The Babcock & Wilcox Benefits Committee (the "Benefits Committee"), which is appointed by the Board of Directors of the Company. Although participation in the Plan is closed to new participants, the Plan covers substantially all hourly-paid employees and salaried employees of the Company and its participating subsidiaries and affiliates who were hired or rehired prior to the applicable participation freeze date, except for non-resident alien employees who do not earn income in the United States, employees under certain collective bargaining agreements, and leased employees. Eligible employees became participants when they attained age 21 and completed one year of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Pension benefits and vesting

An employee who has participated in the Plan for five years (including participation in a predecessor plan) is entitled to receive pension benefits at his normal retirement age, but depending on age and years of service, a participant may be able to elect early retirement. Benefits are also payable upon the death or disability of a participant. Participants become fully vested in the Plan benefits after five years of service. Benefits under the Plan are based on years of service and a flat benefit rate for substantially all hourly employees and on years of service and the highest consecutive five-year average of compensation during the last ten years of service for all other employees. Plan benefits for active salaried Plan participants which were not already frozen were frozen effective as of December 31, 2015, such that the accrued benefits of such participants will not increase as a result of any compensation earned or service performed after December 31, 2015. Supplemental payments are also made to certain participants affected by changes in other postretirement benefit plans.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

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

Use of estimates

The preparation of financial statements in conformity U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Among the most significant estimates in the financial statements are the assumptions underlying the actuarial present value of accumulated plan benefits. Actual results could differ from those estimates, and those differences could be material.

Investment valuation

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

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

Risks and uncertainties

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

Contributions receivable

Contributions receivable at 2014 are comprised of contributions funded during 2015 which have been designated as being attributable to the 2014 plan period. There were no expected contributions in 2015.

Transfers with affiliated and unaffiliated plans

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

Administrative expenses

Administrative expenses, Trustee fees and the PBGC premium are paid from the Master Trust and deducted from investment income or added to investment losses in the Statement of Changes in Net Assets Available for Benefits. Administrative expenses were $3,409,073 and $5,450,532 for the years ended December 31, 2015 and 2014, respectively.

Recent accounting pronouncements

In July 2015, the FASB issued ASU 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient.* Part I eliminates the requirements to measure the fair value of fully benefit-responsive investment contracts and to provide certain disclosures. Contract value is now the only required measure for fully benefit-responsive investment contracts. Part II eliminates the requirements to disclose individual investments that represent 5 percent or more of net assets available for benefits and the net appreciation or depreciation in fair value of investments by general type. Part II also simplifies disclosures of the level of disaggregation of investments that are measured using fair value. Plans will continue to disaggregate investments that are measured using fair value by general type; however, plans are no longer required to also disaggregate investments by nature, characteristics, and risks for disclosure purposes. Further, the disclosure

of information about fair value measurements shall be provided by general type of plan asset. Part III is not applicable to the Plan. The ASU is effective for fiscal years beginning after December 15, 2015, with early adoption permitted. Parts I and II are to be applied retrospectively to all periods presented. Management has elected to adopt Parts I and II for the year ended December 31, 2015.

NOTE 4 - TAX STATUS

The Internal Revenue Service ("IRS") has determined and informed the Company by a letter dated June 17, 2014, that the Plan and related trust were designed in accordance with the applicable regulations of the Internal Revenue Code. The Plan has been amended since receiving the determination letter; however, the Company and plan management believe that the Plan is currently designed and operated in compliance with the applicable requirements of the Internal Revenue Code and the Plan and related trust continue to be tax-exempt.

Accounting principles generally accepted in the United States of America require the plan administrators to evaluate tax positions taken by the Plan and recognize a tax liability if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrators have analyzed the tax positions taken by the Plan and have concluded that as of December 31, 2015 and 2014 there are no uncertain positions taken, or expected to be taken, that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 5 - FUNDING POLICY

The Plan is funded based on actuarial recommendations and to at least meet the minimum funding requirements of ERISA. During the years ended December 31, 2015 and 2014 the Plan met these minimum funding requirements.

NOTE 6 - PLAN TERMINATION

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

Certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation ("PBGC") (a U.S. governmental agency) if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain dollar amount and type limitations. The maximum annual benefit for a 65 year old retiree guaranteed by PBGC for plans terminating in 2015 was $60,136. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits and may also depend on the level of benefits guaranteed by the PBGC.

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

NOTE 7 - ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

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

For accounting purposes, life expectancy of participants and disabled participants was determined using the tables mandated by the Pension Protection Act, projected 7 years for annuitants and 15 years for non-annuitants. The expected rate of return on plan assets used in the valuations was 7.2% at January 1, 2015 and 2014, respectively. The discount rate used in the valuations was 4.0% and 4.8% at January 1, 2015 and 2014, respectively. The actuarial cost method is the Unit Credit Method. The Plan's actuary has used the Standard Premium Funding Target for 2015 and 2014. In developing the Plan's funding requirements, the Plan's actuary has used the PPA Segment Rates for funding purposes with adjustments under MAP-21 and HATFA, mortality rates mandated by IRS regulations and expected administrative expenses of $4,500,000 loaded into the target normal cost. Wage and social security increases of 2.5% per year and cost of living increases through 2015 of 2.0% per year have been assumed. Decrements in participant levels have generally been based on historical business unit experience.

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

	January 1,	
	2015	2014
Vested and nonvested benefits:		
Participants currently receiving payments	$ 773,671,029	$ 633,918,748
Other participants	378,377,143	364,781,332
Total vested	1,152,048,172	998,700,080
Nonvested benefits	14,552,992	15,637,260
Total vested and nonvested benefits	$1,166,601,164	$1,014,337,340

The changes in the actuarial present value of accumulated plan benefits that occurred during the year ended January 1, 2015 and 2014 were as follows:

	January 1, 2015	January 1, 2014
Increase (decrease) during the year attributable to:		
Benefits accumulated	$ 15,736,528	$ 24,539,826
Increase due to passage of time	149,682,081	43,271,297
Changes in assumptions	47,255,342	(80,380,823)
Benefits paid	(60,410,127)	(56,414,226)
Net increase (decrease)	152,263,824	(68,983,926)
Actuarial present value of accumulated plan benefits:		
Beginning of period	1,014,337,340	1,083,321,266
End of period	$1,166,601,164	$1,014,337,340

The fluctuations in the 2015 and 2014 actuarial present value due to changes in assumptions were primarily due to changes in the discount rate used to determine the present value of the obligations.

Benefit restrictions can be placed on the Plan based generally upon the ratio of adjusted actuarial value of plan assets to an actuarially determined funding target. No restrictions were applicable for 2015 or 2014.

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

Pursuant to the provisions of 29CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan's independent auditors did not perform any auditing procedures with respect to the information certified by the Trustees, except for comparing such information to the related financial statements. All financial data included in the financial statements and their accompanying notes relating to investments, income (loss) from investments, and net depreciation in fair value of investments was obtained from the information certified by the Trustees. The Trustees, on a combined basis, have certified the Plan's interest in net assets of the Master Trust of $854,052,746 and $940,475,883 at December 31, 2015 and 2014, respectively, and the Plan's interest in investment loss of the Master Trust, before related expenses, of $16,088,056 for the year ended December 31, 2015 and the Plan's interest in investment income of the Master Trust, before related expenses of $121,821,944 for the year ended December 31, 2014. At December 31, 2015 and 2014, the Plan had a proportionate undivided interest in the net assets held by the Master Trust of 100% and 94%, respectively. The investment in the Master Trust is the only investment held by the Plan.

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

NET ASSETS OF THE MASTER TRUST
(CERTIFIED BY TRUSTEES)

	December 31, 2015	December 31, 2014
Values determined by quoted market prices:		
Common stocks	$ 57,383,632	$ 63,109,081
U.S. Government securities	142,144,384	144,609,198
Interest-bearing cash	14,288,680	15,950,135
Values determined otherwise:		
Fixed income securities and corporate bonds	323,591,046	385,347,622
Partnerships with security holdings	—	48,966,506
Real estate	—	2,141,391
Commingled trust funds	312,352,912	334,070,948
Total Investments	849,760,654	994,194,881
Other investment related net assets (liabilities)	(979,792)	—
Interest and dividends receivable	5,271,884	5,314,289
Net assets	$ 854,052,746	$ 999,509,170

INVESTMENT INCOME OF THE MASTER TRUST
(CERTIFIED BY TRUSTEES)

	December 31, 2015	December 31, 2014
Net realized and unrealized (depreciation) appreciation in fair value of investments	$ (41,464,847)	$ 97,196,223
Interest and dividends income	27,648,971	22,284,382
Other investment expense	(9,366,778)	(3,109,193)
Total investment (loss) income	$ (23,182,654)	$ 116,371,412

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

NOTE 9 - FAIR VALUE OF INVESTMENTS

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

measurements) and the lowest priority to unobservable inputs (level 3 measurements). Categorization of instruments within the fair level hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 Inputs are based on unadjusted quoted prices for identical instruments traded in active markets.

Level 2 Inputs are based on unadjusted quoted prices for similar instruments in active markets or identical instruments in inactive markets and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the asset or liability.

Level 3 Inputs are generally unobservable and typically reflect estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are usually determined using model-based techniques that include option pricing models, discounted cash flow models and similar valuation techniques.

Following is a description of the primary valuation methodologies used to measure the fair value of each class of Plan assets at December 31, 2015 and 2014.

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

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

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

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

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

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

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

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

Fair Value Measurements

The following table sets forth by level, within the fair value hierarchy, the Master Trust's assets at fair value as of December 31, 2015:

	Level 1	Level 2	Total
Common stocks	$ 57,383,632	$ —	$ 57,383,632
Fixed income securities	—	323,591,046	323,591,046
U.S. Government securities	142,144,384	—	142,144,384
Cash and accrued items	16,511,134	2,069,638	18,580,772
Commingled trust funds	—	312,352,912	312,352,912
Total	$ 216,039,150	$ 638,013,596	$ 854,052,746

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

	Level 1	Level 2	Level 3	Total
Common stocks	$ 63,109,081	$ —	$ —	$ 63,109,081
Fixed income securities	—	385,347,622	—	385,347,622
U.S. Government securities	137,783,098	6,826,100	—	144,609,198
Partnerships with security holdings	—	—	48,966,506	48,966,506
Real estate	—	—	2,141,391	2,141,391
Cash and accrued items	19,241,730	2,022,694	—	21,264,424
Commingled trust funds	4,665,000	329,405,948	—	334,070,948
Total	$ 224,798,909	$ 723,602,364	$ 51,107,897	$ 999,509,170

Level 2 investments were valued at December 31, 2015 using the market approach, with the exception of certain U. S. Government agency securities which were valued using the income approach

The following table is a summary of the changes in the Plan's Level 3 instruments measured on a recurring basis for the years ended December 31, 2015 and 2014:

	December 31,	
	2015	2014
Balance at beginning of period	$ 51,107,897	$ 55,188,359
Issuance and acquisitions	1,266,000	4,633,449
Dispositions	(53,416,897)	(16,306,249)
Realized gain	3,915,000	10,995,553
Unrealized gain	(2,872,000)	(3,403,215)
Balance at end of period	$ —	$ 51,107,897

All Level 3 assets were transferred to the former Parent during the spin-off transactions.

NOTE 10 - RELATED PARTY TRANSACTIONS

The Company, the Trustees and the affiliates of both are parties-in-interest to the Plan. B&W provides administrative services to and on behalf of the Plan with no compensation or reimbursement from the Plan. Fees paid by the Master Trust to the Trustees for custodial, recordkeeping, and investment advisory services provided to all plans in the Master Trust were approximately $3,409,073 for the period ended December 31, 2015.

NOTE 11 - SUBSEQUENT EVENTS

The plan administrator has evaluated subsequent events through June 30, 2016, which is the date the financial statements were available to be issued, for their impact on amounts recorded and related disclosures, and have incorporated the related effects as appropriate.

Plan Name: Retirement Plan for Employees of Babcock & Wilcox Commercial Operations
EIN/PN: 13-2933685 / 032

Schedule SB, Line 26 – Schedule of Active Participant Data

		Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & up		Total	
		No.	Avg Comp.*	No.	Avg Comp.	No.	Avg Comp.	No.	Avg Comp.	No.	Avg Comp.	No.	Avg Comp.	No.	Avg Comp.	No.	Avg Comp.	No.	Avg Comp.	No.	Avg Comp.	No.	Avg Comp.
Average Age	Under 25	1		3		0		0		0		0		0		0		0		0		4	
	25 to 29	0		0		7		0		0		0		0		0		0		0		7	
	30 to 34	3		1		16		25		5		0		0		0		0		0		50	
	35 to 39	0		0		15		42		35		2		0		0		0		0		94	
	40 to 44	3		0		10		36		50	94,940	24	86,275	10		0		0		0		133	85,164
	45 to 49	2		2		7		33		41	106,628	44	125,513	46	110,810	4		0		0		179	112,931
	50 to 54	0		1		11		22		37	96,654	31	101,564	66	115,455	41	113,174	2		0		211	109,447
	55 to 59	1		1		14		30		18		27	112,555	42	114,075	64	140,389	76	125,877	27		300	120,968
	60 to 64	1		0		6		18		13		14		24		16		50	123,090	57	111,488	199	116,855
	65 to 69	0		0		2		9		3		2		1		4		3		15		39	125,277
	70+	0		0		0		1		1		0		1		0		1		6		10	
	Total	11		8		88		216	89,262	203	97,024	144	110,100	190	112,129	129	123,588	132	123,991	105	114,570	1,226	112,574

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

Plan Name: Retirement Plan for Employees of Babcock & Wilcox Commercial Operations
EIN / PN: 13-2933685 / 032

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

Prescribed Funding Assumptions and Methods

The following assumptions and methods are prescribed by ERISA.

Funding interest rates

For 2015 Plan Year: Segment Rates with four-month lookback, constrained in accordance with relevant legislation as follows:

	Unconstrained Rates*	Rates Reflecting Corridor**
First Segment Rate	1.15%	4.72%
Second Segment Rate	4.06%	6.11%
Third Segment Rate	5.15%	6.81%

Effective Interest Rate
Based on constrained rates 6.22%

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

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

Effective Interest Rate
Based on constrained rates 6.43%

* Used for maximum tax-deduction purposes
** Used for minimum funding and benefit restriction purposes. See Appendix D under Segment Rate.

Mortality

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

Actuarial cost method

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

Plan Name: Retirement Plan for Employees of Babcock & Wilcox Commercial Operations
EIN / PN: 13-2933685 / 032

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

Non-Prescribed Funding Assumptions and Methods

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

Salary increase assumption

2.50% per annum.

Social Security

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

Expenses

Expected plan expenses of $4,500,000 were added to the Target Normal Cost.

Frequency of optional payment forms

	B&W Salaried	B&W Hourly	MMC Salaried
Single Life Annuity	35.0%	45.0%	38.9%
Joint & Survivor 50%	25.0%	45.0%	27.8%
Joint & Survivor 75%	5.0%	10.0%	5.5%
Joint & Survivor 100%	25.0%	---	27.8%
Joint & Last Survivor $66^{2}/_{3}$%	5.0%	---	---
10-year Certain & Life	5.0%	---	---

Marital percentage

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

Mortality table

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

Cost of living increases

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

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

Non-Prescribed Funding Assumptions and Methods (continued)

Decrements

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

McDermott Employees:

Age	Annual Rate of Withdrawal	Early Retirement (Pre 4/1/98 Hires)	Early Retirement (Post 4/1/98 Hires)	Disability	Death[1] Male	Death[1] Female
25	0.07875			0.001	0.000278	0.000136
30	0.05888			0.001	0.000382	0.000195
35	0.04372			0.001	0.000665	0.000341
40	0.03397			0.002	0.000848	0.000449
45	0.02633			0.002	0.001018	0.000693
50	0.01980	0.100		0.003	0.001240	0.001002
51	0.01875	0.025		0.004	0.001287	0.001118
52	0.01792	0.025		0.005	0.001335	0.001289
53	0.01710	0.025		0.005	0.001430	0.001486
54	0.01643	0.025		0.006	0.001534	0.001717
55	0.01575	0.025	0.025	0.007	0.001704	0.001985
56	0.01538	0.040	0.040	0.008	0.001917	0.002301
57	0.01538	0.040	0.040	0.009	0.002169	0.002590
58	0.01560	0.040	0.040	0.010	0.002464	0.002832
59	0.01575	0.100	0.100	0.011	0.002721	0.003097
60	0.01635	0.100	0.100	0.013	0.003007	0.003382
61	0.01643	0.120	0.120	0.016	0.003420	0.003687
62	0.01770	0.150	0.150		0.003761	0.004006
63	0.01905	0.200	0.200		0.004240	0.004335
64	0.02025	0.300	0.300		0.004604	0.004671
65	0.00000	0.400	0.400		0.004961	0.005008
66		0.350	0.350		0.005469	0.005340
67		0.350	0.350		0.005806	0.005664
68		0.350	0.350		0.005941	0.005975
69		0.350	0.350		0.006230	0.006271
70		1.000	1.000		0.006305	0.006550

[1] Pre-commencement rates.

Plan Name: Retirement Plan for Employees of Babcock & Wilcox Commercial Operations
EIN / PN: 13-2933685 / 032

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

Non-Prescribed Funding Assumptions and Methods (continued)

B & W Salaried Employees:

Age	Withdrawal	Annual Rate of Early Retirement (Pre 4/1/98 Hires)	Annual Rate of Early Retirement (Post 4/1/98 Hires)	Disability	Death[2]	
					Male	Female
25	0.07875			0.000	0.000278	0.000136
30	0.05888			0.000	0.000382	0.000195
35	0.04372			0.000	0.000665	0.000341
40	0.03397			0.000	0.000848	0.000449
45	0.02633			0.001	0.001018	0.000693
50	0.01980	0.100		0.002	0.001240	0.001002
51	0.01875	0.025		0.003	0.001287	0.001118
52	0.01792	0.025		0.003	0.001335	0.001289
53	0.01710	0.025		0.003	0.001430	0.001486
54	0.01643	0.025		0.004	0.001534	0.001717
55	0.01575	0.025	0.025	0.005	0.001704	0.001985
56	0.01538	0.040	0.040	0.005	0.001917	0.002301
57	0.01538	0.040	0.040	0.006	0.002169	0.002590
58	0.01560	0.040	0.040	0.007	0.002464	0.002832
59	0.01575	0.100	0.100	0.008	0.002721	0.003097
60	0.01635	0.100	0.100	0.009	0.003007	0.003382
61	0.01643	0.120	0.120	0.010	0.003420	0.003687
62	0.01770	0.150	0.150	0.011	0.003761	0.004006
63	0.01905	0.200	0.200	0.012	0.004240	0.004335
64	0.02025	0.300	0.300	0.013	0.004604	0.004671
65	0.00000	0.400	0.400	0.000	0.004961	0.005008
66		0.350	0.350		0.005469	0.005340
67		0.350	0.350		0.005806	0.005664
68		0.350	0.350		0.005941	0.005975
69		0.350	0.350		0.006230	0.006271
70		1.000	1.000		0.006305	0.006550

[2] Pre-commencement rates.

Plan Name: Retirement Plan for Employees of Babcock & Wilcox Commercial Operations
EIN / PN: 13-2933685 / 032

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

Non-Prescribed Funding Assumptions and Methods (continued)

B & W Hourly Employees:

Age	Withdrawal	Annual Rate of Early Retirement		Disability	Death[3]	
		Reduced	Unreduced		Male	Female
25	0.07875			0.000	0.000278	0.000136
30	0.05888			0.000	0.000382	0.000195
35	0.04372			0.000	0.000665	0.000341
40	0.03397			0.000	0.000848	0.000449
45	0.02633			0.001	0.001018	0.000693
50	0.01980			0.002	0.001240	0.001002
51	0.01875			0.003	0.001287	0.001118
52	0.01792			0.003	0.001335	0.001289
53	0.01710			0.003	0.001430	0.001486
54	0.01643			0.004	0.001534	0.001717
55	0.01575	0.050	0.050	0.005	0.001704	0.001985
56	0.01538	0.040	0.040	0.005	0.001917	0.002301
57	0.01538	0.040	0.040	0.006	0.002169	0.002590
58	0.01560	0.040	0.040	0.007	0.002464	0.002832
59	0.01575	0.040	0.040	0.008	0.002721	0.003097
60	0.01635	0.060	0.060	0.009	0.003007	0.003382
61	0.01643		0.075	0.010	0.003420	0.003687
62	0.01770		0.100	0.011	0.003761	0.004006
63	0.01905		0.100	0.012	0.004240	0.004335
64	0.02025		0.100	0.013	0.004604	0.004671
65	0.00000		0.500	0.000	0.004961	0.005008
66			0.200		0.005469	0.005340
67			0.200		0.005806	0.005664
68			0.200		0.005941	0.005975
69			0.200		0.006230	0.006271
70			1.000		0.006305	0.006550

[3] Pre-commencement rates

Plan Name: Retirement Plan for Employees of Babcock & Wilcox Commercial Operations
EIN / PN: 13-2933685 / 032

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

Non-Prescribed Funding Assumptions and Methods (continued)

Marine Mechanical Salaried Employees:

Age	Withdrawal		Annual Rate of Early Retirement		Disability		Death[4]	
	Male	Female	MMC Hourly	MMC Salaried	Male	Female	Male	Female
25	0.0690	0.1085			0.001	0.001	0.000278	0.000136
30	0.0521	0.0634			0.001	0.001	0.000382	0.000195
35	0.0324	0.0465			0.001	0.002	0.000665	0.000341
40	0.0169	0.0324			0.002	0.003	0.000848	0.000449
45	0.0085	0.0155			0.003	0.005	0.001018	0.000693
50	0.0014	0.0014			0.005	0.006	0.001240	0.001002
51	0.0014	0.0014			0.006	0.007	0.001287	0.001118
52					0.006	0.007	0.001335	0.001289
53					0.007	0.007	0.001430	0.001486
54					0.008	0.008	0.001534	0.001717
55			0.025	0.025	0.009	0.008	0.001704	0.001985
56			0.025	0.040	0.010	0.008	0.001917	0.002301
57			0.025	0.040	0.011	0.009	0.002169	0.002590
58			0.025	0.040	0.012	0.010	0.002464	0.002832
59			0.025	0.100	0.014	0.010	0.002721	0.003097
60			0.025	0.100	0.015	0.011	0.003007	0.003382
61			0.025	0.120	0.016	0.012	0.003420	0.003687
62			0.850	0.150	0.017	0.013	0.003761	0.004006
63			0.500	0.200	0.018	0.015	0.004240	0.004335
64			0.500	0.300	0.020	0.016	0.004604	0.004671
65			1.000	0.400	0.021	0.017	0.004961	0.005008
66				0.350	0.021	0.017	0.005469	0.005340
67				0.350	0.021	0.017	0.005806	0.005664
68				0.350	0.021	0.017	0.005941	0.005975
69				0.350	0.021	0.017	0.006230	0.006271
70				1.000	0.021	0.017	0.006305	0.006550

[4] Pre-commencement rates.

Plan Name: Retirement Plan for Employees of Babcock & Wilcox Commercial Operations
EIN / PN: 13-2933685 / 032

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

Non-Prescribed Funding Assumptions and Methods (continued)

Asset valuation method

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

	Actuary's Assumption	Third Segment Rate	Reflecting PPA Limit
2015 Expected Return	7.20%	6.81%	6.81%
2014 Expected Return	7.20%	6.99%	6.99%
2013 Expected Return	7.20%	7.16%	7.16%

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.

Multiple Employer Plan Participating Employer Information

Retirement Plan for Employees of Babcock & Wilcox Commercial Operations
EIN: 13-2933685 / PN: 032
PYE: 12/31/2015

(a) Name of participating employer	(b) EIN	(c) Percent of Total Contributions
The Babcock & Wilcox Company	13-2933685	100%
TLT-Babcock, Inc.	34-1155470	0%

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2015

This Form is Open to Public Inspection

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

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

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

A Name of plan
RETIREMENT PLAN FOR EMPLOYEES OF BABCOCK & WILCOX COMMERCIAL OPERATIONS

B Three-digit plan number (PN) ▶ 032

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
THE BABCOCK & WILCOX COMPANY

D Employer Identification Number (EIN)
13-2933685

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 2015

2 Assets:

a Market value	**2a**	940,861,745
b Actuarial value	**2b**	901,001,426

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	5,300	621,636,427	621,636,427
b For terminated vested participants	1,381	38,649,380	38,649,380
c For active participants	1,226	211,306,132	222,666,202
d Total	7,907	871,591,939	882,952,009

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**	6.22%
6 Target normal cost	**6**	15,475,766

Statement by Enrolled Actuary

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

SIGN HERE Sonja C. Borsari

Signature of actuary

10/10/2016
Date

Sonja C. Borsari, FSA, EA, MAAA
Type or print name of actuary

1405568
Most recent enrollment number

BUCK CONSULTANTS, LLC
Firm name

203-975-0260
Telephone number (including area code)

595 Summer Street, Suite 3 S
STAMFORD CT 06901-3246
Address of the firm

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

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	31,530,670
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	27,787,286
9 Amount remaining (line 7 minus line 8)	0	3,743,384
10 Interest on line 9 using prior year's actual return of 13.97%	0	522,951
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		2,676,841
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 6.43%		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		373,955
c Total available at beginning of current plan year to add to prefunding balance		3,050,796
d Portion of (c) to be added to prefunding balance		2,679,961
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	6,946,296

Part III Funding Percentages

14 Funding target attainment percentage	14	101.25%
15 Adjusted funding target attainment percentage	15	102.04%
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	98.23%
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? [X] Yes [ ] No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] 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:	2nd segment:	3rd segment:	
4.72%	6.11%	6.81%	☐ N/A, full yield curve used

b Applicable month (enter code)	21b	4
22 Weighted average retirement age	22	63

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	15,475,766
b Excess assets, if applicable, but not greater than line 31a	31b	11,103,121

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	4,372,645

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	4,372,645	4,372,645

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	

Plan Name: Retirement Plan for Employees of Babcock & Wilcox Commercial Operations
EIN/PN: 13-2933685 / 032

2015 Schedule SB, Line 8 - Late Election to Apply Balances to Quarterly Installments

Due Date of Installment	Date Election Actually Made	Amount Late	Adjustment included in line 8 for late election of funding balances
10/15/2014	11/6/2014	767,013	2,011
		Total	**2,011**

Plan Name: Retirement Plan for Employees of Babcock & Wilcox Commercial Operations
EIN / PN: 13-2933685 / 032

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

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

(1) Age	(2) Expected Active Headcount	(3) Retirement Rate	(4) Expected Retirements (2)*(3)	(5) Weighted Age (1)*(4)
50	389.3034	0.0389	15.1433	757.1646
51	405.5303	0.0099	4.0186	204.9498
52	449.7151	0.0106	4.7508	247.0405
53	472.6171	0.0109	5.1369	272.2548
54	505.7971	0.0113	5.7085	308.2591
55	529.9656	0.0292	15.4652	850.5883
56	551.1990	0.0379	20.9128	1,171.1160
57	591.3750	0.0381	22.5250	1,283.9246
58	626.8996	0.0385	24.1396	1,400.0966
59	660.7985	0.0835	55.1737	3,255.2478
60	669.1932	0.0878	58.7614	3,525.6846
61	647.9935	0.1061	68.7369	4,192.9481
62	610.1995	0.1358	82.8847	5,138.8529
63	557.2901	0.1734	96.6456	6,088.6743
64	470.6985	0.2413	113.6003	7,270.4198
65	361.9551	0.4311	156.0251	10,141.6340
66	225.1274	0.3076	69.2460	4,570.2352
67	160.6513	0.3009	48.3412	3,238.8605
68	116.3788	0.2962	34.4689	2,343.8837
69	84.2169	0.2909	24.5022	1,690.6511
70	65.1889	1.0000	65.1889	4,563.2265
71	1.0000	1.0000	1.0000	71.0000
72	2.0000	1.0000	2.0000	144.0000
73	1.0000	1.0000	1.0000	73.0000
Total			**995.3757**	**62,803.7127**
Weighted Average Retirement Age = 62803.7127 / 995.3757				**63.10**
Rounded Weighted Average Retirement Age				**63**

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

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

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

Plan Name: Retirement Plan for Employees of Babcock & Wilcox Commercial Operations
EIN / PN: 13-2933685 / 032

Schedule SB, Part V – Summary of Plan Provisions

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

Eligibility

Completion of one year of service.

Normal retirement

Eligibility

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

Benefit

Greatest of the following:

1. PIA Offset Formula

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

2. Minimum Formula

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

3. Frozen Grandfathered Formula

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

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

Early retirement

Eligibility

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

Benefit

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

Deferred vested retirement

Eligibility

Completion of 5 years of service.

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

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

Benefit

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

Disability retirement

Eligibility

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

Benefit

Accrued pension (including minimum).

Death benefit

Eligibility

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

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

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

Benefit

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

Normal form of benefit

Single

Life annuity.

Married

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

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

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

Optional forms

Ten year certain and life annuity.
Reduced 66 2/3% joint and last survivor annuity.
100% joint and survivor annuity.
75% joint and survivor annuity.

Additional benefits

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

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

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

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

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

Coverage

Salaried

Salaried employees of The Babcock & Wilcox Company.

West Point Hourly

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

Lancaster Hourly

Employees covered by the collective bargaining agreement between the Company and the United Steelworkers of America, Locals 15156, 4708, 7532, 8406, or the United Plant Guard Workers of America, Local 502.

Eligibility

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

Normal Retirement

Eligibility

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

Benefit

Salaried

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

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

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

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

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

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

West Point Hourly

For terminations/retirements occurring between	Per month of service
8/1/2003 – 7/31/2004	$ 34.75
8/1/2004 – 7/31/2005	$ 36.00
8/1/2005 – 7/31/2007	$ 37.25
8/1/2007 – 7/31/2009	$ 41.25
8/1/2009 – 7/31/2010	$ 42.25
8/1/2010 – 7/31/2011	$ 42.75
8/1/2011 – 7/31/2012	$ 43.25
8/1/2012 – 7/31/2013	$ 44.25
8/1/2013 – 7/31/2014	$ 45.25
On and after 8/1/2014	$ 46.25

Lancaster Hourly

For terminations/retirements occurring between	Per month of service
Before 9/1/2008	$ 41.50
9/1/2008 – 8/31/2009	$ 42.50
9/1/2009 – 8/31/2010	$ 43.50
9/1/2010 – 8/31/2011	$ 44.50
9/1/2011 – 8/31/2012	$ 45.00
9/1/2012 – 8/31/2013	$ 45.50
9/1/2013 – 8/31/2014	$ 46.00
On and after 9/1/2014	$ 47.00

Early retirement

Eligibility

Salaried

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

Hourly

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

Benefit

Salaried

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

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

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

Hourly

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

An additional supplement of $250 per month payable until age 65 for West Point Hourly participants retiring on or after August 1, 1998.

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

Special early retirement

Eligibility

Hourly

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

Benefit

Accrued pension and for West Point, a supplement of $200 per month payable until age 62.

An additional supplement of $250 per month payable until age 65 for West Point Hourly participants retiring on or after August 1, 1998.

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

Disability retirement

Eligibility

Salaried

Completion of 15 years of service and totally and permanently disabled.

Hourly

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

Benefit:

Salaried

Accrued pension (including minimum).

Hourly

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

An additional supplement of $250 per month payable until age 65 for West Point Hourly participants retiring on or after August 1, 1998.

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

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

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

Disability retirement

Eligibility

Salaried

Completion of 15 years of service and totally and permanently disabled.

Hourly

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

Benefit:

Salaried

Accrued pension (including minimum).

Hourly

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

An additional supplement of $250 per month payable until age 65 for West Point Hourly participants retiring on or after August 1, 1998.

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

Deferred vested retirement

Eligibility

Completion of 5 years of service.

Benefit

Salaried

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

Hourly

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

Death benefit

Eligibility

Salaried

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

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

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

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

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

Hourly

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

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

Benefit

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

Normal form of benefit

Salaried

Single

Life annuity.

Married

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

Hourly

Single

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

Married

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

Optional forms – available to Salaried participants only

Ten year certain and life annuity.
Reduced 66 2/3% joint and last survivor annuity.
100% joint and survivor annuity.
75% joint and survivor annuity.

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

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

Additional benefits

As of April 1, 1998 for early deferred participants, retired participants, and beneficiaries in receipt at Salaried locations:

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

As of August 1, 1998 for early deferred participants, retired participants and beneficiaries in receipt at West Point hourly:

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

For West Point hourly participants who retired prior to August 1, 1998 a monthly supplement to age 65:

Coverage Type	Additional Monthly Benefit
Single	$ 81.00
Family	$ 268.00

As of September 1, 2000 for early deferred participants, retired participants and beneficiaries in receipt at Lancaster hourly:

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

For Lancaster hourly participants who retired prior to September 1, 2000 a monthly supplement to age 65:

Coverage Type	Additional Monthly Benefit
Single	$ 81.00
Family	$ 268.00

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

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

Contributions

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

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

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

Coverage

Salaried

Salaried employees of The Babcock & Wilcox Company.

Barberton, Paris and West Point Hourly

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

Lancaster, Mirror Insulation, Controls Manufacturing Hourly

Employees covered by the collective bargaining agreement between the Company and the United Steelworkers of America, Locals 15156, 4708, 7532, 8406, or the United Plant Guard Workers of America, Local 502.

Eligibility

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

Normal retirement

Eligibility

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

Benefit

Salaried

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

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

For employees who elected to stop accruals in the plan as of April 1, 2007: Benefit is accrued benefit as of March 31, 2007 increased each year in the same percentage as increases in the Consumer Price Index, up to a maximum of 8% a year for each year they remain in the employ of the company. The increase in accrued benefit from January 1, 2013 to December 31, 2013 was 1.18%.

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

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

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

West Point Hourly

For terminations/retirements occurring between	Per month of service
8/1/2003 – 7/31/2004	$ 34.75
8/1/2004 – 7/31/2005	$ 36.00
8/1/2005 – 7/31/2007	$ 37.25
8/1/2007 – 7/31/2009	$ 41.25
8/1/2009 – 7/31/2010	$ 42.25
8/1/2010 – 7/31/2011	$ 42.75
8/1/2011 – 7/31/2012	$ 43.25
8/1/2012 – 7/31/2013	$ 44.25
8/1/2013 – 7/31/2014	$ 45.25
On and after 8/1/2014	$ 46.25

Lancaster Hourly

For terminations/retirements occurring between	Per month of service
Before 9/1/2008	$ 41.50
9/1/2008 – 8/31/2009	$ 42.50
9/1/2009 – 8/31/2010	$ 43.50
9/1/2010 – 8/31/2011	$ 44.50
9/1/2011 – 8/31/2012	$ 45.00
9/1/2012 – 8/31/2013	$ 45.50
9/1/2013 – 8/31/2014	$ 46.00
On and after 9/1/2014	$ 47.00

Early retirement

Eligibility

Age 55 and completion of 15 years of service.

Benefit

Salaried

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

Hourly

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

An additional supplement of $250 per month payable until age 65 for West Point Hourly participants retiring on or after August 1, 1998.

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

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

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

Special early retirement

Eligibility

Hourly

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

Benefit

Accrued pension and for West Point, a supplement of $200 per month payable until age 62.

An additional supplement of $250 per month payable until age 65 for West Point Hourly participants retiring on or after August 1, 1998.

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

Disability retirement

Eligibility

Salaried

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

Hourly

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

Benefit

Salaried

Accrued pension.

Hourly

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

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

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

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

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

Deferred vested retirement

Eligibility

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

Benefit

Salaried

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

Hourly

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

Death benefit

Eligibility

Salaried

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

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

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

Hourly

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

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

Benefit

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

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

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

Normal form of benefit

Salaried

Single

Life annuity.

Married

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

Hourly

Single

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

Married

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

Optional forms – available to Salaried participants only

Ten year certain and life annuity.

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

100% joint and survivor annuity.

75% joint and survivor annuity.

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

Summary of Main Plan Provisions – Marine Mechanical Salaried

Eligibility

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

Normal retirement

Eligibility

Attainment of age 65.

Benefit

1.0% of Average Compensation times years of service; plus 0.5% of Average Compensation in excess of Covered Compensation times years of service (maximum 35); minus the December 24, 1990 accrued benefit payable from the Argo-Tech Corporation Salaried Pension Plan. Benefit is not less than $20 times years of benefit service. Benefits under this formula will be frozen as of December 31, 2015.

Early retirement

Eligibility

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

Benefit

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

Disability benefit

Eligibility

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

Benefit

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

Termination benefit

Eligibility

Completion of five years of vesting service.

Benefit

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

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

Summary of Main Plan Provisions – Marine Mechanical Salaried

Preretirement death

Eligibility

Completion of five years of vesting service.

Benefit

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

Form of payment

Normal

The normal form of payment for single participants is a life annuity. The automatic form of payment for married participants is a joint and 50% contingent annuity. The Company's cost and basic retirement benefits are calculated based on the accrued benefit payable as a life annuity for participants not in receipt of payment.

Optional Life Annuity

Joint and Survivor with 25%, 50%, 75%, or 100% of benefits continuing to the surviving beneficiary upon the participant's death.

Definitions

Average Compensation

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

Covered Compensation

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

Year of Service

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

Summary of Changes from the January 1, 2014 Valuation

None.

Plan Name: Retirement Plan for Employees of Babcock & Wilcox Commercial Operations
EIN/PN: 13-2933685 / 032

Schedule SB, Line 24 – Change in Actuarial Assumptions

The interest rate basis was updated to the current rates as specified in IRS Regulation 1.430(h)(2)-1. These rates are constrained in accordance with HATFA.

The mortality table used for funding reflects an additional year of mortality improvement as required by PPA.

Expected plan expenses added to the Target Normal Cost changed from $2,200,000 in 2014 to $4,500,000 in 2015 to reflect the anticipated increase in PBGC premiums in 2015.

The above assumption changes increased plan liability and normal cost for funding and PBGC purposes by approximately 3% to 5%.