

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 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 2016 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2016 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</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.)	
	☒ 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>COGNIS CORPORATION CONSOLIDATED UNION RETIREMENT PLAN</u>	1b	Three-digit plan number (PN) ▶ <u>064</u>
		1c	Effective date of plan <u>10/01/1999</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>BASF CORPORATION</u> <u>100 PARK AVENUE</u> <u>FLORHAM PARK, NJ 07932</u>	2b	Employer Identification Number (EIN) <u>16-1090809</u>
		2c	Plan Sponsor's telephone number <u>973-245-6000</u>
		2d	Business code (see instructions) <u>325100</u>

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	03/10/2017	GEORGE MUSKAL
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number)			Preparer's telephone number

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN	
		3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name COGNIS CORPORATION		4b EIN 31-1667081	
		4c PN 003	
5 Total number of participants at the beginning of the plan year		5	538
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).			
a(1) Total number of active participants at the beginning of the plan year.....		6a(1)	0
a(2) Total number of active participants at the end of the plan year		6a(2)	0
b Retired or separated participants receiving benefits.....		6b	0
c Other retired or separated participants entitled to future benefits		6c	0
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	0
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	0
f Total. Add lines 6d and 6e		6f	0
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	0
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: 1B 3H			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ <u>0</u> A (Insurance Information) (4) ☐ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

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

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2016 Form M-1 annual report. If the plan was not required to file the 2016 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2016 This Form is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

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

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

A Name of plan <u>COGNIS CORPORATION CONSOLIDATED UNION RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>064</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>BASF CORPORATION</u>	D Employer Identification Number (EIN) <u>16-1090809</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2012</u>	
2 Assets:	
a Market value	2a <u>24518743</u>
b Actuarial value	2b <u>24343050</u>
3 Funding target/participant count breakdown	(1) Number of participants (2) Vested Funding Target (3) Total Funding Target
a For retired participants and beneficiaries receiving payment.....	<u>287</u> <u>13510916</u> <u>13510916</u>
b For terminated vested participants.....	<u>139</u> <u>3586204</u> <u>3586204</u>
c For active participants.....	<u>112</u> <u>7000844</u> <u>7000844</u>
d Total.....	<u>538</u> <u>24097964</u> <u>24097964</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>6.95 %</u>
6 Target normal cost.....	6 <u>240582</u>

Statement by Enrolled Actuary

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

SIGN HERE	
Signature of actuary	<u>10/01/2013</u> Date
<u>WILLIAM J. NICKEL, F.S.A., E.A.</u> Type or print name of actuary	<u>11-07016</u> Most recent enrollment number
<u>TOWERS WATSON PENNSYLVANIA INC.</u> Firm name	<u>215-246-4293</u> Telephone number (including area code)
<u>1500 MARKET STREET</u> <u>PHILADELPHIA, PA 19102-4790</u> Address of the firm	

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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2016
v. 160205

Part II		Beginning of Year Carryover and Prefunding Balances	
		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of <u>5.04</u> %	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		142
b(1)	Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.21</u> %		9
b(2)	Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c	Total available at beginning of current plan year to add to prefunding balance		151
d	Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III		Funding Percentages	
14	Funding target attainment percentage	14	101.01%
15	Adjusted funding target attainment percentage	15	101.01%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	84.68%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV		Contributions and Liquidity Shortfalls	
18 Contributions made to the plan for the plan year by employer(s) and employees:			
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	
04/13/2012	310224	0	
07/13/2012	144376	0	
		Totals ►	18(b) 454600
		18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contributions from prior years	19a 0
b Contributions made to avoid restrictions adjusted to valuation date	19b 0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c 443790
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If line 20a is "Yes," see instructions and complete the following table as applicable:	
Liquidity shortfall as of end of quarter of this plan year	
(1) 1st	(2) 2nd
0	0
(3) 3rd	(4) 4th
0	0

Part V	Assumptions Used to Determine Funding Target and Target Normal Cost		
21 Discount rate:			
a Segment rates:		1st segment: 5.54%	2nd segment: 6.85%
		3rd segment: 7.52%	☐ N/A, full yield curve used
b Applicable month (enter code)			21b 4
22 Weighted average retirement age			22 63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute			
Part VI	Miscellaneous Items		
24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No			
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No			
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No			
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.			27
Part VII	Reconciliation of Unpaid Minimum Required Contributions For Prior Years		
28 Unpaid minimum required contributions for all prior years			28 0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)			29 0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)			30 0
Part VIII	Minimum Required Contribution For Current Year		
31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)			31a 240582
b Excess assets, if applicable, but not greater than line 31a			31b 240582
32 Amortization installments:		Outstanding Balance	Installment
a Net shortfall amortization installment		0	0
b Waiver amortization installment		0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount			33
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)			34 0
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0
36 Additional cash requirement (line 34 minus line 35)			36 0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)			37 443790
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)			38a 443790
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances			38b 0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)			39 0
40 Unpaid minimum required contributions for all years			40 0
Part IX	Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)		
41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected ☐ 2 plus 7 years ☒ 15 years			
b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☒ 2010 ☐ 2011			
42 Amount of acceleration adjustment			42 0
43 Excess installment acceleration amount to be carried over to future plan years			43 0

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2016 This Form is Open to Public Inspection.
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan <u>COGNIS CORPORATION CONSOLIDATED UNION RETIREMENT PLAN</u>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:80%;">B Three-digit plan number (PN) ►</td> <td style="width:20%; text-align: center;"><u>064</u></td> </tr> <tr style="background-color: #f2f2f2;"> <td colspan="2" style="height: 20px;"></td> </tr> </table>	B Three-digit plan number (PN) ►	<u>064</u>		
B Three-digit plan number (PN) ►	<u>064</u>				
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>BASF CORPORATION</u>	D Employer Identification Number (EIN) <u>16-1090809</u>				

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

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

c EIN-PN <u>16-1090809-101</u>	d Entity code <u>M</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

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

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

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

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

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

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

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

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

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

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

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

SCHEDULE H (Form 5500) Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2016 This Form is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u>		
A Name of plan <u>COGNIS CORPORATION CONSOLIDATED UNION RETIREMENT PLAN</u>	B Three-digit plan number (PN) ►	<u>064</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>BASF CORPORATION</u>	D Employer Identification Number (EIN) <u>16-1090809</u>	

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	415416	0
(2) Participant contributions.....	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	25501044	0
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:		
(1)	Employer securities	1d(1)	
(2)	Employer real property	1d(2)	
e	Buildings and other property used in plan operation	1e	
f	Total assets (add all amounts in lines 1a through 1e)	1f	25916460 0
Liabilities			
g	Benefit claims payable	1g	
h	Operating payables	1h	
i	Acquisition indebtedness	1i	
j	Other liabilities	1j	784964 0
k	Total liabilities (add all amounts in lines 1g through 1j)	1k	784964 0
Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	25131496 0

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.

		(a) Amount	(b) Total
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers	2a(1)(A)	454600
	(B) Participants	2a(1)(B)	
	(C) Others (including rollovers)	2a(1)(C)	
(2)	Noncash contributions	2a(2)	
(3)	Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)	454600
b	Earnings on investments:		
(1)	Interest:		
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	
	(B) U.S. Government securities	2b(1)(B)	
	(C) Corporate debt instruments	2b(1)(C)	
	(D) Loans (other than to participants)	2b(1)(D)	
	(E) Participant loans	2b(1)(E)	
	(F) Other	2b(1)(F)	
	(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)	0
(2)	Dividends: (A) Preferred stock	2b(2)(A)	
	(B) Common stock	2b(2)(B)	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	
	(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)	0
(3)	Rents	2b(3)	
(4)	Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	
	(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)	0
(5)	Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	
	(B) Other	2b(5)(B)	
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)	0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		2877593
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		3332193

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1429124	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		1429124
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)		
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total	2j		1429124

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		1903069
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		27034565

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: COHNREZNICK LLP

(2) EIN: 22-1478099

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

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

	Yes	No	Amount
4a		X	
4b		X	

		Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e Was this plan covered by a fidelity bond?	4e	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k	X		
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			
o Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service?	4o			

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)
BASF CORPORATION CONSOLIDATED BARGAINING UNIT EMPLOYEES' PENSION PLAN	16-1090809	003
BASF CORPORATION SALARIED EMPLOYEES' PENSION PLAN	16-1090809	001

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ☐ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year (See instructions.)

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 sections 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 2016 This Form is Open to Public Inspection.
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan <u>COGNIS CORPORATION CONSOLIDATED UNION RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>064</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>BASF CORPORATION</u>	D Employer Identification Number (EIN) <u>16-1090809</u>

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>36-7367087</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	<u>0</u>

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

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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Schedule R (Form 5500) 2016
v. 160205

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
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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: <u>0.0</u> % 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? If "No," skip b	☐ Yes ☐ No
20b How did the plan satisfy the nondiscrimination requirements for employee deferrals under section 401(k)(3) for the plan year? Check all that apply:	☐ Design-based safe harbor ☐ "Prior year" ADP test ☐ "Current year" ADP test ☐ N/A
21a What testing method was used to satisfy the coverage requirements under section 410(b) for the plan year? Check all that apply:	☐ Ratio percentage test ☐ Average benefit test ☐ N/A
21b Did the plan satisfy the coverage and nondiscrimination requirements of sections 410(b) and 401(a)(4) for the plan year by combining this plan with any other plan under the permissive aggregation rules?	☐ Yes ☐ No
22a If the plan is a master and prototype plan (M&P) or volume submitter plan that received a favorable IRS opinion letter or advisory letter, enter the date of the letter / / and the serial number .	
22b If the plan is an individually-designed plan that received a favorable determination letter from the IRS, enter the date of the most recent determination letter / / .	

COGNIS CORPORATION
CONSOLIDATED UNION RETIREMENT PLAN

Financial Statements
and Independent Auditor's Report

December 31, 2012 and 2011

**COGNIS CORPORATION
CONSOLIDATED UNION RETIREMENT PLAN**

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Financial Statements:	
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Statements of Changes in Net Assets Available for Benefits	4
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Note: All schedules required by Section 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.

Independent Auditor's Report

BASF Corporation as Plan Sponsor
and Plan Administrator and Participants in the
Cognis Corporation Consolidated Union Retirement Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Cognis Corporation Consolidated Union Retirement Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 7, which was certified by BNY Mellon, N.A., the Trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan Administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the Trustee as of December 31, 2012 and 2011, and for the years then ended, that the information provided to the Plan Administrator by the Trustee is complete and accurate.

Disclaimer of Opinion

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

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

The form and content of the information included in the financial statements 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 Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

A handwritten signature in cursive script that reads "CohnReznick LLP".

Roseland, New Jersey
October 10, 2013

COGNIS CORPORATION
CONSOLIDATED UNION RETIREMENT PLAN

Statements of Net Assets Available for Benefits
December 31, 2012 and 2011
(In thousands)

	<u>2012</u>	<u>2011</u>
Assets:		
Investment in the BASF Corporation Master Trust, at fair value	\$ 27,035	\$ 25,501
Employer contributions receivable	—	415
Liabilities:		
Accrued administrative expenses	—	2
Due to BASF Corporation Salaried Employees' Pension Plan	803	783
Due to BASF Corporation Consolidated Bargaining Unit Employees' Pension Plan	<u>26,232</u>	<u>—</u>
Net assets available for benefits	<u>\$ —</u>	<u>\$ 25,131</u>

See accompanying notes to financial statements.

COGNIS CORPORATION
CONSOLIDATED UNION RETIREMENT PLAN

Statements of Changes in Net Assets Available for Benefits
December 31, 2012 and 2011
(In thousands)

	<u>2012</u>	<u>2011</u>
Additions:		
Net investment income from BASF Corporation Master Trust	\$ 3,225	\$ 355
Net investment income from the Cognis Corporation Master Trust	—	1,223
Employer Contributions	455	1,320
Total additions	<u>3,680</u>	<u>2,898</u>
Deductions:		
Benefits paid to participants	1,429	1,438
Investment and administrative expenses	347	148
Transfer to BASF Corporation Consolidated Bargaining Unit Employees' Pension Plan	26,232	—
Transfer to BASF Corporation Salaried Employees' Pension Plan	803	—
Total deductions	<u>28,811</u>	<u>1,586</u>
Net change	(25,131)	1,312
Net assets available for benefits:		
Beginning of year	<u>25,131</u>	<u>23,819</u>
End of year	<u>\$ —</u>	<u>\$ 25,131</u>

See accompanying notes to financial statements.

COGNIS CORPORATION
CONSOLIDATED UNION RETIREMENT PLAN

Notes to Financial Statements
December 31, 2012 and 2011
(In thousands)

(1) Description of the Plan

The following description of the Cognis Corporation Consolidated Union Retirement Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the provisions of the Plan and detailed definitions of various Plan terms.

a) General

In 2010, BASF Corporation (the Company) acquired Cognis Holdings GmbH. The Plan is a non-contributory defined benefit plan sponsored by BASF Corporation (the Sponsor), formerly Cognis Corporation (Cognis) and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and the Internal Revenue Code. The Plan is administered by the Plan Sponsor through its Pension and Savings Plan Committee (the Plan Administrator) under the authority of the Pension and Benefits Committee of the Sponsor's Board of Directors. The Plan participated along with another pension plan in the Cognis Corporation Master Pension Plan Trust (the Cognis Master Trust) until June 1, 2011, when the assets were transferred to the BASF Corporation Master Trust (the Master Trust).

The Northern Trust Company ("Northern Trust") was the Plan's asset custodian through May 31, 2011. As of June 1, 2011, the Plan has an agreement with BNY Mellon, N.A. (the Trustee) whereby the assets of the Plan are held in the Master Trust. The Master Trust was established by the Sponsor and is administered by the Trustee. The trust fund distributes the benefits to participants in accordance with the provisions of the Plan. The assets of the Plan are managed by the Trustee and several investment managers of the Sponsor.

As of July 31, 2012, the Plan was amended to cease all accruals of future benefits.

At the close of business on December 31, 2012, the Plan was amended to merge with the BASF Corporation Consolidated Bargaining Unit Employees' Pension Plan.

b) Sponsor Contributions

The Plan is noncontributory on the part of the employees. The Company contributes such amounts as are necessary to meet or exceed the minimum funding requirements as prescribed by any applicable law. The Company contributed \$455 and \$1,320 for the Plan years ended December 31, 2012 and 2011, respectively. The Sponsor met or exceeded the minimum funding requirements of ERISA.

COGNIS CORPORATION
CONSOLIDATED UNION RETIREMENT PLAN

Notes to Financial Statements
December 31, 2012 and 2011
(In thousands)

c) Distributions

Employees are entitled to monthly pension benefits (beginning at normal retirement age, which is 65). The benefit is calculated based upon fixed benefit levels and the participant's credited benefit service. The Plan permits early retirement at ages 55 to 64 if certain requirements for years of continuous service are met.

Generally, payment of benefits will be in the form of single life annuity for unmarried participants and a joint and survivor annuity for married participants, unless the employee, with spousal consent, elects another form of benefit permitted by the Plan. Other optional forms of pension benefit are available at the participant's option.

Disability and death benefits are provided for any qualified participants under certain circumstances.

d) Vesting

Benefits become vested after five years of service to the Sponsor.

(2) Summary of Significant Accounting Policies

a) Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

b) Valuation of Investments

The Plan's investment in the Master Trust has been presented at fair value, which has been determined based on the fair value of the underlying investments of the Master Trust. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See "Note 6 Fair Value Measurements" for discussion of fair value measurement.

COGNIS CORPORATION
CONSOLIDATED UNION RETIREMENT PLAN

Notes to Financial Statements
December 31, 2012 and 2011
(In thousands)

c) Security Transactions

Purchases and sales of securities are recorded on a trade date basis. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

d) Investment Income

Dividend income is recorded on the ex-dividend date; interest is recorded as earned on the accrual basis.

e) Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and the actuarial present value of accumulated plan benefits at the date of the financial statements, and changes therein. Actual results could differ from those estimates.

f) Payment of Benefits

Benefit payments to participants are recorded upon distribution.

g) Administrative Costs

All administrative expenses of the Master Trust, such as trustee, custodian and accounting services are paid by the Master Trust and then allocated to the participating plans.

h) Risk and Uncertainties

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

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation

COGNIS CORPORATION
CONSOLIDATED UNION RETIREMENT PLAN

Notes to Financial Statements
December 31, 2012 and 2011
(In thousands)

rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption processes, it is at least reasonably possible that changes in these estimates and assumptions in the near term could materially affect the amounts reported and disclosed in the financial statements.

i) Reclassification

Certain amounts in the 2011 financial statements have been reclassified to conform with the 2012 presentation.

j) Subsequent Events

The Plan has evaluated events through October 10, 2013, the date the financial statements were available to be issued.

(3) Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. The accumulated plan benefits for active employees are based on the number of credited service years ending on the date the benefit information is presented (the valuation date) and the corresponding monthly benefit amount does include future Plan increases.

Benefits payable under all circumstances (retirement, death, disability and termination of employment) are included to the extent they are deemed attributable to employee service rendered to the valuation date.

The significant actuarial assumptions used in determining the present value of accumulated Plan benefits as of December 31, 2011 were as follows:

Discount rate	4.75%
Mortality rate	RP-2000 Mortality Table
Actuarial cost method	Projected Unit Credit Cost Method
Average retirement age	61

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors

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might be applicable in determining the actuarial present value of the accumulated plan benefits. The computations of the actuarial present value of accumulated plan benefits were made as of January 1, 2012. Had the valuations been performed as of December 31, there would be no material differences.

The actuarial present value of accumulated plan benefits, determined by Towers Watson for 2011, is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, withdrawal, or retirement) between the valuation date and the expected date of payment.

The status of the estimated actuarially determined present value of the accumulated benefits under the Plan as of December 31, 2011 is:

Vested benefits:		
Participants / beneficiaries currently receiving payments	\$	12,662
Other participants		<u>9,295</u>
		21,957
Nonvested benefits		
		<u>380</u>
Total actuarial present value of accumulated plan benefits	\$	<u><u>22,337</u></u>

The changes in the actuarial present value of accumulated plan benefits were:

Actuarial present value of accumulated plan benefits as of January 1, 2011	\$	22,432
(Decrease) Increase attributable to:		
Benefits accumulated		(230)
Interest in the discount period		1,573
Benefits paid		<u>(1,438)</u>
Actuarial present value of accumulated plan benefits as of December 31, 2011	\$	<u><u>22,337</u></u>

(4) Federal Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated August 5, 2008, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its

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qualification. The Plan Administrator believes that the Plan is being operated in compliance with the application requirements of the Code and, therefore, believes that the Plan, as amended, is qualified and the related trust is tax exempt.

The Plan Administrator believes it is no longer subject to income tax examinations for the years prior to 2009.

(5) Interest in the Master Trust

The Plan has an agreement with the Trustee whereby substantially all the assets of the Plan are held in the Master Trust. The assets are maintained in a commingled account by the Trustee and are not separately identified as to ownership. 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 relating to the Master Trust are allocated to the individual plans based upon average monthly balances invested by each plan. The Plan had a percentage interest in the Master Trust of approximately 1% as of December 31, 2012 and December 31, 2011.

As of December 31, 2012, the following benefit plans participated in the Master Trust:

Cognis Corporation Consolidated Union Retirement Plan

Pension Plan for Hourly Employees of Attapulcus, Georgia Facility

Pension Plan for Hourly-Paid Employees of BASF Corporation in Northern Ohio

Pension Plan for Hourly Employees of Louisville, Kentucky Facility

Pension Plan for Hourly Employees at Quincy, Florida Works

Pension Plan for Hourly-Paid Workers Represented by Local 4-406 of the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union

Pension Plan for Hourly Employees at Vidalia, Louisiana Facility

BASF Corporation Consolidated Bargaining Unit Employees' Pension Plan

BASF Corporation Salaried Employees' Pension Plan

BASF Corporation Pension Plan for Non-Salaried Employees at McIntosh, Alabama

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(6) Fair Value Measurements

Financial Accounting Standards Board (FASB) *Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures*, provides the 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 or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- | | |
|---------|--|
| Level 1 | Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs. |
| Level 2 | Observable prices that are based on inputs not quoted on active markets, but corroborated by market data. |
| Level 3 | Unobservable inputs are used when little or no market data is available which are significant to the fair value measurements. The fair value hierarchy gives the lowest priority to Level 3 inputs. |

In determining fair value, the Master Trust utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, as well as, considers counterparty credit risk in its assessment of fair value. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The following is a description of the valuation methodologies used for assets at fair value. There have been no changes in the methodologies used at December 31, 2012 and 2011.

Corporate stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Money Market: Valued at amortized cost, which approximates fair value.

U.S. Government Securities: Valued using pricing models maximizing the use of observable inputs for similar securities.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange

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Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Corporate Debt: Corporate bond securities traded on national securities exchanges are valued at the last reported sales price on the last business day of the year. Securities traded in the over-the-counter market and listed securities for which no sales were reported on that date are valued at the last reported bid price.

Common Collective Trusts and 103-12 Investments: The Plan's interest in the common collective trusts and 103-12 investments are valued at the NAV. 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.

Real Estate and Partnerships/Joint Ventures: The Plan's interest in real estate and partnerships/joint venture funds are valued at the NAV. The NAV, as provided by the investment advisor, 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.

Futures Contracts: Valued at the last sale price (or, if there is no sale on the valuation day, bid price) in the market where such contracts are principally traded.

Repurchase Agreements: Short-term agreement to sell and buy back securities in the future which is valued based on the value of the underlying asset.

Swap Agreement: Valued based on the net present value of all estimated future cash flows. Swaps may be valued in terms of bond prices or as portfolio of forwards contracts.

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The following tables set forth by level, within the fair value hierarchy, the Master Trust's assets at fair value as of December 31, 2012 and 2011:

Assets at Fair Value as of December 31, 2012

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Corporate Stock:				
Common Stock:				
Aerospace & Defense	\$ 3,264	\$ -	\$ -	\$ 3,264
Capital Goods	95	-	-	95
Chemicals	20,844	-	-	20,844
Communications & Technology	76,278	-	-	76,278
Consumer Products	6,114	-	-	6,114
Consumer Services	940	-	-	940
Electronics	8,218	-	-	8,218
Energy, Oil & Gas	44,676	-	-	44,676
Entertainment & Travel	25,082	-	-	25,082
Financial Services	18,533	-	-	18,533
Food & Beverage	14,057	-	-	14,057
Healthcare & Pharmaceuticals	42,438	-	-	42,438
Industrial & Machinery	23,912	-	-	23,912
Insurance	6,897	-	-	6,897
Oil & Gas	1,971	-	-	1,971
Other	29,271	-	-	29,271
Real Estate	6,805	-	-	6,805
Retail	29,458	-	-	29,458
Total Common Stock	<u>358,853</u>	<u>-</u>	<u>-</u>	<u>358,853</u>
Preferred Stock:				
Banking & Finance	4,408	2,748	-	7,156
Oil & Gas	826	-	-	826
Total Preferred Stock	<u>5,234</u>	<u>2,748</u>	<u>-</u>	<u>7,982</u>
Total Corporate Stock	<u>364,087</u>	<u>2,748</u>	<u>-</u>	<u>366,835</u>

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	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Corporate Debt:				
AAA	\$ -	\$ 1,231	\$ -	\$ 1,231
AA+	-	1,683	-	1,683
AA-	-	530	-	530
A+	-	5,177	-	5,177
A+ (sf)	-	13	-	13
A	-	3,011	-	3,011
A-	-	32,268	-	32,268
A- (sf)	-	95	-	95
BBB+	-	73,723	-	73,723
BBB+ (sf)	-	149	-	149
BBB	-	87,980	-	87,980
BBB-	-	31,395	-	31,395
BB	-	2,922	-	2,922
BB+	-	5,711	-	5,711
B+	-	220	-	220
B	-	83	-	83
B-	-	2,023	-	2,023
CCC+	-	778	-	778
CCC	-	2,547	-	2,547
D	-	1,727	-	1,727
NR	-	2,675	-	2,675
Total Corporate Debt	<u>-</u>	<u>255,941</u>	<u>-</u>	<u>255,941</u>
Preferred Corporate Debt:				
AAA	-	18,134	-	18,134
AA+	-	17,745	-	17,745
AA	-	32,929	-	32,929
AA-	-	9,364	-	9,364
A+	-	31,948	-	31,948
A	-	60,292	-	60,292
A-	-	77,002	-	77,002
BBB+	-	14,703	-	14,703
BBB	-	4,067	-	4,067
BB+	-	218	-	218
B	-	542	-	542
B (sf)	-	30	-	30
CCC (sf)	-	6	-	6
NR	-	2,725	-	2,725
Total Preferred Corporate Debt	<u>-</u>	<u>269,705</u>	<u>-</u>	<u>269,705</u>
Government Securities:				
AAA	115,250	16,673	-	131,923
AA+	446,303	92,559	-	538,862
A1+	270	-	-	270
A	-	14,499	-	14,499
Total Government Securities	<u>561,823</u>	<u>123,731</u>	<u>-</u>	<u>685,554</u>

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	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds:				
Emerging Markets	\$ 158,074	\$ -	\$ -	\$ 158,074
Large Blend	85,312	-	-	85,312
Total Mutual Funds	<u>243,386</u>	<u>-</u>	<u>-</u>	<u>243,386</u>
103-12 Investments	-	149,994	347	150,341
Common/Collective Trust	-	593,162	18	593,180
Money Market	-	477	-	477
Partnership/Joint Venture	-	182,168	160,580	342,748
Real Estate	-	-	24,173	24,173
Other	-	181,236	1,725	182,961
TOTAL INVESTMENTS	<u>\$ 1,169,296</u>	<u>\$ 1,759,162</u>	<u>\$ 186,843</u>	<u>\$ 3,115,301</u>

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Assets at Fair Value as of December 31, 2011

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Corporate Stock:				
Common Stock:				
Aerospace & Defense	\$ 4,808	\$ -	\$ -	\$ 4,808
Capital Goods	12,535	-	-	12,535
Chemicals	9,970	-	-	9,970
Communications & Technology	57,559	-	-	57,559
Consumer Products	15,638	-	-	15,638
Consumer Services	18,317	-	-	18,317
Electronics	4,108	-	-	4,108
Energy, Oil & Gas	43,305	-	-	43,305
Entertainment & Travel	16,881	-	-	16,881
Financial Services	20,721	-	-	20,721
Food & Beverage	12,371	-	-	12,371
Healthcare & Pharmaceuticals	35,028	-	-	35,028
Industrial & Machinery	11,581	-	-	11,581
Insurance	3,653	-	-	3,653
Other	27,953	-	-	27,953
Real Estate	4,814	-	-	4,814
Retail	10,535	-	-	10,535
Total Common Stock	<u>309,777</u>	<u>-</u>	<u>-</u>	<u>309,777</u>
Preferred Stock:				
Banking & Finance	3,740	1,478	-	5,218
Oil & Gas	1,024	-	-	1,024
Total Preferred Stock	<u>4,764</u>	<u>1,478</u>	<u>-</u>	<u>6,242</u>
Total Corporate Stock	<u>314,541</u>	<u>1,478</u>	<u>-</u>	<u>316,019</u>
Corporate Debt:				
AAA	-	4,337	-	4,337
AAA (sf)	-	14	-	14
AA	-	398	-	398
AA-	-	293	-	293
A+	-	3,067	-	3,067
A	-	5,172	-	5,172
A-	-	30,182	-	30,182
BBB+	-	71,034	-	71,034
BBB+ (sf)	-	176	-	176
BBB	-	62,880	-	62,880
BBB-	-	36,017	-	36,017
BB	-	6,318	-	6,318
BB+	-	3,928	-	3,928
B+	-	139	-	139
B	-	285	-	285
B-	-	1,455	-	1,455

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	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
CCC+	\$ -	\$ 593	\$ -	\$ 593
CCC	-	2,203	-	2,203
CC	-	468	-	468
C	-	52	-	52
D	-	2,413	-	2,413
D_NR	-	380	-	380
NR	-	4,042	-	4,042
Total Corporate Debt	<u>-</u>	<u>235,846</u>	<u>-</u>	<u>235,846</u>
Preferred Corporate Debt:				
AAA	-	30,258	-	30,258
AAA_NR	-	403	-	403
AA+	-	34,032	-	34,032
AA	-	34,317	-	34,317
AA-	-	18,088	-	18,088
A+	-	33,004	-	33,004
A	-	54,983	-	54,983
A-	-	101,129	-	101,129
BBB+	-	12,052	-	12,052
BBB	-	9,117	-	9,117
BB+	-	178	-	178
BB (sf)	-	32	-	32
B	-	542	-	542
B- (sf)	-	5	-	5
NR	-	5,497	-	5,497
Total Preferred Corporate Debt	<u>-</u>	<u>333,637</u>	<u>-</u>	<u>333,637</u>
Government Securities:				
AAA	97,009	-	-	97,009
AA+	480,840	138,759	-	619,599
A1+	580	-	-	580
A	-	13,178	-	13,178
NR	-	633	-	633
Total Government Securities	<u>578,429</u>	<u>152,570</u>	<u>-</u>	<u>730,999</u>
Mutual Funds:				
Emerging Markets	113,395	-	-	113,395
Large Blend	76,170	-	-	76,170
Total Mutual Funds	<u>189,565</u>	<u>-</u>	<u>-</u>	<u>189,565</u>
103-12 Investments	-	143,993	325	144,318
Common/Collective Trust	-	521,637	17	521,654
Money Market	-	2,798	-	2,798
Partnership/Joint Venture	-	166,526	161,841	328,367
Real Estate	-	-	21,856	21,856
Other	774	133,606	837	135,217
TOTAL INVESTMENTS	<u>\$ 1,083,309</u>	<u>\$ 1,692,091</u>	<u>\$ 184,876</u>	<u>\$ 2,960,276</u>

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The following tables set forth a summary of changes in the fair value of the Master Trust's Level 3 assets for the years ended December 31, 2012 and 2011:

For the Year Ended December 31, 2012

	Partnership		103-12			
	Common	Joint				
	Collective	Venture	Real Estate	Investment	Other	Total
	Trusts	Interests				
Opening Balance	\$ 17	\$ 161,841	\$ 21,856	\$ 325	\$ 837	\$ 184,876
Acquisitions	-	35,087	4,340	-	-	39,427
Dispositions	-	(48,203)	(2,581)	(19)	(53)	(50,856)
Realized Gain/Loss	-	(1,532)	(13,718)	-	34	(15,216)
Unrealized Gain	1	13,387	14,276	41	907	28,612
Closing Balance	\$ 18	\$ 160,580	\$ 24,173	\$ 347	\$ 1,725	\$ 186,843

For the Year Ended December 31, 2011

	Partnership		103-12			
	Common	Joint				
	Collective	Venture	Real Estate	Investment	Other	Total
	Trusts	Interests				
Opening Balance	\$ 27	\$ 155,890	\$ 28,570	\$ 360	\$ 679	\$ 185,526
Acquisitions	-	31,611	5,591	(4)	21	37,219
Dispositions	-	(42,508)	(19,149)	(26)	-	(61,683)
Realized Gain/Loss	-	(17,594)	5,075	(245)	-	(12,764)
Unrealized Gain/Loss	(10)	34,442	1,769	240	137	36,578
Closing Balance	\$ 17	\$ 161,841	\$ 21,856	\$ 325	\$ 837	\$ 184,876

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The following table represents the Master Trust's investments with reported NAV at December 31, 2012:

	Fair Value	Unfunded Commitment	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
OCM Expanded High Yield Fund	\$ 149,994	\$ -	Monthly	10 business days before month-end
OCM Opportunities Fund III L.P.	347	-	N/A	N/A
Total 103-12 Investments	<u>150,341</u>	<u>-</u>		
A&Q Diversified Neutral Alpha Limited	18	-	End of any calendar quarter	Last business day of the first month of such quarter
Ashmore Emerging Markets Debt Fund	173,008	-	Monthly	30 business days
Collective US Government STIF	72,759	-	Daily Liquidity	None
JP Morgan Commingled Pension	59,159	-	Daily Liquidity	None
Pyramis Select International Fund	112,699	-	Daily Liquidity	5 business days
Sprucegrove US Intl Pooled Fund	107,722	-	Monthly at end of month	10 business days for withdrawals over \$5 million
Wellington Equity Research Trust	67,815	-	The 1st business day of month	Must be received by the 22nd calendar day of the proceeding month
Total Common/Collective Trust	<u>593,180</u>	<u>-</u>		
AEW Value Investors LP	9,800	-	N/A	N/A
AEW VIF II REIT, LP	14,090	1,190	N/A	N/A
All Weather Portfolio	135,004	-	Monthly	5 business days
Amaranth International Limited	645	-	Liquidating Failed Hedge Fund	Full Redemption Requested
Ashmore Global Special Situations	16,173	-	N/A	N/A
Bridgewater Pure Alpha Fund Ltd	40,127	-	Monthly	5 business days
Credit Suisse First Boston International	55	183	N/A	N/A
Currency Selection Special Ltd	7,042	-	Daily Liquidity	5 business days
Fortress Credit Opps Fund B LP	27,022	7,826	N/A	N/A
Galen Partners IV LP	1,122	-	N/A	N/A
Morgan Stanley Global Emerging	382	4,501	N/A	N/A
Olympus II Real Estate Fund LP	266	-	N/A	N/A
PIMCO Distressed Mortgage Fund	782	-	N/A	N/A
RCG Longview Debt Fund IV LP	25,529	1,310	N/A	N/A
Rockwood Capital Real Estate V	3,012	-	N/A	N/A
Rockwood Capital Real Estate VI	15,301	1,061	N/A	N/A
Rockwood Capital Real Estate VII	9,830	-	N/A	N/A
EIG Energy Fund XB, L.P.	3,052	-	N/A	N/A
EIG Energy Fund XIV-A, L.P.	18,814	3,391	N/A	N/A
TPG Opportunities Partners II	14,700	25,032	N/A	N/A
Total Partnership/Joint Ventures	<u>342,748</u>	<u>44,494</u>		
BASF Rockwood Capital Fund III	194	-	N/A	N/A
Value Enhancement Fund II, LLC	1,476	-	N/A	N/A
JPM Secondary Fund	18,201	10,085	N/A	N/A
Value Enhancement Fund IV LP	4,269	-	N/A	N/A
Rockwood Capital Real Estate IV	33	-	N/A	N/A
Total Real Estate	<u>24,173</u>	<u>10,085</u>		
Totals	<u>\$ 1,110,442</u>	<u>\$ 54,579</u>		

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The following table represents the Master Trust's investments with reported NAV at December 31, 2011:

	Fair Value	Unfunded Commitment	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
OCM Expanded High Yield Fund	\$ 143,993	\$ -	Monthly	10 business days before month-end
OCM Opportunities Fund III L.P.	325	-	N/A	N/A
Total 103-12 Investments	144,318	-		
Ashmore Emerging Markets Debt Fund	149,355	-	Monthly	30 business days
Collective US Government STIF	174,719	-	Daily Liquidity	None
JP Morgan Commingled Pension	48,801	-	Daily Liquidity	None
Pyramis Select International Fund	92,380	11,579	Daily Liquidity	5 business days
Wellington Equity Research Trust	56,382	-	The 1st business day of month	Must be received by the 22nd calendar day of the proceeding month
				Last business day of the first month of such quarter
A&Q Diversified Neutral Alpha Limited	17	-	End of any calendar quarter	
Total Common/Collective Trust	521,654	11,579		
AEW Value Investors LP	10,817	-	N/A	N/A
AEW VIF II REIT, LP	10,524	7,220	N/A	N/A
All Weather Portfolio	117,414	-	Monthly	5 business days
Amaranth International Limited	948	-	Liquidating Failed Hedge Fund	Full Redemption Requested
Ashmore Global Special Situations	20,284	-	N/A	N/A
Bridgewater Pure Alpha Fund Ltd	39,896	-	Monthly	5 business days
Credit Suisse First Boston International	236	183	N/A	N/A
Currency Selection Special Ltd	9,216	-	Daily Liquidity	5 business days
Fortress Credit Opps Fund B LP	28,858	12,185	N/A	N/A
Galen Partners IV LP	2,216	98	N/A	N/A
Morgan Stanley Global Emerging	935	4,501	N/A	N/A
Olympus II Real Estate Fund LP	777	180	N/A	N/A
PIMCO Distressed Mortgage Fund	17,060	-	N/A	N/A
RCG Longview Debt Fund IV LP	19,892	7,310	N/A	N/A
Rockwood Capital Real Estate V	3,881	-	N/A	N/A
Rockwood Capital Real Estate VI	13,875	2,736	N/A	N/A
Rockwood Capital Real Estate VII	9,280	-	N/A	N/A
EIG Energy Fund XB, L.P.	3,874	-	N/A	N/A
EIG Energy Fund XIV-A, L.P.	18,384	5,204	N/A	N/A
Total Partnership/Joint Ventures	328,367	39,617		
BASF Rockwood Capital Fund III	211	-	N/A	N/A
Value Enhancement Fund II, LLC	1,804	-	N/A	N/A
JPM Secondary Fund	14,657	13,965	N/A	N/A
KB/Opportunity Fund IV LP	80	653	N/A	N/A
Value Enhancement Fund IV LP	5,066	-	N/A	N/A
Rockwood Capital Real Estate IV	38	-	N/A	N/A
Total Real Estate	21,856	14,618		
Totals	\$ 1,016,195	\$ 65,814		

OCM Expanded High Yield Fund - The fund invests in junk bonds. This fund is liquid. The strategy is to carefully avoid the lower quality securities and minimize defaults.

OCM Opportunities Fund III LP - A private equity fund which invested in distressed debt. The fund dates to 1998 and has almost been completely liquidated. This investment can never be redeemed. Instead, the nature of the investment is that distributions are received through the liquidation of the underlying assets of the fund. If these investments were held, it is estimated that the underlying assets of the fund would be liquidated within 1 year.

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Ashmore Emerging Markets Debt Fund - This fund invests in emerging market debt.

Collective US Government STIF - A short-term investment fund (STIF). This is where all Pension Trust money resides when not invested in other vehicles.

JP Morgan Commingled Pension - An international stock fund, which invests in stocks of developed countries in Europe and Asia.

Pyramis Select International Fund - An international stock fund, which invests in stocks of developed countries in Europe and Asia.

Sprucegrove US Intl Pooled Fund: An international stock fund, which invests in stocks of developed countries in Europe and Asia.

Wellington Equity Research Trust - A US equity fund. It is liquid.

A&Q Diversified Neutral Alpha Limited- This is the remaining portion not yet returned from fully redeemed hedge fund. This investment can never be redeemed. Instead, the nature of the investment is that distributions are received through the liquidation of the underlying assets of the fund. If these investments were held, it is estimated that the underlying assets of the fund would be liquidated within 2 years.

AEW Value Investors LP - A real estate limited partnership that invests in commercial real estate. The strategy is to buy properties that need some "value add," such as increasing occupancy, making enhancements to reposition buildings, etc. This investment can never be redeemed. Instead, the nature of the investment is that distributions are received through the liquidation of the underlying assets of the fund. If these investments were held, it is estimated that the underlying assets of the fund would be liquidated within 3 years.

AEW VIF II REIT, LP - A real estate limited partnership that invests in commercial real estate. The strategy is to buy properties that need some "value add," such as increasing occupancy, making enhancements to reposition buildings, etc. This investment can never be redeemed. Instead, the nature of the investment is that distributions are received through the liquidation of the underlying assets of the fund. If these investments were held, it is estimated that the underlying assets of the fund would be liquidated within 6 years.

All Weather Portfolio - The fund holds investments in different asset classes that have different biases to economic conditions. The asset classes include, but are not limited to, the currency, fixed-income, and inflation linked bond, equity, and commodity markets.

Amaranth International Limited - A failed hedge fund. Highly levered investments in energy brought the fund down in 2006. BASF requested full redemption of the remaining investment in 2006. Less than \$1 million remains to be paid to the BASF Pension Trust.

Ashmore Global Special Situations - The fund invests in emerging market private equity. This investment can never be redeemed. Instead, the nature of the investment is that distributions are

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received through the liquidation of the underlying assets of the fund. If these investments were held, it is estimated that the underlying assets of the fund would be liquidated within 5 years.

Bridgewater Pure Alpha Fund Ltd - A global macro hedge fund.

Credit Suisse First Boston International - A fund which invested in private equity (buyouts, etc.) in emerging markets. This fund dates to 1998 and is almost fully liquidated. This investment can never be redeemed. Instead, the nature of the investment is that distributions are received through the liquidation of the underlying assets of the fund. If these investments were held, it is estimated that the underlying assets of the fund would be liquidated within 1 year.

Currency Selection Special LTD - This fund invests in currencies. The fund is very risk-controlled.

Fortress Credit Opps Fund B LP - The fund invests in distressed debt - residential and commercial mortgages, commercial debt, etc. This investment can never be redeemed. Instead, the nature of the investment is that distributions are received through the liquidation of the underlying assets of the fund. If these investments were held, it is estimated that the underlying assets of the fund would be liquidated within 6 years.

Galen Partners IV LP - A fund which invests in mid-stage medical equipment private equity. This investment can never be redeemed. Instead, the nature of the investment is that distributions are received through the liquidation of the underlying assets of the fund. If these investments were held, it is estimated that the underlying assets of the fund would be liquidated within 2 years.

Morgan Stanley Global Emerging - A fund which invested in private equity (buyouts, etc.) in emerging markets. This fund dates to 1998 and is almost fully liquidated. This investment can never be redeemed. Instead, the nature of the investment is that distributions are received through the liquidation of the underlying assets of the fund. If these investments were held, it is estimated that the underlying assets of the fund would be liquidated within 1 year.

Olympus II Real Estate Fund LP - A real estate limited partnership that invested in commercial real estate. The strategy is to buy properties that need some "value add," such as increasing occupancy, making enhancements to reposition buildings, etc. This investment can never be redeemed. Instead, the nature of the investment is that distributions are received through the liquidation of the underlying assets of the fund. If these investments were held, it is estimated that the underlying assets of the fund would be liquidated within 1 year.

PIMCO Distressed Mortgage Fund - A fund which purchased distressed home residential mortgages in US. This investment can never be redeemed. Instead, the nature of the investment is that distributions are received through the liquidation of the underlying assets of the fund. If these investments were held, it is estimated that the underlying assets of the fund would be liquidated within 1 year.

RCG Longview Debt Fund IV LP - This fund provides subordinate financing (mezzanine debt) to commercial real estate investors, mainly in the New York metro area. This investment can never be

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redeemed. Instead, the nature of the investment is that distributions are received through the liquidation of the underlying assets of the fund. If these investments were held, it is estimated that the underlying assets of the fund would be liquidated within 5 years.

Rockwood Capital Real Estate V - A real estate limited partnership that invests in commercial real estate. The strategy is to buy properties that need some "value add," such as increasing occupancy, making enhancements to reposition buildings, etc. This investment can never be redeemed. Instead, the nature of the investment is that distributions are received through the liquidation of the underlying assets of the fund. If these investments were held, it is estimated that the underlying assets of the fund would be liquidated within 2 years.

Rockwood Capital Real Estate VI - A real estate limited partnership that invests in commercial real estate. The strategy is to buy properties that need some "value add," such as increasing occupancy, making enhancements to reposition buildings, etc. This investment can never be redeemed. Instead, the nature of the investment is that distributions are received through the liquidation of the underlying assets of the fund. If these investments were held, it is estimated that the underlying assets of the fund would be liquidated within 4 years.

Rockwood Capital Real Estate VII - A real estate limited partnership that invests in commercial real estate. The strategy is to buy properties that need some "value add," such as increasing occupancy, making enhancements to reposition buildings, etc. This investment can never be redeemed. Instead, the nature of the investment is that distributions are received through the liquidation of the underlying assets of the fund. If these investments were held, it is estimated that the underlying assets of the fund would be liquidated within 7 years.

EIG Energy Fund XB, L.P. - A fund that provides debt financing to oil, gas and other energy producers with proven reserves. Return on investment is interest on debt as well as royalties, if investments perform well. This investment can never be redeemed. Instead, the nature of the investment is that distributions are received through the liquidation of the underlying assets of the fund. If these investments were held, it is estimated that the underlying assets of the fund would be liquidated within 4 years.

EIG Energy Fund XIV-A, L.P. - A fund that provides debt financing to oil, gas and other energy producers with proven reserves. Return on investment is interest on debt as well as royalties, if investments perform well. This investment can never be redeemed. Instead, the nature of the investment is that distributions are received through the liquidation of the underlying assets of the fund. If these investments were held, it is estimated that the underlying assets of the fund would be liquidated within 6 years.

TPG Opportunities Partners II LP: The fund invests in distressed debt - residential and commercial mortgages, commercial debt, etc. This investment can never be redeemed. Instead, the nature of the investment is that distributions are received through the liquidation of the underlying assets of the fund. If these investments were held, it is estimated that the underlying assets of the fund would be liquidated within 10 years.

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BASF Rockwood Capital Fund III - A real estate limited partnership that invests in commercial real estate. The strategy is to buy properties that need some "value add," such as increasing occupancy, making enhancements to reposition buildings, etc. This investment can never be redeemed. Instead, the nature of the investment is that distributions are received through the liquidation of the underlying assets of the fund. If these investments were held, it is estimated that the underlying assets of the fund would be liquidated within 1 year.

Value Enhancement Fund II, LLC - A real estate limited partnership that invests in commercial real estate. The strategy is to buy properties that need some "value add," such as increasing occupancy, making enhancements to reposition buildings, etc. This investment can never be redeemed. Instead, the nature of the investment is that distributions are received through the liquidation of the underlying assets of the fund. If these investments were held, it is estimated that the underlying assets of the fund would be liquidated within 1 year.

JPM Secondary Fund - A fund which buys limited partnership interests from distressed sellers such as endowment funds, which have over invested in illiquid investments. This investment can never be redeemed. Instead, the nature of the investment is that distributions are received through the liquidation of the underlying assets of the fund. If these investments were held, it is estimated that the underlying assets of the fund would be liquidated within 9 years.

KB/Opportunity Fund IV LP - A real estate limited partnership that invests in commercial real estate. The strategy is to buy properties that need some "value add," such as increasing occupancy, making enhancements to reposition buildings, etc. This investment can never be redeemed. Instead, the nature of the investment is that distributions are received through the liquidation of the underlying assets of the fund. The remaining investments in this fund were all liquidated.

Value Enhancement Fund IV LP - A real estate limited partnership that invests in commercial real estate. The strategy is to buy properties that need some "value add," such as increasing occupancy, making enhancements to reposition buildings, etc. This investment can never be redeemed. Instead, the nature of the investment is that distributions are received through the liquidation of the underlying assets of the fund. If these investments were held, it is estimated that the underlying assets of the fund would be liquidated within 2 years.

Rockwood Capital Real Estate IV - A real estate limited partnership that invests in commercial real estate. The strategy is to buy properties that need some "value add," such as increasing occupancy, making enhancements to reposition buildings, etc. This investment can never be redeemed. Instead, the nature of the investment is that distributions are received through the liquidation of the underlying assets of the fund. If these investments were held, it is estimated that the underlying assets of the fund will be liquidated within 1 year.

(7) Certification by the Plan Trustee (Unaudited)

The Plan Administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulation for Reporting and Disclosure under ERISA. Investments at December 31, 2012 and 2011, and investment

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income for the years then ended, that is disclosed in the accompanying financial statements, was obtained or derived from information supplied to the Plan Administrator and certified as complete and accurate by the Trustee of the Plan.

Information regarding the commingled assets of the Master Trust as of December 31, 2012 and 2011, certified by the Trustee, is summarized as follows:

Assets	<u>Unaudited</u>	
	<u>December 31, 2012</u>	<u>December 31, 2011</u>
Investments:		
Interest Bearing Cash	\$ 477	\$ 2,798
U.S. Government Securities (includes securities on loan of \$0 and \$11)	685,554	730,999
Corporate Debt Instruments (includes securities on loan of \$0 and \$43):		
Preferred	269,705	333,637
All Other	255,941	235,846
Corporate Stocks (includes securities on loan of \$983 and \$931):		
Preferred	7,982	6,242
Common	358,853	309,777
Partnership/Joint Venture Interests	342,748	328,367
Real Estate	24,173	21,856
Common/Collective Trusts	593,180	521,654
103-12 Investment Entities	150,341	144,318
Mutual Funds	243,386	189,565
Other	182,961	135,217
Investment of securities lending collateral	1,009	1,009
Total Investments	<u>3,116,310</u>	<u>2,961,285</u>
Receivables:		
Other	129,167	233,350
Liabilities:		
Other	(210,622)	(265,417)
Payable for collateral on securities loaned	(1,009)	(1,009)
Total Net Assets	<u>\$ 3,033,846</u>	<u>\$ 2,928,209</u>
Plan's Investment in the Master Trust	\$ 27,035	\$ 25,501
Plan's Investment in the Master Trust as a percentage of total	0.89%	0.87%

COGNIS CORPORATION
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The fair value of individual investments that represent five percent or more of the net assets of the Master Trust are as follows:

	Unaudited	
	2012	2011
Ashmore Emerging Markets Debt Fund	\$ 173,008	\$ 149,355
Collective US Government STIF	—	174,719

The Master Trust assets include limited investments in derivative financial instruments. These investments are in accordance with guidelines established by the Sponsor. Such contracts are entered into to manage market risks associated with the Master Trust's investment portfolio, to lower transaction costs or to enhance returns on investments in the Master Trust. The Master Trust does not enter into any leverage or complex derivative instruments.

The Master Trust enters into a securities lending program with the Trustee, in its corporate capacity as a lending agent. The program allows the Trustee to loan securities, which are assets of the Master Trust, to approved brokers (the "Borrowers"). The Trustee requires Borrowers, pursuant to a security loan agreement, to deliver collateral to secure each loan. The collateral is required to equal at least 102 percent of the fair value of U.S. securities borrowed and 105 percent for non-U.S. securities borrowed. The Master Trust bears the risk of loss with respect to the unfavorable change in fair value of the invested cash collateral. However, the Borrower bears the risk of loss related to the decrease in the fair value of the securities collateral and, therefore, will have to deliver additional securities to maintain the required collateral. In the event of default by the Borrowers, the Trustee shall indemnify the Master Trust by purchasing replacement securities equal to the number of unreturned loaned securities or, if replacement securities are not able to be purchased, the Trustee shall credit the Master Trust for the market value of the unreturned securities. In each case, the Trustee would apply the proceeds from the collateral for such a loan to make the Master Trust whole.

The market value of the securities on loan to Borrowers at December 31, 2012 and 2011 was \$983 and \$985, respectively. Cash collateral of \$1,009 and \$997 was received for securities on loan at December 31, 2012 and 2011, respectively, and was invested in the Collateral Fund, which is a fund affiliated with the Trustee. Noncash collateral of \$12 received for securities on loan at December 31, 2011, consisted of U.S. government and agency securities held by the Trustee on behalf of the Master Trust. The Master Trust may not repledge or relend the noncash collateral. A portion of the income generated upon investment of cash collateral is remitted to the Borrowers, and the remainder is allocated between the Master Trust and the Trustee in its capacity as a security agent. Securities lending income allocated to the Master Trust amounted to \$62 and \$18 for 2012 and 2011,

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respectively. Securities lending income allocated to the Trustee amounted to \$33 and \$10 for 2012 and 2011, respectively.

At December 31, 2012 and 2011, the Master Trust held foreign currency forward contracts for other than trading purposes.

Changes in net assets for the Master Trust are as follows:

	Unaudited	
	2012	2011
Net appreciation (depreciation) in fair value of investments:		
Mutual funds	\$ 17,187	\$ (38,709)
Corporate stock	66,570	35,088
US Government securities	26,035	117,106
Corporate debt instruments	43,004	19,439
Other	(442)	(17,859)
Net appreciation (depreciation) in estimated fair value of investments:		
Partnership and joint ventures	30,811	36,888
Real estate	639	(17,585)
Common/collective trusts	66,663	5,134
103-12 Investment Entities	7,549	(5,066)
Total appreciation	258,016	134,436
Interest Income	58,797	50,402
Dividend Income	47,321	28,752
Total investment income	364,134	213,590
Net transfers	(247,187)	20,202
Administrative expenses	(11,310)	(8,014)
Increase in net assets	105,637	225,778
Net assets:		
Beginning of year	2,928,209	2,702,431
End of year	\$ 3,033,846	\$ 2,928,209

COGNIS CORPORATION
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(8) Party-in-Interest Transactions

Certain Plan investments are shares or units of funds managed by BNY Mellon, N.A. the Plan's Trustee, as of December 31, 2012 and 2011. Transactions in these funds qualify as permitted party-in-interest transactions.

(9) Plan Termination

Although it has not expressed any intention to do so, the Company has the right under the Plan, in certain circumstances, 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, the net assets of the Plan will be allocated for payment of Plan benefits to the participants in an order of priority determined in accordance with ERISA, applicable regulations thereunder and the Plan document.

Certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC) if the Plan terminates. Generally, the PBGC guarantees most vested normal-age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination subject to a statutory ceiling on the amount of an individual's monthly benefit.

Whether all participants receive their benefits should the Plan be terminated at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits, the priority of those benefits to be paid, and the level and type of benefits guaranteed by the PBGC at that time. Some benefits may be fully or partially provided for by the then existing assets and the PBGC guaranty while other benefits may not be provided for at all.

(10) Reconciliation of Financial Statements to form 5500

The following is a reconciliation of certain line items on the statement of changes in net assets available for benefits per the financial statements for the year ended December 31, 2012 to Form 5500:

	<u>Per Financial</u>		<u>Reclass for</u>		<u>Per Form</u>
	<u>Statements</u>		<u>Form 5500</u>		<u>5500</u>
			<u>Purposes</u>		
Net investment income					
from BASF Corporation	\$ 3,225	\$	(347)	\$	2,878
Administrative fees	347		(347)		—

Schedule SB Attachments (Form 5500) – 2012 Plan Year
Schedule SB, Line 26 - Schedule of Active Participant Data
Cognis Corporation Consolidated Union Retirement Plan
EIN: 31-1667081 PN: 003

Analysis of Active Participant Data by Age and Service - Cognis Corporation Consolidated Union Retirement Plan

Attained Age	COMPLETED YEARS OF SERVICE										
		Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & up
Under 25	Count	0	2	0	0	0	0	0	0	0	0
25-29	Count	1	0	1	0	0	0	0	0	0	0
30-34	Count	0	3	0	0	0	0	0	0	0	0
35-39	Count	1	0	2	1	1	0	0	0	0	0
40-44	Count	0	6	6	7	5	1	0	0	0	0
45-49	Count	0	0	2	0	7	1	0	0	0	0
50-54	Count	0	1	0	5	1	5	0	1	0	0
55-59	Count	0	1	3	3	7	3	0	1	9	0
60-64	Count	0	0	1	1	2	5	0	0	7	5
65-69	Count	0	0	0	0	1	1	0	0	2	0
70 & up	Count	0	0	0	0	0	0	0	0	0	0
		AVERAGE AGE = 51.4					AVERAGE SERVICE = 18.6				

Actuarial Assumptions and Methods — Cognis Union

Economic Assumptions

Interest rate basis:

▶ Applicable month	September 2011
▶ Yield curve basis	Segment rates
▶ MAP-21 applied for benefit restrictions	Yes

Interest rates:

▶ First segment rate	5.54%
▶ Second segment rate	6.85%
▶ Third segment rate	7.52%
▶ Effective interest rate	6.95%

Schedule SB Attachments (Form 5500) – 2012 Plan Year
Schedule SB, Part V – Statement of Actuarial Assumptions and Methods
Cognis Corporation Consolidated Union Retirement Plan
EIN: 31-1667081 PN: 003

Demographic Assumptions

Mortality

► Healthy

Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, with generational projection) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, with generational projection)

► Disabled

Alternative disabled life mortality tables as defined under Revenue Ruling 96-7

Termination

Rates varying by age and service:

Age	0-1	1-2	2-3	3+
20	.2000	.1750	.1500	.1720
25	.2000	.1750	.1500	.1320
30	.2000	.1750	.1500	.1040
35	.2000	.1750	.1500	.0405
40	.2000	.1750	.1500	.0315
45	.2000	.1750	.1500	.0260
50	.2000	.1750	.1500	.0195
55	.2000	.1750	.1500	.0000
60	.2000	.1750	.1500	.0000
66	.0000	.0000	.0000	.0000

Disability

1985 Pension Disability Table Class 2

Retirement

Rates varying by age:

Age	Rate
55	5%
56-58	3%
59-61	5%
62	30%
63-64	10%
65-66	50%
67+	100%

Percent married

80% of males; 50% of females

Spouse age

Wives 3 years younger than husbands

Schedule SB Attachments (Form 5500) – 2012 Plan Year
Schedule SB, Part V – Statement of Actuarial Assumptions and Methods
Cognis Corporation Consolidated Union Retirement Plan
EIN: 31-1667081 PN: 003

Form of payment:

Life annuity

The table below shows full detail on the percentage of participants assumed to elect each of the available optional forms of benefit payment under the plan.

Form of Payment	Single	Married
Single Life Annuity	100%	100%
100% Contingent Annuity	0%	0%
75% Contingent Annuity	0%	0%
50% Contingent Annuity (QJSA)	0%	0%
75% Participant and Joint Annuitant	0%	0%
50% Participant and Joint Annuitant	0%	0%
Level Income Annuity	0%	0%
Deminimis lump sum	0%	0%

Since all annuity forms are actuarially equivalent, no explicit assumption is made for annuity forms other than the Single Life Annuity and 50% Contingent Annuity Option (QJSA).

Schedule SB Attachments (Form 5500) – 2012 Plan Year
Schedule SB, Part V – Statement of Actuarial Assumptions and Methods
Cognis Corporation Consolidated Union Retirement Plan
EIN: 31-1667081 PN: 003

Methods

Valuation date	First day of plan year
Funding target and target normal cost	Present value of accrued benefits
Actuarial value of assets	Average of market values (adjusted for contributions, benefits/expense payments, and expected investment returns) as of the valuation date and prior two valuation dates
Benefits Not Valued	All benefits described in the summary of plan provisions were valued.
Change in Assumptions and Methods Since Prior Valuation	The funding interest rate was changed from the segment interest rates as of September 2010 to segment interest rates as of September 2011. The segment rates used to determine minimum funding requirements and benefit restrictions were revised by applying the corridors of MAP-21. Expenses on target normal cost changed from \$32,762 in 2011 to 0.30% of the Fair Value of Assets.

Data Sources

Towers Watson used asset data supplied by the trustee. BASF and the plan administrator furnished participant data as of the valuation date. The company provided the dates and amounts of the 2011 contributions that will be paid in 2012. Data were reviewed for reasonableness and consistency, but no audit was performed. Based on discussions with the company, assumptions or estimates were made when data were not available, and the data was adjusted to reflect any significant events that occurred between the date the data was collected and the measurement date. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

Schedule SB - Statement by Enrolled Actuary

Plan Sponsor	BASF Corporation
EIN/PN	31-1667081/003
Plan Name	Cognis Corporation Consolidated Union Retirement Plan
Valuation Date	January 1, 2012
Enrolled Actuary	William J. Nickel, F.S.A., E.A.
Enrollment Number	11-07016

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

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

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

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

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

A Name of plan Cognis Corporation Consolidated Union Retirement Plan	B Three-digit plan number (PN) ►	003
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF BASF Corporation	D Employer Identification Number (EIN) 31-1667081	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B		
F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500		

Part I Basic Information

1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2012</u>			
2 Assets:			
a Market value	2a		24,518,743
b Actuarial value	2b		24,343,050
3 Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a	287	13,510,916
b For terminated vested participants	3b	139	3,586,204
c For active participants:			
(1) Non-vested benefits	3c(1)		402,794
(2) Vested benefits	3c(2)		6,598,050
(3) Total active	3c(3)	112	7,000,844
d Total	3d	538	24,097,964
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5	6.95 %	
6 Target normal cost	6	240,582	

Statement by Enrolled Actuary

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

SIGN HERE	<u>William J. Nickel</u> Signature of actuary WILLIAM J. NICKEL, F.S.A., E.A. Type or print name of actuary Towers Watson Pennsylvania Inc. Firm name 1500 MARKET STREET PHILADELPHIA PA 19102-4790 Address of the firm	<u>10/7/2013</u> Date <u>11-07016</u> Most recent enrollment number <u>(215) 246-4293</u> Telephone number (including area code)
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If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

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

Schedule SB (Form 5500) 2012
v. 120126

Part II		Beginning of Year Carryover Prefunding Balances	
		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of <u>5.04</u> %		
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		142
	b Interest on (a) using prior year's effective interest rate of <u>6.21</u> % except as otherwise provided (see instructions)		9
	c Total available at beginning of current plan year to add to prefunding balance		151
	d Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III		Funding Percentages	
		14	101.01 %
14	Funding target attainment percentage		
15	Adjusted funding target attainment percentage	15	101.01 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	84.68 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV		Contributions and Liquidity Shortfalls			
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/13/2012	310,224				
07/13/2012	144,376				
Totals ►			18(b)	454,600	18(c)
					0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contributions from prior years	19a 0
b Contributions made to avoid restrictions adjusted to valuation date	19b 0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c 443,790
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No	
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No	
c If line 20a is "Yes," see instructions and complete the following table as applicable:	
Liquidity shortfall as of end of quarter of this plan year	
(1) 1st	(2) 2nd
0	0
(3) 3rd	(4) 4th
0	0

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

21 Discount rate:				
a Segment rates:	1st segment: 5.54 %	2nd segment: 6.85 %	3rd segment: 7.52 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	240,582	
b Excess assets, if applicable, but not greater than line 31a	31b	240,582	
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment.....	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35).....	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	443,790	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	443,790	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

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

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

Schedule SB Attachments (Form 5500) – 2012 Plan Year
Schedule SB, Part V – Summary of Plan Provisions
Cognis Corporation Consolidated Union Retirement Plan
EIN: 31-1667081 PN: 003

Appendix I – BASF Cognis Corporation Consolidated Union Formula

Annuity Conversion Basis:

For any annuity form of payment:

(A) Mortality – Mortality: RP-2000 Healthy Annuitant, male participant, female beneficiary projected to 2012 without collar adjustment

(B) Interest – 6% per annum.

Lump Sum Conversion Basis:

For any lump sum option, the conversion factor is calculated using the applicable mortality table established by the Internal Revenue Service under Code Section 417(e)(3) and the segment interest rates established by the IRS under 417(e).

Schedule SB Attachments (Form 5500) – 2012 Plan Year

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

Cognis Corporation Consolidated Union Retirement Plan

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(1)	(2)	(3)	(4)	(5)
Ages	Rate of Retirement	Remaining Active (3) at AGE-1 x (1-(2))	Number Retiring (3) at AGE-1 minus (3) at AGE	Ages * Number Retiring: (1) x (4)
		1.0000		
50	0.000	1.0000	0.0000	0.00
51	0.000	1.0000	0.0000	0.00
52	0.000	1.0000	0.0000	0.00
53	0.000	1.0000	0.0000	0.00
54	0.000	1.0000	0.0000	0.00
55	0.050	0.9500	0.0500	2.75
56	0.030	0.9215	0.0285	1.60
57	0.030	0.8939	0.0276	1.57
58	0.030	0.8671	0.0268	1.55
59	0.050	0.8237	0.0434	2.56
60	0.050	0.7825	0.0412	2.47
61	0.050	0.7434	0.0391	2.39
62	0.300	0.5204	0.2230	13.83
63	0.100	0.4684	0.0520	3.28
64	0.100	0.4216	0.0468	3.00
65	0.500	0.2108	0.2108	13.70
66	0.500	0.1054	0.1054	6.96
67	1.000	0.0000	0.1054	7.06
68	1.000	0.0000	0.0000	0.00
69	1.000	0.0000	0.0000	0.00
70	1.000	0.0000	0.0000	0.00

Average Retirement Age:

62.71

The determination of the average retirement age assumes employees continue in employment until reaching the first age of retirement eligibility with the required number of years of service. After this point, only the retirement decrement is recognized.

Schedule SB Attachments (Form 5500) – 2012 Plan Year
Schedule SB, Part IX — Pension Funding Relief Under Pension Relief Act of 2010
Cognis Corporation Consolidated Union Retirement Plan
EIN: 31-1667081 PN: 003

This plan is fully funded as of January 1, 2012. While an election was made in 2010 and 2011 to extend the amortization period to 15 years, the base has since been set to zero due to the plan's funded status in excess of 100%.

Schedule SB Attachments (Form 5500) – 2012 Plan Year
Schedule SB, Part V – Summary of Plan Provisions
Cognis Corporation Consolidated Union Retirement Plan
EIN: 31-1667081 PN: 003

Plan Provisions – Cognis Consolidated Union Retirement Plan

Effective Date	Effective 1/1/1958. The most recent amendment was adopted as of February 1, 2012.
Covered Employees	Kankakee Union employees
Participation Date	The earlier of the completion of probationary period, 90 days or age 21 and 1 year after employment date, but in no case before the effective date of the plan.

Definitions

Vesting service	Five years of service.
Benefit service	Years and months from date of hire.
Normal retirement date (NRD)	Last day of month age 65 attained.
Monthly pension benefit	A monthly pension equal to the dollar amount as set forth below, times years of benefit service.

Monthly Benefit Rate	Date of Retirement
\$ 34.00	before 1/27/2001
36.00	1/27/2002
37.00	2/1/2003
38.00	2/1/2004
39.00	2/1/2005
40.00	2/1/2006
41.00	2/1/2007
42.00	2/1/2008
43.00	2/1/2009
44.00	2/1/2010

As of February 1, 2012, BASF prospectively eliminated all benefit accruals after July 31, 2012.

Schedule SB Attachments (Form 5500) – 2012 Plan Year
Schedule SB, Part V – Summary of Plan Provisions
Cognis Corporation Consolidated Union Retirement Plan
EIN: 31-1667081 PN: 003

Monthly preretirement spouse benefit	Benefit prior to early retirement eligibility	50% of the monthly pension benefit that would have been paid to the participant from the earliest retirement age, assuming terminated on the day of death, survived to the earliest retirement age, retired and commenced payments under 50% joint and survivor option with the spouse as the survivor, and died the day after retirement.
	Benefit after early retirement eligibility	50% of the monthly pension benefit that would have been paid to the participant from the first of the month following death, assuming the participant had retired and commenced payments on the first of the month of death under the 50% joint and survivor options with his spouse as the survivor

Eligibility for Benefits

Normal retirement	Retire at NRD.
Early retirement	Retire before NRD and on or after both attaining age 55 and completing 10 years of service.
Postponed retirement	Retire after NRD.
Deferred vested	Terminate for reasons other than death or retirement after completing five years of service.
Preretirement spouse benefit	Spouses of active participants who die having completed five years of service and who have been married throughout the 12-month period ending on the date of the active participant's death.
Disability benefit	Total and permanent disability after 9½ years of service.

Benefits Paid Upon the Following Events

Normal retirement	Monthly pension benefit determined as of NRD.
Early retirement	Monthly pension benefit determined as of early retirement date. Benefit is unreduced at age 62 and reduced 4% per year prior to age 62.
Postponed retirement	Monthly pension benefit determined as of actual retirement date.
Deferred vested termination	Monthly pension benefit payable at age 65. Benefit available from age 55 if 10 years of service. Benefit is reduced 4% for each year retirement precedes age 65.
Death with preretirement spouse benefits	Monthly preretirement spouse benefit is payable. Monthly payments will begin as of the later of the first day of the month following the participant's death and the date the participant would be eligible for early retirement and will continue for the spouse's life.
Disability	Unreduced monthly pension benefit (\$200 per month minimum) payable at date of disability.
Forms of payment	Normal form: Life annuity for unmarried participants; Actuarially reduced 50% joint and survivor annuity for married participants. Optional forms are also available. Refer to the Assumptions and Methods section for a list of all available forms. See Appendix I for actuarial equivalence basis used to adjust benefit amount for optional forms of payment.

Future Plan Changes

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

Changes in Benefits Valued Since Prior Year

The plan was amended effective February 1, 2012 to eliminate benefit accruals prospectively after July, 31, 2012.

Schedule SB Attachments (Form 5500) – 2012 Plan Year
Schedule SB, Line 24 – Change in Actuarial Assumptions
Cognis Corporation Consolidated Union Retirement Plan
EIN: 31-1667081 PN: 003

The administrative expense load increased from 0.15% of the Fair Value of Assets in 2011 to 0.30% of the Fair Value of Assets in 2012.