

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
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Part I	Annual Report Identification Information
For calendar plan year 2015 or fiscal plan year beginning <u>01/01/2015</u> and ending <u>12/31/2015</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or ☒ a single-employer plan; ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☒
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>SULZER EMPLOYEE SAVINGS PLAN</u>	1b Three-digit plan number (PN) ▶ <u>003</u>
	1c Effective date of plan <u>01/01/1981</u>
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) <u>SULZER US HOLDING INC.</u> <u>2277 PLAZA DRIVE</u> <u>SUITE 600</u> <u>SUGAR LAND, TX 77479</u>	2b Employer Identification Number (EIN) <u>13-3950743</u> 2c Plan Sponsor's telephone number <u>832-886-2300</u> 2d Business code (see instructions) <u>333900</u>

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

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

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/17/2016</u>	<u>RENE WALSH</u>
	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

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

Form 5500 (2015)
v. 150123

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 3495
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits..... d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits..... f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 2834 6a(2) 2550 6b 34 6c 707 6d 3291 6e 4 6f 3295 6g 2872 6h 75
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: 2J 2T 3H b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

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

<div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	OMB No. 1210-0110
		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 SULZER EMPLOYEE SAVINGS PLAN	B Three-digit plan number (PN) ▶	003
C Plan sponsor's name as shown on line 2a of Form 5500 SULZER US HOLDING INC.	D Employer Identification Number (EIN) 13-3950743	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

MONROE VOS CONSULTING GROUP

76-0451829

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
17	CONSULTING	60000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

COZEN & O CONNOR

23-1732832

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
14 22	LEGAL	11271	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

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

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

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 <div style="border: 1px solid black; padding: 5px; font-size: 1.2em; font-weight: bold;">2015</div> 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 SULZER EMPLOYEE SAVINGS PLAN	B Three-digit plan number (PN) ►	003
C Plan sponsor's name as shown on line 2a of Form 5500 SULZER US HOLDING INC.	D Employer Identification Number (EIN) 13-3950743	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
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 Total noninterest-bearing cash	1a		0	0
b Receivables (less allowance for doubtful accounts):				
(1) Employer contributions	1b(1)		650458	957538
(2) Participant contributions	1b(2)		15505	203351
(3) Other.....	1b(3)		0	0
c General investments:				
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		0	0
(2) U.S. Government securities.....	1c(2)		0	0
(3) Corporate debt instruments (other than employer securities):				
(A) Preferred	1c(3)(A)		0	0
(B) All other.....	1c(3)(B)		0	0
(4) Corporate stocks (other than employer securities):				
(A) Preferred	1c(4)(A)		0	0
(B) Common	1c(4)(B)		0	0
(5) Partnership/joint venture interests	1c(5)		0	0
(6) Real estate (other than employer real property)	1c(6)		0	0
(7) Loans (other than to participants)	1c(7)		0	0
(8) Participant loans	1c(8)		5732124	5908149
(9) Value of interest in common/collective trusts.....	1c(9)		0	0
(10) Value of interest in pooled separate accounts.....	1c(10)		0	0
(11) Value of interest in master trust investment accounts	1c(11)		305504862	299114253
(12) Value of interest in 103-12 investment entities	1c(12)		0	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		0	0
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)			
(15) Other	1c(15)		0	0

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	311902949	306183291

Liabilities

g Benefit claims payable	1g	0	0
h Operating payables	1h	0	0
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	3309	80224
k Total liabilities (add all amounts in lines 1g through 1j)	1k	3309	80224

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	311899640	306103067
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Part II Income and Expense Statement

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

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	11793356	
(B) Participants	2a(1)(B)	12917595	
(C) Others (including rollovers)	2a(1)(C)	796440	
(2) Noncash contributions	2a(2)	0	25507391
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	232867
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	232867	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		232867
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	0
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	0	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	0
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(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)	0	0
(B) Other	2b(5)(B)	0	
(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)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		-2505780
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		0
c Other income	2c		0
d Total income. Add all income amounts in column (b) and enter total	2d		23234478

Expenses**e** Benefit payment and payments to provide benefits:

(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	28945336	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		28945336
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		36197
h Interest expense	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	49518	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		49518
j Total expenses. Add all expense amounts in column (b) and enter total	2j		29031051

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-5796573
l Transfers of assets:			
(1) To this plan	2l(1)		0
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☒ Yes ☐ No

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

(1) Name: HAM LANGSTON & BREZINA

(2) EIN: 76-0448495

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.)	☒	☐	☐	5298
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	☐	☒	☐	

	Yes	No	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.)		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.)		X		
e Was this plan covered by a fidelity bond?	X			10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X		
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X		
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X		
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X			
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X		
l Has the plan failed to provide any benefit when due under the plan?		X		
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X		
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.		X		
o Did the plan trust incur unrelated business taxable income?				
p Were in-service distributions made during the plan year?				

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?

If "Yes," enter the amount of any plan assets that reverted to the employer this year. ☐ Yes ☒ No Amount:

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

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

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

Part V Trust Information

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

A Name of plan <u>SULZER EMPLOYEE SAVINGS PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>SULZER US HOLDING INC.</u>	D Employer Identification Number (EIN) <u>13-3950743</u>

Part I	Distributions
---------------	----------------------

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>04-6568107</u>	
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3

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

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

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

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

Schedule R (Form 5500) 2015
v. 150123

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

14	Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:		
	a The current year	14a	
	b The plan year immediately preceding the current plan year	14b	
	c The second preceding plan year	14c	
15	Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:		
	a The corresponding number for the plan year immediately preceding the current plan year	15a	
	b The corresponding number for the second preceding plan year	15b	
16	Information with respect to any employers who withdrew from the plan during the preceding plan year:		
	a Enter the number of employers who withdrew during the preceding plan year	16a	
	b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	
17	If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐		

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

18	If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐
19	If the total number of participants is 1,000 or more, complete lines (a) through (c)
	a Enter the percentage of plan assets held as: Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%
	b Provide the average duration of the combined investment-grade and high-yield debt: ☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more
	c What duration measure was used to calculate line 19(b)? ☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

Part VII	IRS Compliance Questions
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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

SULZER EMPLOYEE SAVINGS PLAN

**FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
WITH REPORT OF INDEPENDENT ACCOUNTANTS
as of and for the years ended December 31, 2015 and 2014**

SULZER EMPLOYEE SAVINGS PLAN
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* Other schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Participants and Plan Administrator
Sulzer Employee Savings Plan:

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Sulzer Employee Savings Plan, ("the Plan"), which comprise the Statements of Net Assets Available for Benefits as of December 31, 2015 and 2014, and the related Statements of Changes in Net Assets Available for Benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Plan 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.

Independent Accountants' 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 ("DOL") 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 3 and 4, which was certified by Fidelity Management Trust Company, ("Trustee") the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. 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 and for the years ended December 31, 2015 and 2014, that the information provided to the Plan administrator by the Trustee is complete and accurate.

Disclaimer of Opinion

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

Other Matter

The supplemental schedules, Schedule H, Line 4a – Schedule of Delinquent Participant Contributions for the year ended December 31, 2015 and Schedule H, Line 4i – Schedule of Assets (Held At End of Year) as of December 31, 2015, are required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and are presented for the purpose of additional analysis and are 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 these supplemental schedules.

REPORT OF INDEPENDENT ACCOUNTANTS, CONTINUED

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 schedules, 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.

Ham, Langston & Beggs LLP

Houston, Texas
October 14, 2016

SULZER EMPLOYEE SAVINGS PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
as of December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Assets:		
Investment in Master Trust, at fair value (See Notes 2, 3 and 4)	\$ 299,114,252	\$ 305,177,925
Receivables:		
Employer	957,538	650,458
Participant	203,351	15,505
Notes receivable from participants	<u>6,376,130</u>	<u>6,162,177</u>
Total receivables	<u>7,537,019</u>	<u>6,828,140</u>
Total assets	<u>306,651,271</u>	<u>312,006,065</u>
Liabilities:		
Administrative expenses payable	<u>80,224</u>	<u>3,309</u>
Total liabilities	<u>80,224</u>	<u>3,309</u>
Net assets available for benefits	<u>\$ 306,571,047</u>	<u>\$ 312,002,756</u>

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

SULZER EMPLOYEE SAVINGS PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
for the years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Additions to net assets attributed to:		
Plan's interest in Master Trust's investment income:		
Net (depreciation) appreciation in fair value of investments	\$ (2,173,280)	\$ 23,843,135
Interest income on notes receivable from participants, in Master Trust	<u>262,550</u>	<u>290,845</u>
Contributions:		
Employer	11,793,357	11,802,339
Participant	12,917,595	13,104,875
Participant rollovers	<u>796,440</u>	<u>1,800,008</u>
Total contributions	<u>25,507,392</u>	<u>26,707,222</u>
Total additions	<u>23,596,662</u>	<u>50,841,202</u>
Deductions from net assets attributed to:		
Benefit payments	28,978,853	80,163,827
Administrative fees	<u>49,518</u>	<u>53,982</u>
Total deductions	<u>29,028,371</u>	<u>80,217,809</u>
Net decrease in net assets available for benefits	(5,431,709)	(29,376,607)
Net assets available for benefits, beginning of year	<u>312,002,756</u>	<u>341,379,363</u>
Net assets available for benefits, end of year	<u>\$ 306,571,047</u>	<u>\$ 312,002,756</u>

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

SULZER EMPLOYEE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

1. Description of Plan

The following brief description of Sulzer Employee Savings Plan (the "Plan") is provided for general information only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan which was initially established on January 1, 1984 as a restatement and continuation of the Sulzer Escher Wyss, Inc. Employee Savings Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") and is amended from time to time to reflect changes in the law. The Plan, as amended, includes the eligible employees of the following subsidiaries and affiliates of Sulzer US Holding Inc. (the "Company") as of December 31, 2015:

Sulzer Turbo Services Houston Inc.
Sulzer Chemtech USA, Inc.
Sulzer Pumps (US), Inc.
Sulzer USA, Inc.
Sulzer Turbo Services New Orleans, Inc.,
Sulzer Mixpac USA, Inc.
Sulzer Pump Solutions, Inc.
Sulzer Pump Services (US), Inc.
Sulzer EMS, Inc.

Effective January 1, 2015, the Plan added Sulzer Grayson, Inc. as a participating subsidiary. It merged into Sulzer EMS, Inc. at December 31, 2015.

During June 2014, two of the Company's subsidiaries, Sulzer Friction System (US) Inc. and Sulzer Metco (US) Inc., were acquired by another company. As per the terms of the acquisition, the participants are no longer eligible to actively participate in the Plan; however, the participants' accounts were not merged with the new company's plan. Instead, the participants may elect to rollover their assets to another qualified plan or leave their accounts within the Plan.

Effective January 1, 2014, the Plan adopted an automatic enrollment provision for employees who first become eligible to participate in the Plan on or after January 2, 2014. Under the provision, the Company is authorized initially to withhold six percent (6%) of an eligible participant's compensation upon the participant's entry date into the Plan and then increase the contribution deferral percentage by one percent (1%) per year, up to a maximum total deferral percentage of fifteen percent (15%). The participant may select an alternative deferral amount or elect not to make deferral contributions to the Plan at any time.

Eligibility

Each full-time employee and each part-time employee who is expected to provide 1,000 hours of service during their first year of employment is eligible to participate in the Plan on the first entry date which is administratively feasible following the later of his date of hire or attainment of age 21.

Plan Administration

The Plan is administered by the Company and accordingly, certain administration functions are performed by officers or employees of the Company. No officers or employees receive compensation from the Plan. Fidelity Management Trust Company (the "Trustee") serves as the trustee of the Plan.

Fidelity Management Trust Company has been designated as the trustee of the Sulzer Employee Savings Plan Master Trust ("Master Trust") and is responsible for the investment, reinvestment, control, and disbursement of the funds and portfolios of the Plan. Expenses of administering the Plan, including fees and expenses of the Trustee, may be charged to the Plan. Investment fees are charged against the earnings of the funds and portfolios. The Master Trust is further described in Note 4.

Continued

SULZER EMPLOYEE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

1. Description of Plan, continued

Contributions

Participants may contribute from 1% to 35% of their pre-tax annual compensation, as before-tax contributions or after-tax Roth contributions, not to exceed the limitation set forth in Section 402(g) (\$18,000 and \$17,500 in 2015 and 2014, respectively) of the Internal Revenue Code ("IRC"). Participants may make catch-up contributions, pre-tax contributions that exceed the annual elective deferral limit, during any calendar year ending on or after the participant's 50th birthday. Participants' total catch-up contributions during 2015 and 2014 cannot exceed \$6,000 and \$5,500, respectively. Participants may also make rollover contributions from other qualified plans. Participants direct the investment of their contributions into various investment options offered by the Plan.

Contributions up to 6% of compensation are eligible for 100% company Safe-Harbor matching contributions for all subsidiaries.

The Plan also provides certain retirement benefits known as the "Retirement Security Contribution" or "RSC." The RSC provides retirement benefits for all employees of certain designated subsidiaries. The RSC made under this provision are based on the base pay of the employee. Contributions are allocated to all active employees of the designated subsidiaries regardless of their participation status in the Plan as of March 31, June 30, September 30, and December 31, of each Plan year, if the participant was an employee 12 months prior to the allocation date and was an employee on the allocation date. The contribution covers employees of Sulzer USA Inc., Sulzer Turbo Services Houston Inc., Sulzer Mixpac USA, Inc., Sulzer Chemtech USA Inc. and Sulzer Pump Solutions, Inc. Retirement Security Contributions do not apply to other subsidiaries; however, for eligible subsidiaries it is determined as follows:

<u>Age</u>	<u>Percent of Base Pay</u>
Under 35	3%
35-44	4%
45-54	5%
55 and older	6%

Participant Accounts

Each participant's account is credited with the participant's contributions, an allocation of the Company's contributions and Plan earnings, and charged with an allocation of administrative expenses. Earnings are allocated by fund based on the ratio of a participant's account invested in a particular fund to all participants' investments in that fund. Upon the occurrence of a distribution event, the benefit to which a participant is entitled is the benefit that can be provided from the participant's vested interest in his or her account.

Vesting

Participants are immediately vested in their elective contributions, plus any earnings on such contributions. The employer contributions related to the Safe-Harbor matching contributions, plus any earnings on such contributions are vested immediately. The vesting of employer contributions related to the RSC is based on years of continuous service accrued by the participant while in covered employment.

SULZER EMPLOYEE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

1. Description of Plan, continued

Vesting, continued

The Plan provides for the following employer RSC contribution vesting schedule for terminations:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 2 years	0%
2 years, but less than 3 years	25%
3 years, but less than 4 years	50%
4 years, but less than 5 years	75%
5 years or more	100%

Forfeited Accounts

All employer contributions credited to a participant's account, but not vested, are forfeited by the participant due to termination of employment. However, a participant becomes fully vested in his matching contribution account and/or retirement security contribution account per the Plan's vesting provisions, upon attaining age fifty-five (55) prior to termination of employment or upon death or disability prior to termination of employment. Any amount not vested is held in the participant's RSC account until the end of the Plan year in which the participant separates from service, at which time it shall be treated as a distribution of zero (\$0) and forfeited. Forfeitures are used to fund employer contributions. During the years ended December 31, 2015 and 2014, forfeitures used to fund employer contributions were \$219,063 and \$67,110, respectively. At December 31, 2015 and 2014, forfeited non-vested accounts available to pay administrative expenses and to reduce future employer contributions totaled \$192,734 and \$297,163, respectively.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of the participant's vested account balance. Loan terms range from 1 to 5 years or more for the purchase of a primary residence. Loans are secured by the vested balance in the participant's account and bear interest at a rate commensurate with local prevailing rates ranging from 3.25% to 9.75% for the years ended December 31, 2015 and 2014. Principal and interest payments are made by means of payroll withholding according to the terms of the promissory note.

Payment of Benefits

Upon termination of employment due to death, disability or retirement, a participant (or his/her designated beneficiary in the event of death) may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or to have the account balance distributed in installments.

In-service withdrawals are allowed by the Plan on or after the participant has attained age 59 ½. Prior to age 59 ½ and subject to guidelines set forth in the IRC, a participant may request a hardship withdrawal. Participant may withdraw any portion of the after-tax account at any time and no withdrawals are permitted from the participant's Retirement Security Contribution Account, until the participant separates from service.

Administrative Expenses

Administrative expenses, including recordkeeping fees, audit fees and legal fees, are paid by the Plan, as provided in the Plan document.

Continued

**SULZER EMPLOYEE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS**

1. Description of Plan, continued

Expense Offset and Revenue Sharing Arrangements

Fees incurred by the Plan for the investment management services and trustee fees are included in net (depreciation) appreciation in fair value of investments, as they are paid through revenue sharing, rather than a direct payment. Per the terms of the Plan's contract with the Trustee, the Plan participates in a certain portion of the revenue sharing arrangement. The Plan is credited with and may use these funds to pay Plan administrative expenses or allocate it back to the participant's accounts. During the years ended December 31, 2015 and 2014, the Plan used \$144,106 and \$175,441, respectively, of the revenue sharing to pay certain administrative expenses and allocated \$150,000 and \$0, respectively, to the participants' accounts. As of December 31, 2015 and 2014, the revenue sharing account had a remaining balance of \$78,050 and \$158,201, respectively.

2. Summary of Significant Accounting Policies

Basis of Accounting

The 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").

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of net assets available for benefits and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Risks and Uncertainties

The Plan provides for various investment options. The Plan's common collective trusts and mutual funds invest in various securities including U.S. Government securities, corporate debt instruments and corporate stocks. 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 reasonably possible that changes in the value of investment securities will occur in the near term and such changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits and the Statements of Changes in Net Assets Available for Benefits.

Investment Valuation and Income Recognition

The Plan's investments are all held in the Master Trust and are stated at fair value. Investments in registered investment companies are valued at quoted market prices, which represent the net asset value ("NAV") of shares held by the Plan at the end of the reporting period. The Plan's interest in the common collective trusts are valued based on information reported by the Trustee of the shares held by the Plan at the NAV at year end using the audited financial statements of the common collective trusts.

The Plan's share of the Master Trust's net appreciation (depreciation) in fair value of investments includes realized gains and losses on investments sold during the year and unrealized appreciation (depreciation) of investments held at the end of the year. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2015 or 2014 as the Plan determined the notes receivable had aggregated collateral. If a participant ceases to make loan payments and the Plan administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded.

Continued

**SULZER EMPLOYEE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS**

2. Summary of Significant Accounting Policies, continued

Benefit Payments

Benefits are recorded when paid.

Recently Issued Accounting Pronouncements

In May 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. ASU No. 2015-07 applies to reporting entities that elect to measure the fair value of an investment using the NAV per share (or its equivalent) as a practical expedient. Under the amendments in this update, investments for which fair value is measured using NAV per share (or its equivalent) as the practical expedient should not be categorized in the fair value hierarchy. Removing those investments from the fair value hierarchy not only eliminates the diversity in practice resulting from the way in which investments measured at NAV per share (or its equivalent) with future redemption dates are classified, but also ensures that all investments categorized in the fair value hierarchy are classified using a consistent approach. Investments that calculate NAV per share (or its equivalent), but for which the practical expedient is not applied, will continue to be included in the fair value hierarchy. A reporting entity should continue to disclose information on investments for which fair value is measured at NAV (or its equivalent) as a practical expedient to help users understand the nature and risks of the investments and whether the investments, if sold, are probable of being sold at amounts different from NAV.

ASU No. 2015-07 is effective for fiscal years beginning on or after December 15, 2016 on a retrospective basis. Early adoption is permitted and accordingly, Plan management has elected to early adopt ASU No. 2015-07. The adoption of ASU No. 2015-07 in 2015 impacted disclosures only by removing those investments measured at fair value using NAV as a practical expedient from classification in the fair value hierarchy of the Master Trust in Note 4.

In July 2015, the FASB issued ASU No. 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*, to reduce the complexity in employee benefit plan accounting.

Part I - Fully Benefit-Responsive Investment Contracts: Eliminates the requirements to measure the fair value of fully benefit-responsive investment contracts and provide certain disclosures. Contract value is the only required measure for fully benefit-responsive investment contracts. Further, *Part I* clarifies the definition of fully benefit-responsive investment contracts to only include direct contracts between the Plan and the issuer of the contract. Indirect investments in fully benefit-responsive investment contracts (such as through stable value common or collective trusts) should no longer be reflected as fully benefit-responsive investment contracts.

Part II - Plan Investment Disclosures: 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 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. Further, the disclosure of information about fair value measurements shall be provided by general type of plan asset.

Part III - Measurement Date Practical Expedient: Reduces complexity in employee benefit plan accounting by providing a practical expedient that permits plans to measure investments and investment-related accounts as of a month-end date that is closest to the plan's fiscal year-end, when the fiscal period does not coincide with month-end.

Continued

**SULZER EMPLOYEE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS**

2. Summary of Significant Accounting Policies, continued

Recently Issued Accounting Pronouncements, continued

ASU No. 2015-12 is effective for fiscal years beginning on or after December 15, 2015. *Parts I* and *II* are effective on a retrospective basis, and *Part III* is effective on a prospective basis. Early adoption is permitted. Plan management has elected to adopt *Parts I and II* early. The adoption of ASU No. 2015-12, *Part I* in 2015 (with retrospective application to 2014) results in the presentation of the collective trust at fair value and accordingly, such collective trust is included in investments in Master Trust, at fair value in the accompanying Statements of Net Assets Available for Benefits, with no adjustment from fair value to contract value.

The adoption of *Part II* in 2015 (with retrospective application to 2014) resulted in: 1) the elimination of the footnote disclosing individual investments that represent 5 percent or more of the Master Trust's net assets available for benefits and 2) the simplification of the disclosures in the fair value measurement footnote. The adoption of *Part II* had no impact on the Plan's net assets available for benefits or the changes in net assets available for benefits. *Part III* is not applicable to the Plan.

3. Information Certified by the Plan's Trustee (Unaudited)

The Plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA.

Certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and supplemental schedules, including investments and notes receivable from participants held at December 31, 2015 and 2014, and net (depreciation) appreciation in fair value of investments, interest and dividends for the year ended December 31, 2015 and 2014, was obtained or derived from information supplied to the Plan administrator and certified as complete and accurate by the Trustee.

The Plan's independent accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

4. Plan Interests in Sulzer Employee Savings Plan Master Trust (Unaudited)

The Plan held a 94% interest in the Master Trust as of December 31, 2015 and 2014, respectively. The value of the Plan's interest in the Master Trust is based on the beginning of year value of the Plan's interest in the Master Trust plus actual contributions and allocated investment income less actual distributions and allocated administrative expenses. Investment income and administrative expenses related to the Master Trust are allocated to the individual plans based upon average monthly balances invested by each plan.

The Plan's interest in the Master Trust as of and for the years ended December 31, 2015 and 2014 is as follows:

	<u>2015</u>	<u>2014</u>
Plan interest in Master Trust	\$ 299,114,252	\$ 305,177,925
Plan interest in net investment (loss) income of Master Trust	\$ (2,173,280)	\$ 23,843,135

SULZER EMPLOYEE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

4. Plan Interests in Sulzer Employee Savings Plan Master Trust (Unaudited) - Continued

The following table presents the net assets available for benefits, including investments, of the Master Trust, which was certified by the Trustee, as of December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Assets		
Investments, at fair value	\$ 318,393,710	\$ 324,406,242
Notes receivable from participants	6,376,130	6,162,177
Net assets available for benefits	<u>\$ 324,769,840</u>	<u>\$ 330,568,419</u>

Investment (loss) income and interest income on notes receivable from participants of the Master Trust, as certified by the Trustee, for the years ended December 31, 2015 and 2014 is as follows:

	<u>2015</u>	<u>2014</u>
Investment (loss) income	\$ (2,337,998)	\$ 25,085,442
Interest income on notes receivable from participants	<u>\$ 262,550</u>	<u>\$ 290,845</u>

Fair Value Measurements

FASB Accounting Standards Codification Topic 820, ("ASC 820") *Fair Value Measurements and Disclosures*, ("ASC 820") establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2 Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

SULZER EMPLOYEE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

4. Plan Interests in Sulzer Employee Savings Plan Master Trust (Unaudited), continued

Fair Value Measurements, continued

In determining the fair value of the investments, the Plan generally uses two approaches, the market approach and the cost approach. The market approach uses prices and other relevant data based on market transactions involving identical or comparable assets. The cost approach is the amount that would be currently required to replace an asset and indicates the cost to the Plan to require a substitute asset.

Following is a description of the valuation methodologies used for assets at fair value. There have been no changes in methodologies for the years ended December 31, 2015 and 2014.

Mutual funds: Valued at the NAV of shares held by the Plan at year-end as quoted in an active market as reported by the issuer. (Market approach)

Money market fund: Valued at amortized cost, which approximates fair value. (Cost approach)

Common collective trusts: Valued at the NAV of units of a bank collective trust. The NAV, as provided by the trustee is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of the collective trust, the investment adviser reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business. (Market approach)

The methods described above may produce fair value calculations 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.

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

	<u>Investments at Fair Value as of December 31, 2015</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$280,176,451	\$ -	\$ -	\$280,176,451
Money market fund	-	78,050	-	78,050
Total investments in fair value hierarchy	<u>\$280,176,451</u>	<u>\$ 78,050</u>	<u>\$ -</u>	\$280,254,501
Investments measured at NAV ^(a)				<u>38,139,209</u>
Total investments at fair value				<u>\$318,393,710</u>

**SULZER EMPLOYEE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS**

4. Plan Interests in Sulzer Employee Savings Plan Master Trust (Unaudited), continued

Fair Value Measurements, continued

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

<u>Investments at Fair Value as of December 31, 2014</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	<u>\$287,706,813</u>	<u>\$ -</u>	<u>\$ -</u>	\$287,706,813
Investments measured at NAV ^(a)				<u>36,699,429</u>
Total investments at fair value				<u>\$324,406,242</u>

(a) In accordance with ASU No. 2015-07, investments that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefits.

Fair Value of Investments in Entities That Use NAV

<u>Investment</u>	<u>Fair Value as of December 31,</u>		<u>Unfunded Commitment</u>	<u>Redemption Frequency (if currently eligible)</u>	<u>Redemption Notice Period</u>
	<u>2015</u>	<u>2014</u>			
Morley Stable Value Fund	\$ 38,139,181	\$ 36,699,401	N/A	Daily	Daily
Fidelity Managed Income Portfolio II	<u>28</u>	<u>28</u>	N/A	Daily	Daily
Total	<u>\$ 38,139,209</u>	<u>\$ 36,699,429</u>			

**SULZER EMPLOYEE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS**

5. Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated December 1, 2014 that the Plan and related trust are designed in accordance with applicable sections of the IRC. The Plan has been amended since receiving the determination letter. However, management believes that the Plan is designed and is currently being operated in compliance with the applicable sections of the IRC and, therefore, believes the related trust is exempt from taxation under Section 501(1) of the IRC.

6. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA. In the event that the Plan is terminated, participants would become 100% vested in their total account balance.

7. Party-in-Interest Transactions

Certain Plan investments are in accounts managed by the Trustee. In addition, the Plan issues notes receivable from participants. These transactions qualify as party-in-interest transactions, as defined by ERISA; however, these transactions are permitted under the provisions of the Plan and are exempt from the prohibition of party-in-interest transactions under ERISA.

8. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements, to the Form 5500 as of December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Net assets available for benefits per the financial statements	\$ 306,571,047	\$ 312,002,756
Difference in fair value of common collective trust	-	326,937
Deemed distribution of loans	<u>(467,980)</u>	<u>(430,053)</u>
Net assets available for benefits per the Form 5500	<u>\$ 306,103,067</u>	<u>\$ 311,899,640</u>

SULZER EMPLOYEE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

8. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of the net decrease in net assets available for benefits for the year ended December 31, 2015 and 2014, per the financial statements, to the Form 5500:

	<u>2015</u>	<u>2014</u>
Net decrease in net assets available for benefits per the financial statements	\$ (5,431,709)	\$ (29,376,607)
Change in difference in fair value of common collective trust	(326,937)	124,735
Deemed distribution of loans	<u>(37,927)</u>	<u>36,102</u>
Net decrease in net assets available for benefits per the Form 5500	<u>\$ (5,796,573)</u>	<u>\$ (29,215,770)</u>

9. Subsequent Events

Plan management has evaluated subsequent events through October 14, 2016, the date the financial statements were available to be issued, and has concluded that there are no significant events to be reported.

SUPPLEMENTAL SCHEDULES

SULZER EMPLOYEE SAVINGS PLAN
SCHEDULE H, LINE 4a - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2015

EIN: 13-3950743
 PN: 003

Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP (Voluntary Fiduciary Correction Program) and PTE 2002-51
Check here if Late Participant Loan Repayments are included:	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
✓	\$ -	\$ 5,298	\$ -	
				\$ -

SULZER EMPLOYEE SAVINGS PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2015

EIN: 13-3950743
PN: 003

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Current (e) Value**
*	Fidelity Investments	92% interest in the Sulzer Employee Savings Plan Master Trust Investment	\$ 299,114,252
*	Participant loans	Notes receivable from participants bearing interest at rates ranging from 3.25% to 9.75% per year	<u>6,376,130</u>
			<u>\$ 305,490,382</u>

* Represents a party-in-interest.

** Cost information is not required for participant directed investments.

SULZER EMPLOYEE SAVINGS PLAN

**FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
WITH REPORT OF INDEPENDENT ACCOUNTANTS
as of and for the years ended December 31, 2015 and 2014**

SULZER EMPLOYEE SAVINGS PLAN
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* Other schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Participants and Plan Administrator
Sulzer Employee Savings Plan:

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Sulzer Employee Savings Plan, ("the Plan"), which comprise the Statements of Net Assets Available for Benefits as of December 31, 2015 and 2014, and the related Statements of Changes in Net Assets Available for Benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Plan 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.

Independent Accountants' 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 ("DOL") 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 3 and 4, which was certified by Fidelity Management Trust Company, ("Trustee") the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. 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 and for the years ended December 31, 2015 and 2014, that the information provided to the Plan administrator by the Trustee is complete and accurate.

Disclaimer of Opinion

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

Other Matter

The supplemental schedules, Schedule H, Line 4a – Schedule of Delinquent Participant Contributions for the year ended December 31, 2015 and Schedule H, Line 4i – Schedule of Assets (Held At End of Year) as of December 31, 2015, are required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and are presented for the purpose of additional analysis and are 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 these supplemental schedules.

REPORT OF INDEPENDENT ACCOUNTANTS, CONTINUED

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 schedules, 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.

Ham, Langston & Beggs LLP

Houston, Texas
October 14, 2016

SULZER EMPLOYEE SAVINGS PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
as of December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Assets:		
Investment in Master Trust, at fair value (See Notes 2, 3 and 4)	\$ 299,114,252	\$ 305,177,925
Receivables:		
Employer	957,538	650,458
Participant	203,351	15,505
Notes receivable from participants	<u>6,376,130</u>	<u>6,162,177</u>
Total receivables	<u>7,537,019</u>	<u>6,828,140</u>
Total assets	<u>306,651,271</u>	<u>312,006,065</u>
Liabilities:		
Administrative expenses payable	<u>80,224</u>	<u>3,309</u>
Total liabilities	<u>80,224</u>	<u>3,309</u>
Net assets available for benefits	<u>\$ 306,571,047</u>	<u>\$ 312,002,756</u>

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

SULZER EMPLOYEE SAVINGS PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
for the years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Additions to net assets attributed to:		
Plan's interest in Master Trust's investment income:		
Net (depreciation) appreciation in fair value of investments	\$ (2,173,280)	\$ 23,843,135
Interest income on notes receivable from participants, in Master Trust	<u>262,550</u>	<u>290,845</u>
Contributions:		
Employer	11,793,357	11,802,339
Participant	12,917,595	13,104,875
Participant rollovers	<u>796,440</u>	<u>1,800,008</u>
Total contributions	<u>25,507,392</u>	<u>26,707,222</u>
Total additions	<u>23,596,662</u>	<u>50,841,202</u>
Deductions from net assets attributed to:		
Benefit payments	28,978,853	80,163,827
Administrative fees	<u>49,518</u>	<u>53,982</u>
Total deductions	<u>29,028,371</u>	<u>80,217,809</u>
Net decrease in net assets available for benefits	(5,431,709)	(29,376,607)
Net assets available for benefits, beginning of year	<u>312,002,756</u>	<u>341,379,363</u>
Net assets available for benefits, end of year	<u>\$ 306,571,047</u>	<u>\$ 312,002,756</u>

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

**SULZER EMPLOYEE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS**

1. Description of Plan

The following brief description of Sulzer Employee Savings Plan (the "Plan") is provided for general information only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan which was initially established on January 1, 1984 as a restatement and continuation of the Sulzer Escher Wyss, Inc. Employee Savings Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") and is amended from time to time to reflect changes in the law. The Plan, as amended, includes the eligible employees of the following subsidiaries and affiliates of Sulzer US Holding Inc. (the "Company") as of December 31, 2015:

Sulzer Turbo Services Houston Inc.
Sulzer Chemtech USA, Inc.
Sulzer Pumps (US), Inc.
Sulzer USA, Inc.
Sulzer Turbo Services New Orleans, Inc.,
Sulzer Mixpac USA, Inc.
Sulzer Pump Solutions, Inc.
Sulzer Pump Services (US), Inc.
Sulzer EMS, Inc.

Effective January 1, 2015, the Plan added Sulzer Grayson, Inc. as a participating subsidiary. It merged into Sulzer EMS, Inc. at December 31, 2015.

During June 2014, two of the Company's subsidiaries, Sulzer Friction System (US) Inc. and Sulzer Metco (US) Inc., were acquired by another company. As per the terms of the acquisition, the participants are no longer eligible to actively participate in the Plan; however, the participants' accounts were not merged with the new company's plan. Instead, the participants may elect to rollover their assets to another qualified plan or leave their accounts within the Plan.

Effective January 1, 2014, the Plan adopted an automatic enrollment provision for employees who first become eligible to participate in the Plan on or after January 2, 2014. Under the provision, the Company is authorized initially to withhold six percent (6%) of an eligible participant's compensation upon the participant's entry date into the Plan and then increase the contribution deferral percentage by one percent (1%) per year, up to a maximum total deferral percentage of fifteen percent (15%). The participant may select an alternative deferral amount or elect not to make deferral contributions to the Plan at any time.

Eligibility

Each full-time employee and each part-time employee who is expected to provide 1,000 hours of service during their first year of employment is eligible to participate in the Plan on the first entry date which is administratively feasible following the later of his date of hire or attainment of age 21.

Plan Administration

The Plan is administered by the Company and accordingly, certain administration functions are performed by officers or employees of the Company. No officers or employees receive compensation from the Plan. Fidelity Management Trust Company (the "Trustee") serves as the trustee of the Plan.

Fidelity Management Trust Company has been designated as the trustee of the Sulzer Employee Savings Plan Master Trust ("Master Trust") and is responsible for the investment, reinvestment, control, and disbursement of the funds and portfolios of the Plan. Expenses of administering the Plan, including fees and expenses of the Trustee, may be charged to the Plan. Investment fees are charged against the earnings of the funds and portfolios. The Master Trust is further described in Note 4.

SULZER EMPLOYEE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

1. Description of Plan, continued

Contributions

Participants may contribute from 1% to 35% of their pre-tax annual compensation, as before-tax contributions or after-tax Roth contributions, not to exceed the limitation set forth in Section 402(g) (\$18,000 and \$17,500 in 2015 and 2014, respectively) of the Internal Revenue Code ("IRC"). Participants may make catch-up contributions, pre-tax contributions that exceed the annual elective deferral limit, during any calendar year ending on or after the participant's 50th birthday. Participants' total catch-up contributions during 2015 and 2014 cannot exceed \$6,000 and \$5,500, respectively. Participants may also make rollover contributions from other qualified plans. Participants direct the investment of their contributions into various investment options offered by the Plan.

Contributions up to 6% of compensation are eligible for 100% company Safe-Harbor matching contributions for all subsidiaries.

The Plan also provides certain retirement benefits known as the "Retirement Security Contribution" or "RSC." The RSC provides retirement benefits for all employees of certain designated subsidiaries. The RSC made under this provision are based on the base pay of the employee. Contributions are allocated to all active employees of the designated subsidiaries regardless of their participation status in the Plan as of March 31, June 30, September 30, and December 31, of each Plan year, if the participant was an employee 12 months prior to the allocation date and was an employee on the allocation date. The contribution covers employees of Sulzer USA Inc., Sulzer Turbo Services Houston Inc., Sulzer Mixpac USA, Inc., Sulzer Chemtech USA Inc. and Sulzer Pump Solutions, Inc. Retirement Security Contributions do not apply to other subsidiaries; however, for eligible subsidiaries it is determined as follows:

<u>Age</u>	<u>Percent of Base Pay</u>
Under 35	3%
35-44	4%
45-54	5%
55 and older	6%

Participant Accounts

Each participant's account is credited with the participant's contributions, an allocation of the Company's contributions and Plan earnings, and charged with an allocation of administrative expenses. Earnings are allocated by fund based on the ratio of a participant's account invested in a particular fund to all participants' investments in that fund. Upon the occurrence of a distribution event, the benefit to which a participant is entitled is the benefit that can be provided from the participant's vested interest in his or her account.

Vesting

Participants are immediately vested in their elective contributions, plus any earnings on such contributions. The employer contributions related to the Safe-Harbor matching contributions, plus any earnings on such contributions are vested immediately. The vesting of employer contributions related to the RSC is based on years of continuous service accrued by the participant while in covered employment.

SULZER EMPLOYEE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

1. Description of Plan, continued

Vesting, continued

The Plan provides for the following employer RSC contribution vesting schedule for terminations:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 2 years	0%
2 years, but less than 3 years	25%
3 years, but less than 4 years	50%
4 years, but less than 5 years	75%
5 years or more	100%

Forfeited Accounts

All employer contributions credited to a participant's account, but not vested, are forfeited by the participant due to termination of employment. However, a participant becomes fully vested in his matching contribution account and/or retirement security contribution account per the Plan's vesting provisions, upon attaining age fifty-five (55) prior to termination of employment or upon death or disability prior to termination of employment. Any amount not vested is held in the participant's RSC account until the end of the Plan year in which the participant separates from service, at which time it shall be treated as a distribution of zero (\$0) and forfeited. Forfeitures are used to fund employer contributions. During the years ended December 31, 2015 and 2014, forfeitures used to fund employer contributions were \$219,063 and \$67,110, respectively. At December 31, 2015 and 2014, forfeited non-vested accounts available to pay administrative expenses and to reduce future employer contributions totaled \$192,734 and \$297,163, respectively.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of the participant's vested account balance. Loan terms range from 1 to 5 years or more for the purchase of a primary residence. Loans are secured by the vested balance in the participant's account and bear interest at a rate commensurate with local prevailing rates ranging from 3.25% to 9.75% for the years ended December 31, 2015 and 2014. Principal and interest payments are made by means of payroll withholding according to the terms of the promissory note.

Payment of Benefits

Upon termination of employment due to death, disability or retirement, a participant (or his/her designated beneficiary in the event of death) may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or to have the account balance distributed in installments.

In-service withdrawals are allowed by the Plan on or after the participant has attained age 59 ½. Prior to age 59 ½ and subject to guidelines set forth in the IRC, a participant may request a hardship withdrawal. Participant may withdraw any portion of the after-tax account at any time and no withdrawals are permitted from the participant's Retirement Security Contribution Account, until the participant separates from service.

Administrative Expenses

Administrative expenses, including recordkeeping fees, audit fees and legal fees, are paid by the Plan, as provided in the Plan document.

Continued

**SULZER EMPLOYEE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS**

1. Description of Plan, continued

Expense Offset and Revenue Sharing Arrangements

Fees incurred by the Plan for the investment management services and trustee fees are included in net (depreciation) appreciation in fair value of investments, as they are paid through revenue sharing, rather than a direct payment. Per the terms of the Plan's contract with the Trustee, the Plan participates in a certain portion of the revenue sharing arrangement. The Plan is credited with and may use these funds to pay Plan administrative expenses or allocate it back to the participant's accounts. During the years ended December 31, 2015 and 2014, the Plan used \$144,106 and \$175,441, respectively, of the revenue sharing to pay certain administrative expenses and allocated \$150,000 and \$0, respectively, to the participants' accounts. As of December 31, 2015 and 2014, the revenue sharing account had a remaining balance of \$78,050 and \$158,201, respectively.

2. Summary of Significant Accounting Policies

Basis of Accounting

The 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").

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of net assets available for benefits and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Risks and Uncertainties

The Plan provides for various investment options. The Plan's common collective trusts and mutual funds invest in various securities including U.S. Government securities, corporate debt instruments and corporate stocks. 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 reasonably possible that changes in the value of investment securities will occur in the near term and such changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits and the Statements of Changes in Net Assets Available for Benefits.

Investment Valuation and Income Recognition

The Plan's investments are all held in the Master Trust and are stated at fair value. Investments in registered investment companies are valued at quoted market prices, which represent the net asset value ("NAV") of shares held by the Plan at the end of the reporting period. The Plan's interest in the common collective trusts are valued based on information reported by the Trustee of the shares held by the Plan at the NAV at year end using the audited financial statements of the common collective trusts.

The Plan's share of the Master Trust's net appreciation (depreciation) in fair value of investments includes realized gains and losses on investments sold during the year and unrealized appreciation (depreciation) of investments held at the end of the year. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2015 or 2014 as the Plan determined the notes receivable had aggregated collateral. If a participant ceases to make loan payments and the Plan administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded.

Continued

**SULZER EMPLOYEE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS**

2. Summary of Significant Accounting Policies, continued

Benefit Payments

Benefits are recorded when paid.

Recently Issued Accounting Pronouncements

In May 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. ASU No. 2015-07 applies to reporting entities that elect to measure the fair value of an investment using the NAV per share (or its equivalent) as a practical expedient. Under the amendments in this update, investments for which fair value is measured using NAV per share (or its equivalent) as the practical expedient should not be categorized in the fair value hierarchy. Removing those investments from the fair value hierarchy not only eliminates the diversity in practice resulting from the way in which investments measured at NAV per share (or its equivalent) with future redemption dates are classified, but also ensures that all investments categorized in the fair value hierarchy are classified using a consistent approach. Investments that calculate NAV per share (or its equivalent), but for which the practical expedient is not applied, will continue to be included in the fair value hierarchy. A reporting entity should continue to disclose information on investments for which fair value is measured at NAV (or its equivalent) as a practical expedient to help users understand the nature and risks of the investments and whether the investments, if sold, are probable of being sold at amounts different from NAV.

ASU No. 2015-07 is effective for fiscal years beginning on or after December 15, 2016 on a retrospective basis. Early adoption is permitted and accordingly, Plan management has elected to early adopt ASU No. 2015-07. The adoption of ASU No. 2015-07 in 2015 impacted disclosures only by removing those investments measured at fair value using NAV as a practical expedient from classification in the fair value hierarchy of the Master Trust in Note 4.

In July 2015, the FASB issued ASU No. 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*, to reduce the complexity in employee benefit plan accounting.

Part I - Fully Benefit-Responsive Investment Contracts: Eliminates the requirements to measure the fair value of fully benefit-responsive investment contracts and provide certain disclosures. Contract value is the only required measure for fully benefit-responsive investment contracts. Further, *Part I* clarifies the definition of fully benefit-responsive investment contracts to only include direct contracts between the Plan and the issuer of the contract. Indirect investments in fully benefit-responsive investment contracts (such as through stable value common or collective trusts) should no longer be reflected as fully benefit-responsive investment contracts.

Part II - Plan Investment Disclosures: 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 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. Further, the disclosure of information about fair value measurements shall be provided by general type of plan asset.

Part III - Measurement Date Practical Expedient: Reduces complexity in employee benefit plan accounting by providing a practical expedient that permits plans to measure investments and investment-related accounts as of a month-end date that is closest to the plan's fiscal year-end, when the fiscal period does not coincide with month-end.

Continued

**SULZER EMPLOYEE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS**

2. Summary of Significant Accounting Policies, continued

Recently Issued Accounting Pronouncements, continued

ASU No. 2015-12 is effective for fiscal years beginning on or after December 15, 2015. *Parts I* and *II* are effective on a retrospective basis, and *Part III* is effective on a prospective basis. Early adoption is permitted. Plan management has elected to adopt *Parts I and II* early. The adoption of ASU No. 2015-12, *Part I* in 2015 (with retrospective application to 2014) results in the presentation of the collective trust at fair value and accordingly, such collective trust is included in investments in Master Trust, at fair value in the accompanying Statements of Net Assets Available for Benefits, with no adjustment from fair value to contract value.

The adoption of *Part II* in 2015 (with retrospective application to 2014) resulted in: 1) the elimination of the footnote disclosing individual investments that represent 5 percent or more of the Master Trust's net assets available for benefits and 2) the simplification of the disclosures in the fair value measurement footnote. The adoption of *Part II* had no impact on the Plan's net assets available for benefits or the changes in net assets available for benefits. *Part III* is not applicable to the Plan.

3. Information Certified by the Plan's Trustee (Unaudited)

The Plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA.

Certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and supplemental schedules, including investments and notes receivable from participants held at December 31, 2015 and 2014, and net (depreciation) appreciation in fair value of investments, interest and dividends for the year ended December 31, 2015 and 2014, was obtained or derived from information supplied to the Plan administrator and certified as complete and accurate by the Trustee.

The Plan's independent accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

4. Plan Interests in Sulzer Employee Savings Plan Master Trust (Unaudited)

The Plan held a 94% interest in the Master Trust as of December 31, 2015 and 2014, respectively. The value of the Plan's interest in the Master Trust is based on the beginning of year value of the Plan's interest in the Master Trust plus actual contributions and allocated investment income less actual distributions and allocated administrative expenses. Investment income and administrative expenses related to the Master Trust are allocated to the individual plans based upon average monthly balances invested by each plan.

The Plan's interest in the Master Trust as of and for the years ended December 31, 2015 and 2014 is as follows:

	<u>2015</u>	<u>2014</u>
Plan interest in Master Trust	\$ 299,114,252	\$ 305,177,925
Plan interest in net investment (loss) income of Master Trust	\$ (2,173,280)	\$ 23,843,135

SULZER EMPLOYEE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

4. Plan Interests in Sulzer Employee Savings Plan Master Trust (Unaudited) - Continued

The following table presents the net assets available for benefits, including investments, of the Master Trust, which was certified by the Trustee, as of December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Assets		
Investments, at fair value	\$ 318,393,710	\$ 324,406,242
Notes receivable from participants	6,376,130	6,162,177
Net assets available for benefits	<u>\$ 324,769,840</u>	<u>\$ 330,568,419</u>

Investment (loss) income and interest income on notes receivable from participants of the Master Trust, as certified by the Trustee, for the years ended December 31, 2015 and 2014 is as follows:

	<u>2015</u>	<u>2014</u>
Investment (loss) income	\$ (2,337,998)	\$ 25,085,442
Interest income on notes receivable from participants	<u>\$ 262,550</u>	<u>\$ 290,845</u>

Fair Value Measurements

FASB Accounting Standards Codification Topic 820, ("ASC 820") *Fair Value Measurements and Disclosures*, ("ASC 820") establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2 Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

SULZER EMPLOYEE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

4. Plan Interests in Sulzer Employee Savings Plan Master Trust (Unaudited), continued

Fair Value Measurements, continued

In determining the fair value of the investments, the Plan generally uses two approaches, the market approach and the cost approach. The market approach uses prices and other relevant data based on market transactions involving identical or comparable assets. The cost approach is the amount that would be currently required to replace an asset and indicates the cost to the Plan to require a substitute asset.

Following is a description of the valuation methodologies used for assets at fair value. There have been no changes in methodologies for the years ended December 31, 2015 and 2014.

Mutual funds: Valued at the NAV of shares held by the Plan at year-end as quoted in an active market as reported by the issuer. (Market approach)

Money market fund: Valued at amortized cost, which approximates fair value. (Cost approach)

Common collective trusts: Valued at the NAV of units of a bank collective trust. The NAV, as provided by the trustee is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of the collective trust, the investment adviser reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business. (Market approach)

The methods described above may produce fair value calculations 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.

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

	<u>Investments at Fair Value as of December 31, 2015</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$280,176,451	\$ -	\$ -	\$280,176,451
Money market fund	-	78,050	-	78,050
Total investments in fair value hierarchy	<u>\$280,176,451</u>	<u>\$ 78,050</u>	<u>\$ -</u>	\$280,254,501
Investments measured at NAV ^(a)				<u>38,139,209</u>
Total investments at fair value				<u>\$318,393,710</u>

Continued

**SULZER EMPLOYEE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS**

4. Plan Interests in Sulzer Employee Savings Plan Master Trust (Unaudited), continued

Fair Value Measurements, continued

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

<u>Investments at Fair Value as of December 31, 2014</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	<u>\$287,706,813</u>	<u>\$ -</u>	<u>\$ -</u>	\$287,706,813
Investments measured at NAV ^(a)				<u>36,699,429</u>
Total investments at fair value				<u>\$324,406,242</u>

(a) In accordance with ASU No. 2015-07, investments that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefits.

Fair Value of Investments in Entities That Use NAV

<u>Investment</u>	<u>Fair Value as of December 31,</u>		<u>Unfunded Commitment</u>	<u>Redemption Frequency (if currently eligible)</u>	<u>Redemption Notice Period</u>
	<u>2015</u>	<u>2014</u>			
Morley Stable Value Fund	\$ 38,139,181	\$ 36,699,401	N/A	Daily	Daily
Fidelity Managed Income Portfolio II	<u>28</u>	<u>28</u>	N/A	Daily	Daily
Total	<u>\$ 38,139,209</u>	<u>\$ 36,699,429</u>			

SULZER EMPLOYEE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

5. Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated December 1, 2014 that the Plan and related trust are designed in accordance with applicable sections of the IRC. The Plan has been amended since receiving the determination letter. However, management believes that the Plan is designed and is currently being operated in compliance with the applicable sections of the IRC and, therefore, believes the related trust is exempt from taxation under Section 501(1) of the IRC.

6. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA. In the event that the Plan is terminated, participants would become 100% vested in their total account balance.

7. Party-in-Interest Transactions

Certain Plan investments are in accounts managed by the Trustee. In addition, the Plan issues notes receivable from participants. These transactions qualify as party-in-interest transactions, as defined by ERISA; however, these transactions are permitted under the provisions of the Plan and are exempt from the prohibition of party-in-interest transactions under ERISA.

8. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements, to the Form 5500 as of December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Net assets available for benefits per the financial statements	\$ 306,571,047	\$ 312,002,756
Difference in fair value of common collective trust	-	326,937
Deemed distribution of loans	<u>(467,980)</u>	<u>(430,053)</u>
Net assets available for benefits per the Form 5500	<u>\$ 306,103,067</u>	<u>\$ 311,899,640</u>

SULZER EMPLOYEE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

8. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of the net decrease in net assets available for benefits for the year ended December 31, 2015 and 2014, per the financial statements, to the Form 5500:

	<u>2015</u>	<u>2014</u>
Net decrease in net assets available for benefits per the financial statements	\$ (5,431,709)	\$ (29,376,607)
Change in difference in fair value of common collective trust	(326,937)	124,735
Deemed distribution of loans	<u>(37,927)</u>	<u>36,102</u>
Net decrease in net assets available for benefits per the Form 5500	<u>\$ (5,796,573)</u>	<u>\$ (29,215,770)</u>

9. Subsequent Events

Plan management has evaluated subsequent events through October 14, 2016, the date the financial statements were available to be issued, and has concluded that there are no significant events to be reported.

SUPPLEMENTAL SCHEDULES

SULZER EMPLOYEE SAVINGS PLAN
SCHEDULE H, LINE 4a - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2015

EIN: 13-3950743
 PN: 003

Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP (Voluntary Fiduciary Correction Program) and PTE 2002-51
Check here if Late Participant Loan Repayments are included:	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
✓	\$ -	\$ 5,298	\$ -	

SULZER EMPLOYEE SAVINGS PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2015

EIN: 13-3950743
PN: 003

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Current (e) Value**
*	Fidelity Investments	92% interest in the Sulzer Employee Savings Plan Master Trust Investment	\$ 299,114,252
*	Participant loans	Notes receivable from participants bearing interest at rates ranging from 3.25% to 9.75% per year	<u>6,376,130</u>
			<u>\$ 305,490,382</u>

* Represents a party-in-interest.

** Cost information is not required for participant directed investments.

SULZER EMPLOYEE SAVINGS PLAN

**FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
WITH REPORT OF INDEPENDENT ACCOUNTANTS
as of and for the years ended December 31, 2015 and 2014**

SULZER EMPLOYEE SAVINGS PLAN
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* Other schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Participants and Plan Administrator
Sulzer Employee Savings Plan:

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Sulzer Employee Savings Plan, ("the Plan"), which comprise the Statements of Net Assets Available for Benefits as of December 31, 2015 and 2014, and the related Statements of Changes in Net Assets Available for Benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Plan 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.

Independent Accountants' 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 ("DOL") 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 3 and 4, which was certified by Fidelity Management Trust Company, ("Trustee") the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. 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 and for the years ended December 31, 2015 and 2014, that the information provided to the Plan administrator by the Trustee is complete and accurate.

Disclaimer of Opinion

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

Other Matter

The supplemental schedules, Schedule H, Line 4a – Schedule of Delinquent Participant Contributions for the year ended December 31, 2015 and Schedule H, Line 4i – Schedule of Assets (Held At End of Year) as of December 31, 2015, are required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and are presented for the purpose of additional analysis and are 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 these supplemental schedules.

REPORT OF INDEPENDENT ACCOUNTANTS, CONTINUED

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 schedules, 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.

Ham, Langston & Beggs LLP

Houston, Texas
October 14, 2016

SULZER EMPLOYEE SAVINGS PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
as of December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Assets:		
Investment in Master Trust, at fair value (See Notes 2, 3 and 4)	\$ 299,114,252	\$ 305,177,925
Receivables:		
Employer	957,538	650,458
Participant	203,351	15,505
Notes receivable from participants	<u>6,376,130</u>	<u>6,162,177</u>
Total receivables	<u>7,537,019</u>	<u>6,828,140</u>
Total assets	<u>306,651,271</u>	<u>312,006,065</u>
Liabilities:		
Administrative expenses payable	<u>80,224</u>	<u>3,309</u>
Total liabilities	<u>80,224</u>	<u>3,309</u>
Net assets available for benefits	<u>\$ 306,571,047</u>	<u>\$ 312,002,756</u>

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

SULZER EMPLOYEE SAVINGS PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
for the years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Additions to net assets attributed to:		
Plan's interest in Master Trust's investment income:		
Net (depreciation) appreciation in fair value of investments	\$ (2,173,280)	\$ 23,843,135
Interest income on notes receivable from participants, in Master Trust	<u>262,550</u>	<u>290,845</u>
Contributions:		
Employer	11,793,357	11,802,339
Participant	12,917,595	13,104,875
Participant rollovers	<u>796,440</u>	<u>1,800,008</u>
Total contributions	<u>25,507,392</u>	<u>26,707,222</u>
Total additions	<u>23,596,662</u>	<u>50,841,202</u>
Deductions from net assets attributed to:		
Benefit payments	28,978,853	80,163,827
Administrative fees	<u>49,518</u>	<u>53,982</u>
Total deductions	<u>29,028,371</u>	<u>80,217,809</u>
Net decrease in net assets available for benefits	(5,431,709)	(29,376,607)
Net assets available for benefits, beginning of year	<u>312,002,756</u>	<u>341,379,363</u>
Net assets available for benefits, end of year	<u>\$ 306,571,047</u>	<u>\$ 312,002,756</u>

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

SULZER EMPLOYEE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

1. Description of Plan

The following brief description of Sulzer Employee Savings Plan (the "Plan") is provided for general information only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan which was initially established on January 1, 1984 as a restatement and continuation of the Sulzer Escher Wyss, Inc. Employee Savings Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") and is amended from time to time to reflect changes in the law. The Plan, as amended, includes the eligible employees of the following subsidiaries and affiliates of Sulzer US Holding Inc. (the "Company") as of December 31, 2015:

Sulzer Turbo Services Houston Inc.
Sulzer Chemtech USA, Inc.
Sulzer Pumps (US), Inc.
Sulzer USA, Inc.
Sulzer Turbo Services New Orleans, Inc.,
Sulzer Mixpac USA, Inc.
Sulzer Pump Solutions, Inc.
Sulzer Pump Services (US), Inc.
Sulzer EMS, Inc.

Effective January 1, 2015, the Plan added Sulzer Grayson, Inc. as a participating subsidiary. It merged into Sulzer EMS, Inc. at December 31, 2015.

During June 2014, two of the Company's subsidiaries, Sulzer Friction System (US) Inc. and Sulzer Metco (US) Inc., were acquired by another company. As per the terms of the acquisition, the participants are no longer eligible to actively participate in the Plan; however, the participants' accounts were not merged with the new company's plan. Instead, the participants may elect to rollover their assets to another qualified plan or leave their accounts within the Plan.

Effective January 1, 2014, the Plan adopted an automatic enrollment provision for employees who first become eligible to participate in the Plan on or after January 2, 2014. Under the provision, the Company is authorized initially to withhold six percent (6%) of an eligible participant's compensation upon the participant's entry date into the Plan and then increase the contribution deferral percentage by one percent (1%) per year, up to a maximum total deferral percentage of fifteen percent (15%). The participant may select an alternative deferral amount or elect not to make deferral contributions to the Plan at any time.

Eligibility

Each full-time employee and each part-time employee who is expected to provide 1,000 hours of service during their first year of employment is eligible to participate in the Plan on the first entry date which is administratively feasible following the later of his date of hire or attainment of age 21.

Plan Administration

The Plan is administered by the Company and accordingly, certain administration functions are performed by officers or employees of the Company. No officers or employees receive compensation from the Plan. Fidelity Management Trust Company (the "Trustee") serves as the trustee of the Plan.

Fidelity Management Trust Company has been designated as the trustee of the Sulzer Employee Savings Plan Master Trust ("Master Trust") and is responsible for the investment, reinvestment, control, and disbursement of the funds and portfolios of the Plan. Expenses of administering the Plan, including fees and expenses of the Trustee, may be charged to the Plan. Investment fees are charged against the earnings of the funds and portfolios. The Master Trust is further described in Note 4.

SULZER EMPLOYEE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

1. Description of Plan, continued

Contributions

Participants may contribute from 1% to 35% of their pre-tax annual compensation, as before-tax contributions or after-tax Roth contributions, not to exceed the limitation set forth in Section 402(g) (\$18,000 and \$17,500 in 2015 and 2014, respectively) of the Internal Revenue Code ("IRC"). Participants may make catch-up contributions, pre-tax contributions that exceed the annual elective deferral limit, during any calendar year ending on or after the participant's 50th birthday. Participants' total catch-up contributions during 2015 and 2014 cannot exceed \$6,000 and \$5,500, respectively. Participants may also make rollover contributions from other qualified plans. Participants direct the investment of their contributions into various investment options offered by the Plan.

Contributions up to 6% of compensation are eligible for 100% company Safe-Harbor matching contributions for all subsidiaries.

The Plan also provides certain retirement benefits known as the "Retirement Security Contribution" or "RSC." The RSC provides retirement benefits for all employees of certain designated subsidiaries. The RSC made under this provision are based on the base pay of the employee. Contributions are allocated to all active employees of the designated subsidiaries regardless of their participation status in the Plan as of March 31, June 30, September 30, and December 31, of each Plan year, if the participant was an employee 12 months prior to the allocation date and was an employee on the allocation date. The contribution covers employees of Sulzer USA Inc., Sulzer Turbo Services Houston Inc., Sulzer Mixpac USA, Inc., Sulzer Chemtech USA Inc. and Sulzer Pump Solutions, Inc. Retirement Security Contributions do not apply to other subsidiaries; however, for eligible subsidiaries it is determined as follows:

<u>Age</u>	<u>Percent of Base Pay</u>
Under 35	3%
35-44	4%
45-54	5%
55 and older	6%

Participant Accounts

Each participant's account is credited with the participant's contributions, an allocation of the Company's contributions and Plan earnings, and charged with an allocation of administrative expenses. Earnings are allocated by fund based on the ratio of a participant's account invested in a particular fund to all participants' investments in that fund. Upon the occurrence of a distribution event, the benefit to which a participant is entitled is the benefit that can be provided from the participant's vested interest in his or her account.

Vesting

Participants are immediately vested in their elective contributions, plus any earnings on such contributions. The employer contributions related to the Safe-Harbor matching contributions, plus any earnings on such contributions are vested immediately. The vesting of employer contributions related to the RSC is based on years of continuous service accrued by the participant while in covered employment.

SULZER EMPLOYEE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

1. Description of Plan, continued

Vesting, continued

The Plan provides for the following employer RSC contribution vesting schedule for terminations:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 2 years	0%
2 years, but less than 3 years	25%
3 years, but less than 4 years	50%
4 years, but less than 5 years	75%
5 years or more	100%

Forfeited Accounts

All employer contributions credited to a participant's account, but not vested, are forfeited by the participant due to termination of employment. However, a participant becomes fully vested in his matching contribution account and/or retirement security contribution account per the Plan's vesting provisions, upon attaining age fifty-five (55) prior to termination of employment or upon death or disability prior to termination of employment. Any amount not vested is held in the participant's RSC account until the end of the Plan year in which the participant separates from service, at which time it shall be treated as a distribution of zero (\$0) and forfeited. Forfeitures are used to fund employer contributions. During the years ended December 31, 2015 and 2014, forfeitures used to fund employer contributions were \$219,063 and \$67,110, respectively. At December 31, 2015 and 2014, forfeited non-vested accounts available to pay administrative expenses and to reduce future employer contributions totaled \$192,734 and \$297,163, respectively.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of the participant's vested account balance. Loan terms range from 1 to 5 years or more for the purchase of a primary residence. Loans are secured by the vested balance in the participant's account and bear interest at a rate commensurate with local prevailing rates ranging from 3.25% to 9.75% for the years ended December 31, 2015 and 2014. Principal and interest payments are made by means of payroll withholding according to the terms of the promissory note.

Payment of Benefits

Upon termination of employment due to death, disability or retirement, a participant (or his/her designated beneficiary in the event of death) may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or to have the account balance distributed in installments.

In-service withdrawals are allowed by the Plan on or after the participant has attained age 59 ½. Prior to age 59 ½ and subject to guidelines set forth in the IRC, a participant may request a hardship withdrawal. Participant may withdraw any portion of the after-tax account at any time and no withdrawals are permitted from the participant's Retirement Security Contribution Account, until the participant separates from service.

Administrative Expenses

Administrative expenses, including recordkeeping fees, audit fees and legal fees, are paid by the Plan, as provided in the Plan document.

Continued

**SULZER EMPLOYEE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS**

1. Description of Plan, continued

Expense Offset and Revenue Sharing Arrangements

Fees incurred by the Plan for the investment management services and trustee fees are included in net (depreciation) appreciation in fair value of investments, as they are paid through revenue sharing, rather than a direct payment. Per the terms of the Plan's contract with the Trustee, the Plan participates in a certain portion of the revenue sharing arrangement. The Plan is credited with and may use these funds to pay Plan administrative expenses or allocate it back to the participant's accounts. During the years ended December 31, 2015 and 2014, the Plan used \$144,106 and \$175,441, respectively, of the revenue sharing to pay certain administrative expenses and allocated \$150,000 and \$0, respectively, to the participants' accounts. As of December 31, 2015 and 2014, the revenue sharing account had a remaining balance of \$78,050 and \$158,201, respectively.

2. Summary of Significant Accounting Policies

Basis of Accounting

The 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").

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of net assets available for benefits and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Risks and Uncertainties

The Plan provides for various investment options. The Plan's common collective trusts and mutual funds invest in various securities including U.S. Government securities, corporate debt instruments and corporate stocks. 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 reasonably possible that changes in the value of investment securities will occur in the near term and such changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits and the Statements of Changes in Net Assets Available for Benefits.

Investment Valuation and Income Recognition

The Plan's investments are all held in the Master Trust and are stated at fair value. Investments in registered investment companies are valued at quoted market prices, which represent the net asset value ("NAV") of shares held by the Plan at the end of the reporting period. The Plan's interest in the common collective trusts are valued based on information reported by the Trustee of the shares held by the Plan at the NAV at year end using the audited financial statements of the common collective trusts.

The Plan's share of the Master Trust's net appreciation (depreciation) in fair value of investments includes realized gains and losses on investments sold during the year and unrealized appreciation (depreciation) of investments held at the end of the year. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2015 or 2014 as the Plan determined the notes receivable had aggregated collateral. If a participant ceases to make loan payments and the Plan administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded.

Continued

**SULZER EMPLOYEE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS**

2. Summary of Significant Accounting Policies, continued

Benefit Payments

Benefits are recorded when paid.

Recently Issued Accounting Pronouncements

In May 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. ASU No. 2015-07 applies to reporting entities that elect to measure the fair value of an investment using the NAV per share (or its equivalent) as a practical expedient. Under the amendments in this update, investments for which fair value is measured using NAV per share (or its equivalent) as the practical expedient should not be categorized in the fair value hierarchy. Removing those investments from the fair value hierarchy not only eliminates the diversity in practice resulting from the way in which investments measured at NAV per share (or its equivalent) with future redemption dates are classified, but also ensures that all investments categorized in the fair value hierarchy are classified using a consistent approach. Investments that calculate NAV per share (or its equivalent), but for which the practical expedient is not applied, will continue to be included in the fair value hierarchy. A reporting entity should continue to disclose information on investments for which fair value is measured at NAV (or its equivalent) as a practical expedient to help users understand the nature and risks of the investments and whether the investments, if sold, are probable of being sold at amounts different from NAV.

ASU No. 2015-07 is effective for fiscal years beginning on or after December 15, 2016 on a retrospective basis. Early adoption is permitted and accordingly, Plan management has elected to early adopt ASU No. 2015-07. The adoption of ASU No. 2015-07 in 2015 impacted disclosures only by removing those investments measured at fair value using NAV as a practical expedient from classification in the fair value hierarchy of the Master Trust in Note 4.

In July 2015, the FASB issued ASU No. 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*, to reduce the complexity in employee benefit plan accounting.

Part I - Fully Benefit-Responsive Investment Contracts: Eliminates the requirements to measure the fair value of fully benefit-responsive investment contracts and provide certain disclosures. Contract value is the only required measure for fully benefit-responsive investment contracts. Further, *Part I* clarifies the definition of fully benefit-responsive investment contracts to only include direct contracts between the Plan and the issuer of the contract. Indirect investments in fully benefit-responsive investment contracts (such as through stable value common or collective trusts) should no longer be reflected as fully benefit-responsive investment contracts.

Part II - Plan Investment Disclosures: 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 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. Further, the disclosure of information about fair value measurements shall be provided by general type of plan asset.

Part III - Measurement Date Practical Expedient: Reduces complexity in employee benefit plan accounting by providing a practical expedient that permits plans to measure investments and investment-related accounts as of a month-end date that is closest to the plan's fiscal year-end, when the fiscal period does not coincide with month-end.

Continued

**SULZER EMPLOYEE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS**

2. Summary of Significant Accounting Policies, continued

Recently Issued Accounting Pronouncements, continued

ASU No. 2015-12 is effective for fiscal years beginning on or after December 15, 2015. *Parts I* and *II* are effective on a retrospective basis, and *Part III* is effective on a prospective basis. Early adoption is permitted. Plan management has elected to adopt *Parts I and II* early. The adoption of ASU No. 2015-12, *Part I* in 2015 (with retrospective application to 2014) results in the presentation of the collective trust at fair value and accordingly, such collective trust is included in investments in Master Trust, at fair value in the accompanying Statements of Net Assets Available for Benefits, with no adjustment from fair value to contract value.

The adoption of *Part II* in 2015 (with retrospective application to 2014) resulted in: 1) the elimination of the footnote disclosing individual investments that represent 5 percent or more of the Master Trust's net assets available for benefits and 2) the simplification of the disclosures in the fair value measurement footnote. The adoption of *Part II* had no impact on the Plan's net assets available for benefits or the changes in net assets available for benefits. *Part III* is not applicable to the Plan.

3. Information Certified by the Plan's Trustee (Unaudited)

The Plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA.

Certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and supplemental schedules, including investments and notes receivable from participants held at December 31, 2015 and 2014, and net (depreciation) appreciation in fair value of investments, interest and dividends for the year ended December 31, 2015 and 2014, was obtained or derived from information supplied to the Plan administrator and certified as complete and accurate by the Trustee.

The Plan's independent accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

4. Plan Interests in Sulzer Employee Savings Plan Master Trust (Unaudited)

The Plan held a 94% interest in the Master Trust as of December 31, 2015 and 2014, respectively. The value of the Plan's interest in the Master Trust is based on the beginning of year value of the Plan's interest in the Master Trust plus actual contributions and allocated investment income less actual distributions and allocated administrative expenses. Investment income and administrative expenses related to the Master Trust are allocated to the individual plans based upon average monthly balances invested by each plan.

The Plan's interest in the Master Trust as of and for the years ended December 31, 2015 and 2014 is as follows:

	<u>2015</u>	<u>2014</u>
Plan interest in Master Trust	\$ 299,114,252	\$ 305,177,925
Plan interest in net investment (loss) income of Master Trust	\$ (2,173,280)	\$ 23,843,135

SULZER EMPLOYEE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

4. Plan Interests in Sulzer Employee Savings Plan Master Trust (Unaudited) - Continued

The following table presents the net assets available for benefits, including investments, of the Master Trust, which was certified by the Trustee, as of December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Assets		
Investments, at fair value	\$ 318,393,710	\$ 324,406,242
Notes receivable from participants	6,376,130	6,162,177
Net assets available for benefits	<u>\$ 324,769,840</u>	<u>\$ 330,568,419</u>

Investment (loss) income and interest income on notes receivable from participants of the Master Trust, as certified by the Trustee, for the years ended December 31, 2015 and 2014 is as follows:

	<u>2015</u>	<u>2014</u>
Investment (loss) income	\$ (2,337,998)	\$ 25,085,442
Interest income on notes receivable from participants	<u>\$ 262,550</u>	<u>\$ 290,845</u>

Fair Value Measurements

FASB Accounting Standards Codification Topic 820, ("ASC 820") *Fair Value Measurements and Disclosures*, ("ASC 820") establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2 Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

SULZER EMPLOYEE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

4. Plan Interests in Sulzer Employee Savings Plan Master Trust (Unaudited), continued

Fair Value Measurements, continued

In determining the fair value of the investments, the Plan generally uses two approaches, the market approach and the cost approach. The market approach uses prices and other relevant data based on market transactions involving identical or comparable assets. The cost approach is the amount that would be currently required to replace an asset and indicates the cost to the Plan to require a substitute asset.

Following is a description of the valuation methodologies used for assets at fair value. There have been no changes in methodologies for the years ended December 31, 2015 and 2014.

Mutual funds: Valued at the NAV of shares held by the Plan at year-end as quoted in an active market as reported by the issuer. (Market approach)

Money market fund: Valued at amortized cost, which approximates fair value. (Cost approach)

Common collective trusts: Valued at the NAV of units of a bank collective trust. The NAV, as provided by the trustee is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of the collective trust, the investment adviser reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business. (Market approach)

The methods described above may produce fair value calculations 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.

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

	<u>Investments at Fair Value as of December 31, 2015</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$280,176,451	\$ -	\$ -	\$280,176,451
Money market fund	-	78,050	-	78,050
Total investments in fair value hierarchy	<u>\$280,176,451</u>	<u>\$ 78,050</u>	<u>\$ -</u>	\$280,254,501
Investments measured at NAV ^(a)				<u>38,139,209</u>
Total investments at fair value				<u>\$318,393,710</u>

**SULZER EMPLOYEE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS**

4. Plan Interests in Sulzer Employee Savings Plan Master Trust (Unaudited), continued

Fair Value Measurements, continued

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

<u>Investments at Fair Value as of December 31, 2014</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	<u>\$287,706,813</u>	<u>\$ -</u>	<u>\$ -</u>	\$287,706,813
Investments measured at NAV ^(a)				<u>36,699,429</u>
Total investments at fair value				<u>\$324,406,242</u>

(a) In accordance with ASU No. 2015-07, investments that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefits.

Fair Value of Investments in Entities That Use NAV

<u>Investment</u>	<u>Fair Value as of December 31,</u>		<u>Unfunded Commitment</u>	<u>Redemption Frequency (if currently eligible)</u>	<u>Redemption Notice Period</u>
	<u>2015</u>	<u>2014</u>			
Morley Stable Value Fund	\$ 38,139,181	\$ 36,699,401	N/A	Daily	Daily
Fidelity Managed Income Portfolio II	<u>28</u>	<u>28</u>	N/A	Daily	Daily
Total	<u>\$ 38,139,209</u>	<u>\$ 36,699,429</u>			

SULZER EMPLOYEE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

5. Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated December 1, 2014 that the Plan and related trust are designed in accordance with applicable sections of the IRC. The Plan has been amended since receiving the determination letter. However, management believes that the Plan is designed and is currently being operated in compliance with the applicable sections of the IRC and, therefore, believes the related trust is exempt from taxation under Section 501(1) of the IRC.

6. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA. In the event that the Plan is terminated, participants would become 100% vested in their total account balance.

7. Party-in-Interest Transactions

Certain Plan investments are in accounts managed by the Trustee. In addition, the Plan issues notes receivable from participants. These transactions qualify as party-in-interest transactions, as defined by ERISA; however, these transactions are permitted under the provisions of the Plan and are exempt from the prohibition of party-in-interest transactions under ERISA.

8. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements, to the Form 5500 as of December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Net assets available for benefits per the financial statements	\$ 306,571,047	\$ 312,002,756
Difference in fair value of common collective trust	-	326,937
Deemed distribution of loans	<u>(467,980)</u>	<u>(430,053)</u>
Net assets available for benefits per the Form 5500	<u>\$ 306,103,067</u>	<u>\$ 311,899,640</u>

SULZER EMPLOYEE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

8. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of the net decrease in net assets available for benefits for the year ended December 31, 2015 and 2014, per the financial statements, to the Form 5500:

	<u>2015</u>	<u>2014</u>
Net decrease in net assets available for benefits per the financial statements	\$ (5,431,709)	\$ (29,376,607)
Change in difference in fair value of common collective trust	(326,937)	124,735
Deemed distribution of loans	<u>(37,927)</u>	<u>36,102</u>
Net decrease in net assets available for benefits per the Form 5500	<u>\$ (5,796,573)</u>	<u>\$ (29,215,770)</u>

9. Subsequent Events

Plan management has evaluated subsequent events through October 14, 2016, the date the financial statements were available to be issued, and has concluded that there are no significant events to be reported.

SUPPLEMENTAL SCHEDULES

SULZER EMPLOYEE SAVINGS PLAN
SCHEDULE H, LINE 4a - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2015

EIN: 13-3950743
 PN: 003

Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP (Voluntary Fiduciary Correction Program) and PTE 2002-51
Check here if Late Participant Loan Repayments are included:	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
✓	\$ -	\$ 5,298	\$ -	
				\$ -

SULZER EMPLOYEE SAVINGS PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2015

EIN: 13-3950743
PN: 003

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Current (e) Value**
*	Fidelity Investments	92% interest in the Sulzer Employee Savings Plan Master Trust Investment	\$ 299,114,252
*	Participant loans	Notes receivable from participants bearing interest at rates ranging from 3.25% to 9.75% per year	<u>6,376,130</u>
			<u>\$ 305,490,382</u>

* Represents a party-in-interest.

** Cost information is not required for participant directed investments.