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| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br><br>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).<br><br><b>▶ Complete all entries in accordance with the instructions to the Form 5500.</b> | OMB Nos. 1210-0110<br>1210-0089<br><br><b>2016</b><br><br><b>This Form is Open to Public Inspection</b> |
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|                                                                                                          |                                                                                            |                                                                                                                                                                                                                                                                                                                                            |  |
|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <b>Part I</b>                                                                                            | <b>Annual Report Identification Information</b>                                            |                                                                                                                                                                                                                                                                                                                                            |  |
| For calendar plan year 2016 or fiscal plan year beginning <u>01/01/2016</u> and ending <u>12/31/2016</u> |                                                                                            |                                                                                                                                                                                                                                                                                                                                            |  |
| <b>A</b>                                                                                                 | This return/report is for:                                                                 | <input type="checkbox"/> a multiemployer plan <input type="checkbox"/> a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)<br><input checked="" type="checkbox"/> a single-employer plan <input type="checkbox"/> a DFE (specify) _____ |  |
| <b>B</b>                                                                                                 | This return/report is:                                                                     | <input type="checkbox"/> the first return/report <input type="checkbox"/> the final return/report<br><input type="checkbox"/> an amended return/report <input type="checkbox"/> a short plan year return/report (less than 12 months)                                                                                                      |  |
| <b>C</b>                                                                                                 | If the plan is a collectively-bargained plan, check here. . . . . <input type="checkbox"/> |                                                                                                                                                                                                                                                                                                                                            |  |
| <b>D</b>                                                                                                 | Check box if filing under:                                                                 | <input checked="" type="checkbox"/> Form 5558 <input type="checkbox"/> automatic extension <input type="checkbox"/> the DFVC program<br><input type="checkbox"/> special extension (enter description)                                                                                                                                     |  |

|                |                                                                                                                                                                                                                                                                                                                                                 |           |                                                           |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------------------------------------------------------|
| <b>Part II</b> | <b>Basic Plan Information</b> —enter all requested information                                                                                                                                                                                                                                                                                  |           |                                                           |
| <b>1a</b>      | Name of plan<br><u>POLYONE MERGED PENSION PLAN</u>                                                                                                                                                                                                                                                                                              | <b>1b</b> | Three-digit plan number (PN) ▶ <u>003</u>                 |
|                |                                                                                                                                                                                                                                                                                                                                                 | <b>1c</b> | Effective date of plan<br><u>04/29/1993</u>               |
| <b>2a</b>      | Plan sponsor's name (employer, if for a single-employer plan)<br>Mailing address (include room, apt., suite no. and street, or P.O. Box)<br>City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)<br><u>POLYONE CORPORATION</u><br><br><u>33587 WALKER ROAD</u><br><u>AVON LAKE, OH 44012</u> | <b>2b</b> | Employer Identification Number (EIN)<br><u>34-1730488</u> |
|                |                                                                                                                                                                                                                                                                                                                                                 | <b>2c</b> | Plan Sponsor's telephone number<br><u>440-930-1000</u>    |
|                |                                                                                                                                                                                                                                                                                                                                                 | <b>2d</b> | Business code (see instructions)<br><u>326100</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.

|                                                                                                 |                                                   |            |                                                              |
|-------------------------------------------------------------------------------------------------|---------------------------------------------------|------------|--------------------------------------------------------------|
| <b>SIGN HERE</b>                                                                                | Filed with authorized/valid electronic signature. | 10/16/2017 | JOAO JOSE SAN MARTIN                                         |
|                                                                                                 | Signature of plan administrator                   | Date       | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b>                                                                                |                                                   |            |                                                              |
|                                                                                                 | Signature of employer/plan sponsor                | Date       | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b>                                                                                |                                                   |            |                                                              |
|                                                                                                 | 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                                  |
|                                                                                                 |                                                   |            |                                                              |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3a</b> Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>3b</b> Administrator's EIN<br><br><b>3c</b> Administrator's telephone number<br><br><div style="background-color: #cccccc; height: 40px; width: 100%;"></div> |
| <b>4</b> 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:<br><b>a</b> Sponsor's name                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>4b</b> EIN<br><br><b>4c</b> PN                                                                                                                                |
| <b>5</b> Total number of participants at the beginning of the plan year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>5</b> 5242                                                                                                                                                    |
| <b>6</b> Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines <b>6a(1)</b> , <b>6a(2)</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).<br><br><b>a(1)</b> Total number of active participants at the beginning of the plan year.....<br><b>a(2)</b> Total number of active participants at the end of the plan year .....<br><br><b>b</b> Retired or separated participants receiving benefits.....<br><b>c</b> Other retired or separated participants entitled to future benefits .....<br><b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> .....<br><b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. ....<br><b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....<br><br><b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) .....<br><br><b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested ..... | <b>6a(1)</b> 270<br><b>6a(2)</b> 240<br><b>6b</b> 3115<br><b>6c</b> 589<br><b>6d</b> 3944<br><b>6e</b> 1047<br><b>6f</b> 4991<br><b>6g</b><br><b>6h</b> 0        |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>7</b>                                                                                                                                                         |
| <b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:<br>1A 3F 3H<br><br><b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                  |

|                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>9a</b> Plan funding arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                                         | <b>9b</b> Plan benefit arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                                                                                                              |
| <b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>a Pension Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)<br><br>(2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary<br><br>(3) <input checked="" type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary | <b>b General Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information)<br>(2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan)<br>(3) <input type="checkbox"/> <u>0</u> <b>A</b> (Insurance Information)<br>(4) <input type="checkbox"/> <b>C</b> (Service Provider Information)<br>(5) <input checked="" type="checkbox"/> <b>D</b> (DFE/Participating Plan Information)<br>(6) <input type="checkbox"/> <b>G</b> (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 \_\_\_\_\_

|                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                              |                                                                                           |
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| <b>SCHEDULE SB<br/>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Single-Employer Defined Benefit Plan<br/>Actuarial Information</b><br><br>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).<br><br>▶ <b>File as an attachment to Form 5500 or 5500-SF.</b> | OMB No. 1210-0110<br><br><b>2016</b><br><br><b>This Form is Open to Public Inspection</b> |
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

▶ **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.

|                                                                                                                                           |                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>POLYONE MERGED PENSION PLAN</u>                                                                               | <b>B</b> Three-digit plan number (PN) ▶ <u>003</u>                                                                                                      |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF<br><u>POLYONE CORPORATION</u>                                    | <b>D</b> Employer Identification Number (EIN)<br><u>34-1730488</u>                                                                                      |
| <b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B | <b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500 |

|                                                                                                                                                                                                                 |                                                                                                                             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b>                                                                                                                                                                                                   | <b>Basic Information</b>                                                                                                    |
| <b>1</b> Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2016</u>                                                                                                                               |                                                                                                                             |
| <b>2</b> Assets:                                                                                                                                                                                                |                                                                                                                             |
| <b>a</b> Market value .....                                                                                                                                                                                     | <b>2a</b> <u>471112504</u>                                                                                                  |
| <b>b</b> Actuarial value .....                                                                                                                                                                                  | <b>2b</b> <u>477052267</u>                                                                                                  |
| <b>3</b> Funding target/participant count breakdown                                                                                                                                                             |                                                                                                                             |
| <b>a</b> For retired participants and beneficiaries receiving payment .....                                                                                                                                     | (1) Number of participants <u>4302</u> (2) Vested Funding Target <u>324990898</u> (3) Total Funding Target <u>324990898</u> |
| <b>b</b> For terminated vested participants .....                                                                                                                                                               | <u>723</u> <u>34460362</u> <u>34460362</u>                                                                                  |
| <b>c</b> For active participants .....                                                                                                                                                                          | <u>270</u> <u>28068025</u> <u>28886094</u>                                                                                  |
| <b>d</b> Total .....                                                                                                                                                                                            | <u>5295</u> <u>387519285</u> <u>388337354</u>                                                                               |
| <b>4</b> If the plan is in at-risk status, check the box and complete lines (a) and (b)..... <input type="checkbox"/>                                                                                           |                                                                                                                             |
| <b>a</b> Funding target disregarding prescribed at-risk assumptions .....                                                                                                                                       | <b>4a</b>                                                                                                                   |
| <b>b</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 ..... | <b>4b</b>                                                                                                                   |
| <b>5</b> Effective interest rate .....                                                                                                                                                                          | <b>5</b> <u>5.92 %</u>                                                                                                      |
| <b>6</b> Target normal cost .....                                                                                                                                                                               | <b>6</b> <u>900000</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.

|                                                                 |                               |                                        |
|-----------------------------------------------------------------|-------------------------------|----------------------------------------|
| <b>SIGN HERE</b>                                                |                               | <u>09/15/2017</u>                      |
|                                                                 | Signature of actuary          | Date                                   |
| <u>ROBERT D. FICK</u>                                           | Type or print name of actuary | <u>17-05435</u>                        |
|                                                                 |                               | Most recent enrollment number          |
| <u>CONDUENT HR CONSULTING, LLC</u>                              | Firm name                     | <u>412-281-2506</u>                    |
| <u>11 STANWIX STREET<br/>SUITE 700<br/>PITTSBURGH, PA 15222</u> | Address of the firm           | Telephone number (including area code) |

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>-0.25</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) .....                                                                                   |                       | 18789604               |
| 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>6.13</u> % ..... |                       | 1151803                |
| 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 .....                                                                     |                       | 19941407               |
| 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 | 122.84% |
| 15                           | Adjusted funding target attainment percentage .....                                                                                                              | 15 | 122.84% |
| 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 | 123.45% |
| 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<br>(MM-DD-YYYY)                                                          | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
| Totals ►                                                                          |                                   |                                 | 18(b)                    | 0                                 | 18(c) 0                         |

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

|                       |                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                    |                       |                       |                       |                                                     |
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| <b>Part V</b>         | <b>Assumptions Used to Determine Funding Target and Target Normal Cost</b>                                                                                                                                                       |                                                                                                                                                                                                                                                    |                       |                       |                       |                                                     |
| <b>21</b>             | Discount rate:                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                    |                       |                       |                       |                                                     |
| <b>a</b>              | Segment rates:                                                                                                                                                                                                                   | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">1st segment:<br/>4.43%</td> <td style="width: 33%;">2nd segment:<br/>5.91%</td> <td style="width: 33%;">3rd segment:<br/>6.65%</td> </tr> </table> | 1st segment:<br>4.43% | 2nd segment:<br>5.91% | 3rd segment:<br>6.65% | <input type="checkbox"/> N/A, full yield curve used |
| 1st segment:<br>4.43% | 2nd segment:<br>5.91%                                                                                                                                                                                                            | 3rd segment:<br>6.65%                                                                                                                                                                                                                              |                       |                       |                       |                                                     |
| <b>b</b>              | Applicable month (enter code) .....                                                                                                                                                                                              | <b>21b</b>                                                                                                                                                                                                                                         | 4                     |                       |                       |                                                     |
| <b>22</b>             | Weighted average retirement age .....                                                                                                                                                                                            | <b>22</b>                                                                                                                                                                                                                                          | 63                    |                       |                       |                                                     |
| <b>23</b>             | Mortality table(s) (see instructions) <input type="checkbox"/> Prescribed - combined <input checked="" type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute                                               |                                                                                                                                                                                                                                                    |                       |                       |                       |                                                     |
| <b>Part VI</b>        | <b>Miscellaneous Items</b>                                                                                                                                                                                                       |                                                                                                                                                                                                                                                    |                       |                       |                       |                                                     |
| <b>24</b>             | Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. .... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                                                                                                                                                                                                                                                    |                       |                       |                       |                                                     |
| <b>25</b>             | Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. .... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                      |                                                                                                                                                                                                                                                    |                       |                       |                       |                                                     |
| <b>26</b>             | Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. .... <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                            |                                                                                                                                                                                                                                                    |                       |                       |                       |                                                     |
| <b>27</b>             | If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment. ....                                                                                                       | <b>27</b>                                                                                                                                                                                                                                          |                       |                       |                       |                                                     |
| <b>Part VII</b>       | <b>Reconciliation of Unpaid Minimum Required Contributions For Prior Years</b>                                                                                                                                                   |                                                                                                                                                                                                                                                    |                       |                       |                       |                                                     |
| <b>28</b>             | Unpaid minimum required contributions for all prior years .....                                                                                                                                                                  | <b>28</b>                                                                                                                                                                                                                                          | 0                     |                       |                       |                                                     |
| <b>29</b>             | Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a) .....                                                                                                       | <b>29</b>                                                                                                                                                                                                                                          | 0                     |                       |                       |                                                     |
| <b>30</b>             | Remaining amount of unpaid minimum required contributions (line 28 minus line 29) .....                                                                                                                                          | <b>30</b>                                                                                                                                                                                                                                          | 0                     |                       |                       |                                                     |
| <b>Part VIII</b>      | <b>Minimum Required Contribution For Current Year</b>                                                                                                                                                                            |                                                                                                                                                                                                                                                    |                       |                       |                       |                                                     |
| <b>31</b>             | Target normal cost and excess assets (see instructions):                                                                                                                                                                         |                                                                                                                                                                                                                                                    |                       |                       |                       |                                                     |
| <b>a</b>              | Target normal cost (line 6) .....                                                                                                                                                                                                | <b>31a</b>                                                                                                                                                                                                                                         | 900000                |                       |                       |                                                     |
| <b>b</b>              | Excess assets, if applicable, but not greater than line 31a .....                                                                                                                                                                | <b>31b</b>                                                                                                                                                                                                                                         | 900000                |                       |                       |                                                     |
| <b>32</b>             | Amortization installments:                                                                                                                                                                                                       | Outstanding Balance                                                                                                                                                                                                                                | Installment           |                       |                       |                                                     |
| <b>a</b>              | Net shortfall amortization installment .....                                                                                                                                                                                     | 0                                                                                                                                                                                                                                                  | 0                     |                       |                       |                                                     |
| <b>b</b>              | Waiver amortization installment .....                                                                                                                                                                                            | 0                                                                                                                                                                                                                                                  | 0                     |                       |                       |                                                     |
| <b>33</b>             | 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 .....                                                       | <b>33</b>                                                                                                                                                                                                                                          | 0                     |                       |                       |                                                     |
| <b>34</b>             | Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) .....                                                                                                               | <b>34</b>                                                                                                                                                                                                                                          | 0                     |                       |                       |                                                     |
|                       | Carryover balance                                                                                                                                                                                                                | Prefunding balance                                                                                                                                                                                                                                 | Total balance         |                       |                       |                                                     |
| <b>35</b>             | Balances elected for use to offset funding requirement .....                                                                                                                                                                     |                                                                                                                                                                                                                                                    | 0                     |                       |                       |                                                     |
| <b>36</b>             | Additional cash requirement (line 34 minus line 35) .....                                                                                                                                                                        | <b>36</b>                                                                                                                                                                                                                                          | 0                     |                       |                       |                                                     |
| <b>37</b>             | Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) .....                                                                                                        | <b>37</b>                                                                                                                                                                                                                                          | 0                     |                       |                       |                                                     |
| <b>38</b>             | Present value of excess contributions for current year (see instructions)                                                                                                                                                        |                                                                                                                                                                                                                                                    |                       |                       |                       |                                                     |
| <b>a</b>              | Total (excess, if any, of line 37 over line 36) .....                                                                                                                                                                            | <b>38a</b>                                                                                                                                                                                                                                         | 0                     |                       |                       |                                                     |
| <b>b</b>              | Portion included in line 38a attributable to use of prefunding and funding standard carryover balances .....                                                                                                                     | <b>38b</b>                                                                                                                                                                                                                                         | 0                     |                       |                       |                                                     |
| <b>39</b>             | Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) .....                                                                                                                            | <b>39</b>                                                                                                                                                                                                                                          | 0                     |                       |                       |                                                     |
| <b>40</b>             | Unpaid minimum required contributions for all years .....                                                                                                                                                                        | <b>40</b>                                                                                                                                                                                                                                          | 0                     |                       |                       |                                                     |
| <b>Part IX</b>        | <b>Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)</b>                                                                                                                                                |                                                                                                                                                                                                                                                    |                       |                       |                       |                                                     |
| <b>41</b>             | If an election was made to use PRA 2010 funding relief for this plan:                                                                                                                                                            |                                                                                                                                                                                                                                                    |                       |                       |                       |                                                     |
| <b>a</b>              | Schedule elected .....                                                                                                                                                                                                           | <input type="checkbox"/> 2 plus 7 years <input type="checkbox"/> 15 years                                                                                                                                                                          |                       |                       |                       |                                                     |
| <b>b</b>              | Eligible plan year(s) for which the election in line 41a was made .....                                                                                                                                                          | <input type="checkbox"/> 2008 <input type="checkbox"/> 2009 <input type="checkbox"/> 2010 <input type="checkbox"/> 2011                                                                                                                            |                       |                       |                       |                                                     |
| <b>42</b>             | Amount of acceleration adjustment .....                                                                                                                                                                                          | <b>42</b>                                                                                                                                                                                                                                          |                       |                       |                       |                                                     |
| <b>43</b>             | Excess installment acceleration amount to be carried over to future plan years .....                                                                                                                                             | <b>43</b>                                                                                                                                                                                                                                          |                       |                       |                       |                                                     |

|                                                                                                                                                                                                               |                                                                                                                                                                                                                              |                                                                                                                                                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>SCHEDULE D</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small> | <b>DFE/Participating Plan Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><div style="text-align: center; font-size: 1.2em; font-weight: bold;">2016</div><br><br><b>This Form is Open to Public Inspection.</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

|                                                                                                    |                                                                            |            |
|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|------------|
| <b>A</b> Name of plan<br><u>POLYONE MERGED PENSION PLAN</u>                                        | <b>B</b> Three-digit plan number (PN) <span style="float: right;">►</span> | <u>003</u> |
| <b>C</b> Plan or DFE sponsor's name as shown on line 2a of Form 5500<br><u>POLYONE CORPORATION</u> | <b>D</b> Employer Identification Number (EIN)<br><u>34-1730488</u>         |            |

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE: POLYONE CORPORATION MASTER TRUST

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

|                                       |                               |                                                                                                                      |
|---------------------------------------|-------------------------------|----------------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN <u>34-1932233-001</u> | <b>d</b> Entity code <u>M</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>466433596</u> |
|---------------------------------------|-------------------------------|----------------------------------------------------------------------------------------------------------------------|

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

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

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

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

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

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

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

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

|                                                                                                                                                                                 |                                                                                                                                                                                                                                                                      |                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | <b>Financial Information</b><br>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).<br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110                             |
|                                                                                                                                                                                 |                                                                                                                                                                                                                                                                      | <b>2016</b>                                   |
|                                                                                                                                                                                 |                                                                                                                                                                                                                                                                      | <b>This Form is Open to Public Inspection</b> |

|                                                                                                          |                                                                    |            |
|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|------------|
| For calendar plan year 2016 or fiscal plan year beginning <b>01/01/2016</b> and ending <b>12/31/2016</b> |                                                                    |            |
| <b>A</b> Name of plan<br><b>POLYONE MERGED PENSION PLAN</b>                                              | <b>B</b> Three-digit plan number (PN) ►                            | <b>003</b> |
|                                                                                                          |                                                                    |            |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><b>POLYONE CORPORATION</b>              | <b>D</b> Employer Identification Number (EIN)<br><b>34-1730488</b> |            |

|               |                                      |
|---------------|--------------------------------------|
| <b>Part I</b> | <b>Asset and Liability Statement</b> |
|---------------|--------------------------------------|

**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 |
|---------------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>a</b> Total noninterest-bearing cash .....                                                     | <b>1a</b>       | 3263805               | 3393950         |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                      |                 |                       |                 |
| <b>(1)</b> Employer contributions.....                                                            | <b>1b(1)</b>    | 20000000              | 0               |
| <b>(2)</b> Participant contributions .....                                                        | <b>1b(2)</b>    |                       |                 |
| <b>(3)</b> Other.....                                                                             | <b>1b(3)</b>    |                       |                 |
| <b>c</b> General investments:                                                                     |                 |                       |                 |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit).....   | <b>1c(1)</b>    |                       |                 |
| <b>(2)</b> U.S. Government securities .....                                                       | <b>1c(2)</b>    |                       |                 |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                           |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                        | <b>1c(3)(A)</b> |                       |                 |
| <b>(B)</b> All other.....                                                                         | <b>1c(3)(B)</b> |                       |                 |
| <b>(4)</b> Corporate stocks (other than employer securities):                                     |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                        | <b>1c(4)(A)</b> |                       |                 |
| <b>(B)</b> Common.....                                                                            | <b>1c(4)(B)</b> |                       |                 |
| <b>(5)</b> Partnership/joint venture interests .....                                              | <b>1c(5)</b>    |                       |                 |
| <b>(6)</b> Real estate (other than employer real property).....                                   | <b>1c(6)</b>    |                       |                 |
| <b>(7)</b> Loans (other than to participants) .....                                               | <b>1c(7)</b>    |                       |                 |
| <b>(8)</b> Participant loans.....                                                                 | <b>1c(8)</b>    |                       |                 |
| <b>(9)</b> Value of interest in common/collective trusts .....                                    | <b>1c(9)</b>    |                       |                 |
| <b>(10)</b> Value of interest in pooled separate accounts .....                                   | <b>1c(10)</b>   |                       |                 |
| <b>(11)</b> Value of interest in master trust investment accounts .....                           | <b>1c(11)</b>   | 447907293             | 466433596       |
| <b>(12)</b> Value of interest in 103-12 investment entities.....                                  | <b>1c(12)</b>   |                       |                 |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....        | <b>1c(13)</b>   |                       |                 |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts)..... | <b>1c(14)</b>   |                       |                 |
| <b>(15)</b> Other .....                                                                           | <b>1c(15)</b>   |                       |                 |

|                    |                                                                  | (a) Beginning of Year | (b) End of Year     |
|--------------------|------------------------------------------------------------------|-----------------------|---------------------|
| <b>1d</b>          | Employer-related investments:                                    |                       |                     |
| (1)                | Employer securities .....                                        | <b>1d(1)</b>          |                     |
| (2)                | Employer real property .....                                     | <b>1d(2)</b>          |                     |
| <b>e</b>           | Buildings and other property used in plan operation .....        | <b>1e</b>             |                     |
| <b>f</b>           | Total assets (add all amounts in lines 1a through 1e) .....      | <b>1f</b>             | 471171098 469827546 |
| <b>Liabilities</b> |                                                                  |                       |                     |
| <b>g</b>           | Benefit claims payable .....                                     | <b>1g</b>             |                     |
| <b>h</b>           | Operating payables .....                                         | <b>1h</b>             |                     |
| <b>i</b>           | Acquisition indebtedness .....                                   | <b>1i</b>             |                     |
| <b>j</b>           | Other liabilities .....                                          | <b>1j</b>             |                     |
| <b>k</b>           | Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b>             | 0 0                 |
| <b>Net Assets</b>  |                                                                  |                       |                     |
| <b>l</b>           | Net assets (subtract line 1k from line 1f) .....                 | <b>1l</b>             | 471171098 469827546 |

**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 |
|----------|--------------------------------------------------------------------------------------------------------|-----------------|-----------|
| <b>a</b> | <b>Contributions:</b>                                                                                  |                 |           |
| (1)      | Received or receivable in cash from: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> |           |
|          | <b>(B)</b> Participants .....                                                                          | <b>2a(1)(B)</b> |           |
|          | <b>(C)</b> Others (including rollovers) .....                                                          | <b>2a(1)(C)</b> |           |
| (2)      | Noncash contributions .....                                                                            | <b>2a(2)</b>    |           |
| (3)      | Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    | 0         |
| <b>b</b> | <b>Earnings on investments:</b>                                                                        |                 |           |
| (1)      | Interest:                                                                                              |                 |           |
|          | <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....   | <b>2b(1)(A)</b> |           |
|          | <b>(B)</b> U.S. Government securities .....                                                            | <b>2b(1)(B)</b> |           |
|          | <b>(C)</b> Corporate debt instruments .....                                                            | <b>2b(1)(C)</b> |           |
|          | <b>(D)</b> Loans (other than to participants) .....                                                    | <b>2b(1)(D)</b> |           |
|          | <b>(E)</b> Participant loans .....                                                                     | <b>2b(1)(E)</b> |           |
|          | <b>(F)</b> Other .....                                                                                 | <b>2b(1)(F)</b> |           |
|          | <b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                          | <b>2b(1)(G)</b> | 0         |
| (2)      | Dividends: <b>(A)</b> Preferred stock .....                                                            | <b>2b(2)(A)</b> |           |
|          | <b>(B)</b> Common stock .....                                                                          | <b>2b(2)(B)</b> |           |
|          | <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                              | <b>2b(2)(C)</b> |           |
|          | <b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....              | <b>2b(2)(D)</b> | 0         |
| (3)      | Rents .....                                                                                            | <b>2b(3)</b>    |           |
| (4)      | Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                                 | <b>2b(4)(A)</b> |           |
|          | <b>(B)</b> Aggregate carrying amount (see instructions) .....                                          | <b>2b(4)(B)</b> |           |
|          | <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....              | <b>2b(4)(C)</b> | 0         |
| (5)      | Unrealized appreciation (depreciation) of assets: <b>(A)</b> Real estate .....                         | <b>2b(5)(A)</b> |           |
|          | <b>(B)</b> Other .....                                                                                 | <b>2b(5)(B)</b> |           |
|          | <b>(C)</b> Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....     | <b>2b(5)(C)</b> | 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)  |            | 38147313  |
| (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 <b>income</b> amounts in column (b) and enter total.....               | 2d     |            | 38147313  |

**Expenses**

|                                                                                      |       |          |          |
|--------------------------------------------------------------------------------------|-------|----------|----------|
| e Benefit payment and payments to provide benefits:                                  |       |          |          |
| (1) Directly to participants or beneficiaries, including direct rollovers .....      | 2e(1) | 38237890 |          |
| (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) |          | 38237890 |
| 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) | 121461   |          |
| (2) Contract administrator fees.....                                                 | 2i(2) | 42127    |          |
| (3) Investment advisory and management fees.....                                     | 2i(3) | 669092   |          |
| (4) Other .....                                                                      | 2i(4) | 420295   |          |
| (5) Total administrative expenses. Add lines 2i(1) through (4).....                  | 2i(5) |          | 1252975  |
| j Total expenses. Add all <b>expense</b> amounts in column (b) and enter total ..... | 2j    |          | 39490865 |

**Net Income and Reconciliation**

|                                                          |       |  |          |
|----------------------------------------------------------|-------|--|----------|
| k Net income (loss). Subtract line 2j from line 2d ..... | 2k    |  | -1343552 |
| l Transfers of assets:                                   |       |  |          |
| (1) To this plan.....                                    | 2l(1) |  |          |
| (2) From this plan.....                                  | 2l(2) |  |          |

**Part III Accountant's Opinion**

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

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

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

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

☒ Yes ☐ No

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

(1) Name: PLANTE MORAN, PLLC

(2) EIN: 38-1357951

**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   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----|----|----------|
| <b>c</b> 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.) .....                                          | <b>4c</b> |     | X  |          |
| <b>d</b> 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.) .....                               | <b>4d</b> |     | X  |          |
| <b>e</b> Was this plan covered by a fidelity bond? .....                                                                                                                                                                      | <b>4e</b> | X   |    | 10000000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                       | <b>4f</b> |     | X  |          |
| <b>g</b> 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? .....                                                    | <b>4g</b> |     | X  |          |
| <b>h</b> 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? .....                                          | <b>4h</b> |     | X  |          |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) .....                                                                | <b>4i</b> |     | X  |          |
| <b>j</b> 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.) ..... | <b>4j</b> |     | X  |          |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? .....                                                           | <b>4k</b> |     | X  |          |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....                                                                                                                                            | <b>4l</b> |     | X  |          |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) .....                                                                                                  | <b>4m</b> |     |    |          |
| <b>n</b> 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. ....                                      | <b>4n</b> |     |    |          |
| <b>o</b> Defined Benefit Plan or Money Purchase Pension Plan Only:<br>Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service? .....                           | <b>4o</b> |     |    |          |

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

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

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

**5c** If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ..... ☒ Yes ☐ No ☐ Not determined  
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 4016754. (See instructions.)

## Part V Trust Information

|                                        |                                                     |
|----------------------------------------|-----------------------------------------------------|
| <b>6a</b> Name of trust                | <b>6b</b> Trust's EIN                               |
| <b>6c</b> Name of trustee or custodian | <b>6d</b> Trustee's or custodian's telephone number |

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                             |                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>SCHEDULE R</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Retirement Plan Information</b><br><br>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).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2016</b><br><br><b>This Form is Open to Public Inspection.</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

|                                                                                             |                                                                    |
|---------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>POLYONE MERGED PENSION PLAN</u>                                 | <b>B</b> Three-digit plan number (PN) ▶<br><u>003</u>              |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>POLYONE CORPORATION</u> | <b>D</b> Employer Identification Number (EIN)<br><u>34-1730488</u> |

|               |                      |
|---------------|----------------------|
| <b>Part I</b> | <b>Distributions</b> |
|---------------|----------------------|

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

|                                                                                                                                                                                                                                                                    |          |           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----------|
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions .....                                                                                                                             | <b>1</b> | <u>0</u>  |
| <b>2</b> 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):<br><br>EIN(s): <u>80-0709115</u> |          |           |
| Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.                                                                                                                                                                                                   |          |           |
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year .....                                                                                                                                   | <b>3</b> | <u>85</u> |

|                |                                                                                                                                                                               |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part II</b> | <b>Funding Information</b> (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.) |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                                                                                                                                                                                             |                              |                                        |                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------------------|-----------------------------------------|
| <b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? .....                                                                                                                                                                                                                                        | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | <input type="checkbox"/> N/A            |
| If the plan is a defined benefit plan, go to line 8.                                                                                                                                                                                                                                                                                                        |                              |                                        |                                         |
| <b>5</b> 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 _____<br>If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule. |                              |                                        |                                         |
| <b>6 a</b> Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) .....                                                                                                                                                                                                              | <b>6a</b>                    |                                        |                                         |
| <b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....                                                                                                                                                                                                                                                                  | <b>6b</b>                    |                                        |                                         |
| <b>c</b> 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) .....                                                                                                                                                                                                            | <b>6c</b>                    |                                        |                                         |
| If you completed line 6c, skip lines 8 and 9.                                                                                                                                                                                                                                                                                                               |                              |                                        |                                         |
| <b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....                                                                                                                                                                                                                                                          | <input type="checkbox"/> Yes | <input type="checkbox"/> No            | <input type="checkbox"/> N/A            |
| <b>8</b> 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? .....                                                                                 | <input type="checkbox"/> Yes | <input type="checkbox"/> No            | <input checked="" type="checkbox"/> N/A |

|                 |                   |
|-----------------|-------------------|
| <b>Part III</b> | <b>Amendments</b> |
|-----------------|-------------------|

|                                                                                                                                                                                                                            |                                   |                                   |                               |                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|----------------------------------------|
| <b>9</b> 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..... | <input type="checkbox"/> Increase | <input type="checkbox"/> Decrease | <input type="checkbox"/> Both | <input checked="" type="checkbox"/> No |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|----------------------------------------|

|                |                                                                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part IV</b> | <b>ESOPs</b> (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. |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                              |                              |                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| <b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? .....                                                      | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>11 a</b> Does the ESOP hold any preferred stock? .....                                                                                                                                    | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>b</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.) ..... | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....                                                                               | <input type="checkbox"/> Yes | <input type="checkbox"/> 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): \_\_\_\_\_

|           |                                                                                                                                                                                                                                                      |            |  |
|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>14</b> | Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:                                                                                                                    |            |  |
|           | <b>a</b> The current year .....                                                                                                                                                                                                                      | <b>14a</b> |  |
|           | <b>b</b> The plan year immediately preceding the current plan year .....                                                                                                                                                                             | <b>14b</b> |  |
|           | <b>c</b> The second preceding plan year .....                                                                                                                                                                                                        | <b>14c</b> |  |
| <b>15</b> | 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:                                                                         |            |  |
|           | <b>a</b> The corresponding number for the plan year immediately preceding the current plan year .....                                                                                                                                                | <b>15a</b> |  |
|           | <b>b</b> The corresponding number for the second preceding plan year .....                                                                                                                                                                           | <b>15b</b> |  |
| <b>16</b> | Information with respect to any employers who withdrew from the plan during the preceding plan year:                                                                                                                                                 |            |  |
|           | <b>a</b> Enter the number of employers who withdrew during the preceding plan year .....                                                                                                                                                             | <b>16a</b> |  |
|           | <b>b</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 .....                                                                               | <b>16b</b> |  |
| <b>17</b> | 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. .... <input type="checkbox"/> |            |  |

|                |                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------|
| <b>Part VI</b> | <b>Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans</b> |
|----------------|---------------------------------------------------------------------------------------------------|

|           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>18</b> | 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 .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>19</b> | If the total number of participants is 1,000 or more, complete lines (a) through (c)<br><b>a</b> Enter the percentage of plan assets held as:<br>Stock: <u>72.0</u> % Investment-Grade Debt: <u>19.0</u> % High-Yield Debt: <u>7.0</u> % Real Estate: <u>0.0</u> % Other: <u>2.0</u> %<br><b>b</b> Provide the average duration of the combined investment-grade and high-yield debt:<br><input type="checkbox"/> 0-3 years <input checked="" type="checkbox"/> 3-6 years <input type="checkbox"/> 6-9 years <input type="checkbox"/> 9-12 years <input type="checkbox"/> 12-15 years <input type="checkbox"/> 15-18 years <input type="checkbox"/> 18-21 years <input type="checkbox"/> 21 years or more<br><b>c</b> What duration measure was used to calculate line 19(b)?<br><input checked="" type="checkbox"/> Effective duration <input type="checkbox"/> Macaulay duration <input type="checkbox"/> Modified duration <input type="checkbox"/> Other (specify): |

|                 |                                 |
|-----------------|---------------------------------|
| <b>Part VII</b> | <b>IRS Compliance Questions</b> |
|-----------------|---------------------------------|

|                                                                                                                                                                                                                                |                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>20a</b> Is the plan a 401(k) plan? If "No," skip b .....                                                                                                                                                                    | <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                          |
| <b>20b</b> How did the plan satisfy the nondiscrimination requirements for employee deferrals under section 401(k)(3) for the plan year? Check all that apply: .....                                                           | <input type="checkbox"/> Design-based safe harbor <input type="checkbox"/> "Prior year" ADP test<br><input type="checkbox"/> "Current year" ADP test <input type="checkbox"/> N/A |
| <b>21a</b> What testing method was used to satisfy the coverage requirements under section 410(b) for the plan year? Check all that apply: .....                                                                               | <input type="checkbox"/> Ratio percentage test <input type="checkbox"/> Average benefit test <input type="checkbox"/> N/A                                                         |
| <b>21b</b> 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? .....    | <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                          |
| <b>22a</b> 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     . |                                                                                                                                                                                   |
| <b>22b</b> 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     /     /     .                                  |                                                                                                                                                                                   |

# **PolyOne Merged Pension Plan**

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**Financial Report**  
**December 31, 2016**

# **PolyOne Merged Pension Plan**

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## **Contents**

|                                                                  |             |
|------------------------------------------------------------------|-------------|
| <b>Report Letter</b>                                             | <b>I-2</b>  |
| <b>Statement of Net Assets Available for Benefits</b>            | <b>3</b>    |
| <b>Statement of Changes in Net Assets Available for Benefits</b> | <b>4</b>    |
| <b>Notes to Financial Statements</b>                             | <b>5-12</b> |

## Independent Auditor's Report

PolyOne Merged Pension Plan  
Plan Administrator

### **Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of the PolyOne Merged Pension Plan (the "Plan"), which comprise the statement of net assets available for benefits as of December 31, 2016 and 2015 and the related statement 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 audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### ***Basis for Disclaimer of Opinion***

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by The Bank of New York Mellon/BNY Mellon, N.A. (the "Trustee"), 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 related transactions. The Plan Administrator has obtained certifications from the Trustee as of and for the years ended December 31, 2016 and 2015 that the information provided to the Plan Administrator by the Trustee is complete and accurate.

PolyOne Merged Pension Plan  
Plan Administrator

***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 ERISA.

*Plante & Moreau, PLLC*

Cleveland, Ohio  
October 11, 2017

## **PolyOne Merged Pension Plan**

### **Statement of Net Assets Available for Benefits**

|                                                               | December 31,<br>2016  | December 31,<br>2015  |
|---------------------------------------------------------------|-----------------------|-----------------------|
| <b>Assets</b>                                                 |                       |                       |
| Investment - Interest in the PolyOne Corporation Master Trust | \$ 466,433,596        | \$ 447,907,293        |
| Contributions receivable                                      | -                     | 20,000,000            |
| Cash                                                          | 3,393,950             | 3,263,805             |
| <b>Net Assets Available for Benefits</b>                      | <b>\$ 469,827,546</b> | <b>\$ 471,171,098</b> |

# PolyOne Merged Pension Plan

## Statement of Changes in Net Assets Available for Benefits

|                                                                                                            | Year Ended                   |                              |
|------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                                                            | December 31,<br>2016         | December 31,<br>2015         |
| <b>Additions to Net Assets</b>                                                                             |                              |                              |
| Contributions - Employer                                                                                   | \$ -                         | \$ 20,000,000                |
| Investment income (loss) - Plan's share of the PolyOne Corporation Master Trust's investment income (loss) | 38,147,313                   | (18,608)                     |
| Total additions                                                                                            | 38,147,313                   | 19,981,392                   |
| <b>Deductions from Net Assets</b>                                                                          |                              |                              |
| Benefits paid directly to participants or beneficiaries                                                    | 38,237,890                   | 35,635,298                   |
| Administrative expenses                                                                                    | 1,252,975                    | 1,953,591                    |
| Total deductions                                                                                           | 39,490,865                   | 37,588,889                   |
| <b>Net Decrease</b>                                                                                        | (1,343,552)                  | (17,607,497)                 |
| <b>Net Assets Available for Benefits</b>                                                                   |                              |                              |
| Beginning of year                                                                                          | 471,171,098                  | 488,778,595                  |
| End of year                                                                                                | <u><u>\$ 469,827,546</u></u> | <u><u>\$ 471,171,098</u></u> |

# PolyOne Merged Pension Plan

## Notes to Financial Statements

### Note 1 - Plan Description

The following description of the PolyOne Merged Pension Plan (the "Plan") provides only general information. Participants should refer to the Plan Document for a more complete description of the Plan's provisions.

**General** - The Plan is a defined benefit plan covering certain U.S. employees of The Geon Company, now known as PolyOne Corporation (the "Company"), as well as former employees of certain Geon Company, O' Sullivan, and M.A. Hanna entities. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

In 1999, the Plan fully closed participation to new employees. Employees participating in the Plan continued to accumulate benefits until 2009, when the Plan was fully and permanently frozen for future benefit accruals.

**Funding** - The Company's policy is to make contributions necessary to satisfy, or at its discretion exceed, ERISA minimum funding requirements. ERISA minimum funding requirements were met for the years ended December 31, 2016 and 2015.

**Eligibility and Vesting** - The Plan is frozen to new participants. Employees currently participating in the Plan become fully vested for normal retirement benefits upon meeting years of service requirements, as described in the Plan Document.

**Pension Benefits** - The Plan is frozen with respect to future accumulation of benefits. For retiring participants, the normal retirement benefit is an amount determined as stated in the Plan Document.

**Death Benefits** - In certain circumstances, if an active or terminated employee who has a vested interest in the Plan dies prior to his or her normal retirement age, the surviving spouse or designated beneficiary shall receive a survivor benefit, as defined in the Plan.

**Party-in-interest Transactions** - Certain plan assets are in investment funds managed by The Bank of New York Mellon/BNY Mellon, N.A. or its affiliates. The Bank of New York Mellon/BNY Mellon, N.A. is the trustee of the Plan; therefore, these transactions qualify as party-in-interest transactions as defined under ERISA guidelines.

### Note 2 - Summary of Significant Accounting Policies

**Recently Adopted Accounting Standards** - During 2016, the Plan adopted Accounting Standards Update (ASU) No. 2017-06, *Plan Accounting: Defined Benefit Pension Plans (Topic 960) - Employee Benefit Plan Master Trust Reporting*. As a result of the adoption of ASU No. 2017-06, additional disclosures related to the Plan's interest in the PolyOne Corporation Master Trust (the "Master Trust") have been made. This standard was adopted retrospectively and had no impact on the Plan's net assets or changes in net assets.

# PolyOne Merged Pension Plan

## Notes to Financial Statements

**Investment Valuation** - The fair value of the Plan's share in the Master Trust is based on the beginning of year value of the Plan's interest in the trust plus actual contributions and allocated investment income less actual distributions, direct expenses, and allocated administrative expenses. The fair value of the common collective trust funds is based on the net asset value per share (or its equivalent) of the funds, which is based on the fair market value of the funds' underlying net assets. There were no unfunded commitments or redemption requirements on the common collective trust funds. Fixed-income securities are valued using quoted market prices and/or other market data for the same or comparable instruments and transactions in establishing the prices, discounted cash flow models, and other pricing models. All other investments are valued based on quoted market prices. See Note 6, *Fair Value Measurements*, for additional information.

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

**Benefit Payments** - Benefits are recorded when paid.

**Actuarial Present Value of Accumulated Plan Benefits** - Accumulated plan benefits are those future periodic payments that are attributable, under the Plan's provisions, to the service employees have rendered. These include benefits expected to be paid to:

- a. Retired or terminated employees or their beneficiaries
- b. Beneficiaries of employees who have died
- c. Present employees or their beneficiaries

The normal individual retirement benefit is calculated as defined in the Plan Document.

**Actuarial Assumptions** - The actuarial present value of accumulated plan benefits is determined by an actuary and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money and probability of payment between the valuation date and the expected date of payment. The determination was made as of January 1, 2016.

The significant actuarial assumptions used in the valuation of the Plan at January 1, 2016 are summarized as follows:

|                        |                                                                                                                                 |
|------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| Actuarial cost method  | - Standard Unit Credit                                                                                                          |
| Assumed rate of return | - 6.90 percent per annum                                                                                                        |
| Mortality basis        | - RP-2014 blue collar mortality table projected with fully generational mortality improvement based on a modified scale MP-2016 |
| Retirement             | - Various rates, dependent on age (age 55-65)                                                                                   |

# PolyOne Merged Pension Plan

## Notes to Financial Statements

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan's management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Risks and Uncertainties** - Contributions to the Plan and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions will occur. Investment securities are exposed to various risks such as interest rate, market, and credit risks. It is at least reasonably possible that changes in the values of investment securities will occur.

**Subsequent Events** - The financial statements and related disclosures include evaluation of events up through and including October 11, 2017, which is the date the financial statements were available to be issued.

### Note 3 - Unaudited Information

The Bank of New York Mellon/BNY Mellon, N.A. (the "Trustee") holds the PolyOne Corporation Master Trust's investments and executes all investment transactions. The investment balances and related investment results included in the accompanying financial statements, including Note 5, *Interest in Master Trust*, are based solely on information provided by the Trustee.

# PolyOne Merged Pension Plan

## Notes to Financial Statements

### Note 4 - Accumulated Plan Benefits

The actuarial present value of accumulated plan benefits is determined by an independent actuary, Buck Consultants. The calculations of the estimated present value of accumulated plan benefits attributable to participants in the Plan, which were made as of January 1, 2016, the most recent actuarial valuations, are as follows:

Actuarial present value of accumulated plan benefits:

Vested benefits:

|                                                                             |                   |
|-----------------------------------------------------------------------------|-------------------|
| Retired participants and beneficiaries currently receiving benefit payments | \$ 304,049,994    |
| Active and terminated vested participants currently not receiving benefits  | <u>56,685,910</u> |
| Total vested benefits                                                       | 360,735,904       |

|                    |                |
|--------------------|----------------|
| Nonvested benefits | <u>742,614</u> |
|--------------------|----------------|

|                           |                       |
|---------------------------|-----------------------|
| Total benefit obligations | <u>\$ 361,478,518</u> |
|---------------------------|-----------------------|

A summary of significant changes in the actuarial present value of accumulated plan benefits for 2016 is as follows:

|                                                                        |                     |
|------------------------------------------------------------------------|---------------------|
| Actuarial present value of accumulated plan benefits - January 1, 2015 | \$ 376,593,327      |
| (Decrease) increase during the year attributable to:                   |                     |
| Net accumulated benefits and other                                     | \$ (630,860)        |
| Interest                                                               | 24,776,790          |
| Changes in actuarial assumptions                                       | (3,625,441)         |
| Benefits paid                                                          | <u>(35,635,298)</u> |
| Net decrease                                                           | <u>(15,114,809)</u> |

|                                                                        |                       |
|------------------------------------------------------------------------|-----------------------|
| Actuarial present value of accumulated plan benefits - January 1, 2016 | <u>\$ 361,478,518</u> |
|------------------------------------------------------------------------|-----------------------|

The mortality assumptions were updated from the RP-2014 blue collar mortality table projected with fully generational mortality improvement based on a modified scale MP-2015 to the RP-2014 blue collar mortality table projected with fully generational mortality improvement based on a modified scale MP-2016.

### Note 5 - Interest in Master Trust

The Plan's investments are in the Master Trust, which was established for the investment of assets of the Plan and other of the Company's sponsored benefit plans. Each participating benefit plan has a divided interest in the Master Trust. The assets of the Master Trust are held by the Trustee. Details of the Master Trust holdings at December 31, 2016 and 2015 are included in Note 6.

# PolyOne Merged Pension Plan

## Notes to Financial Statements

The Master Trust consists of two pools of investments: Pool 1 and Pool 2. The Plan owns 100 percent of the assets in Pool 1. The assets in Pool 2 are accounted for separately from the assets for the other pension plans that participate in the Master Trust. Investment income and administrative expenses relating to Pool 1 are allocated to the Plan. Investment income and administrative expenses relating to Pool 2 are allocated to the plan that holds an interest in Pool 2.

The net assets of Pool 1 as of December 31, 2016 and 2015, which exclude \$9,614,187 and \$10,813,127, respectively, of net assets related to Pool 2, are summarized below:

|                                                      | 2016                  | 2015                  |
|------------------------------------------------------|-----------------------|-----------------------|
| Investments - At fair value:                         |                       |                       |
| Cash and short-term investments                      | \$ -                  | \$ 306,581            |
| Equity securities                                    | -                     | 15,819,434            |
| Fixed-income securities                              | -                     | 170,574,003           |
| United States treasuries                             | -                     | 86,605,276            |
| Registered investment companies                      | -                     | 38,781,788            |
| Common collective funds                              | 466,415,556           | 132,944,917           |
| Total investments                                    | 466,415,556           | 445,031,999           |
| Receivables - Due from broker for securities sold    | 32,023                | 3,405,482             |
| Total assets                                         | 466,447,579           | 448,437,481           |
| Liabilities - Due to broker for securities purchased | (13,983)              | (530,188)             |
| Plan's interest in Master Trust                      | <u>\$ 466,433,596</u> | <u>\$ 447,907,293</u> |

The net investment income of Pool 1 for the years ended December 31 is as follows:

|                                                           | 2016                 | 2015               |
|-----------------------------------------------------------|----------------------|--------------------|
| Net realized and unrealized gains (losses) on investments | \$ 32,517,893        | \$ (12,927,980)    |
| Interest and dividends                                    | 5,629,420            | 12,909,372         |
| Net investment income (loss)                              | <u>\$ 38,147,313</u> | <u>\$ (18,608)</u> |

The Master Trust had net realized and unrealized gains (losses) on investments of \$32,612,828 and (\$12,927,980) for the years ended December 31, 2016 and 2015, respectively. The Master Trust had interest and dividends of \$5,695,918 and \$12,912,977 for the years ended December 31, 2016 and 2015, respectively.

# PolyOne Merged Pension Plan

## Notes to Financial Statements

### Note 6 - Fair Value Measurements

Fair value is defined as 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 (i.e., an exit price). The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. In accordance with FASB and ASC 820, *Fair Value Measurements and Disclosures*, assets and liabilities measured at fair value are categorized into the following fair value hierarchy:

**Level 1** - Fair value is based on quoted prices in active markets that are accessible to the Plan at the measurement date for identical assets or liabilities.

**Level 2** - Fair value is based on inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets and other inputs such as interest rate and yield curves that are observable.

**Level 3** - Fair value is based on unobservable inputs for the assets or liabilities. Level 3 inputs include the Plan's management's own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

The level in the fair value hierarchy within which the fair value measurement is classified is determined based on the lowest level input that is significant to the fair value measure in its entirety. The Plan's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

# PolyOne Merged Pension Plan

## Notes to Financial Statements

The fair values of the Master Trust's investments at December 31, 2016 and 2015, by asset category, are as follows:

### Master Trust Assets and Liabilities at December 31, 2016

|                                                             | Master Trust<br>Balance |
|-------------------------------------------------------------|-------------------------|
| <b>Investments Measured at NAV</b> - Common collective fund | \$ 476,029,743          |
| <b>Other Assets (Liabilities)</b>                           |                         |
| Receivables - Due from broker for securities sold           | 32,023                  |
| Liabilities - Due to broker for securities purchased        | (13,983)                |
| Net assets of Master Trust                                  | <u>\$ 476,047,783</u>   |

### Master Trust Assets and Liabilities at December 31, 2015

|                                                       | Master Trust<br>Balance | Level 1               | Level 2              |
|-------------------------------------------------------|-------------------------|-----------------------|----------------------|
| <b>Investments at Fair Value</b>                      |                         |                       |                      |
| Cash and short-term investments                       | \$ 306,581              | \$ 306,581            | \$ -                 |
| Equity securities                                     | 15,819,434              | 15,819,434            | -                    |
| Fixed-income securities                               | 170,574,003             | 136,077,549           | 34,496,454           |
| United States treasuries                              | 86,605,276              | 86,605,276            | -                    |
| Registered investment companies                       | 38,781,788              | 38,781,788            | -                    |
| Total                                                 | 312,087,082             | <u>\$ 277,590,628</u> | <u>\$ 34,496,454</u> |
| Investments measured at NAV - Common collective funds | <u>143,758,044</u>      |                       |                      |
| Total investments at fair value                       | 455,845,126             |                       |                      |
| <b>Other Assets (Liabilities)</b>                     |                         |                       |                      |
| Receivables - Due from broker for securities sold     | 3,405,482               |                       |                      |
| Liabilities - Due to broker for securities purchased  | (530,188)               |                       |                      |
| Net assets of Master Trust                            | <u>\$ 458,720,420</u>   |                       |                      |

The Plan's policy is to recognize transfers between levels of the fair value hierarchy as of the end of the reporting period. During the years ended December 31, 2016 and 2015, there were no transfers between the level classifications.

## Note 7 - Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated January 16, 2015 indicating that the Plan, as designed, is qualified for tax-exempt treatment under the applicable section of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the Plan's accompanying statements.

# **PolyOne Merged Pension Plan**

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## **Notes to Financial Statements**

### **Note 8 - Plan Termination**

Should the Plan be involuntarily terminated at some future time, its net assets may not be sufficient to provide the entirety of all participants' benefits. Whether a particular participant's accumulated plan benefits will be paid depends on both the priority of those benefits and the level of benefits guaranteed by the Pension Benefit Guaranty Corporation (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.

# PolyOne Merged Pension Plan

## EIN/PN: 34-1730488 / 003

### Schedule SB, line 26 – Schedule of Active Participant Data

#### Distribution of Active Participants as of January 1, 2016 – Age by Service

| Age      | Under 1 | 1-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30-34 | 35-39 | 40+ | Total |
|----------|---------|-----|-----|-------|-------|-------|-------|-------|-------|-----|-------|
| Under 25 | 0       | 0   | 0   | 0     | 0     | 0     | 0     | 0     | 0     | 0   | 0     |
| 25-29    | 0       | 0   | 0   | 0     | 0     | 0     | 0     | 0     | 0     | 0   | 0     |
| 30-34    | 0       | 0   | 0   | 0     | 0     | 0     | 0     | 0     | 0     | 0   | 0     |
| 35-39    | 0       | 2   | 0   | 0     | 0     | 0     | 0     | 0     | 0     | 0   | 2     |
| 40-44    | 0       | 14  | 3   | 0     | 0     | 0     | 0     | 0     | 0     | 5   | 22    |
| 45-49    | 0       | 7   | 5   | 14    | 1     | 0     | 0     | 0     | 0     | 3   | 30    |
| 50-54    | 0       | 9   | 13  | 18    | 3     | 1     | 0     | 0     | 0     | 18  | 62    |
| 55-59    | 0       | 13  | 8   | 14    | 10    | 20    | 8     | 0     | 0     | 4   | 77    |
| 60-64    | 0       | 6   | 10  | 4     | 3     | 13    | 15    | 1     | 0     | 10  | 62    |
| 65-69    | 0       | 2   | 2   | 2     | 0     | 2     | 2     | 2     | 0     | 1   | 13    |
| 70+      | 0       | 0   | 1   | 0     | 0     | 0     | 0     | 0     | 1     | 0   | 2     |
| TOTAL    | 0       | 53  | 42  | 52    | 17    | 36    | 25    | 3     | 1     | 41  | 270   |

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

## Schedule SB, Part V – Statement of Actuarial Assumptions and Methods

### Prescribed Funding Assumptions and Methods

The following assumptions and methods are prescribed by ERISA.

#### Funding interest rates

For 2016 Plan Year: Segment Rates with four month lookback, constrained in accordance with relevant legislation as follows:

|                                                       | Unconstrained Rates* | Rates Reflecting Corridor** |
|-------------------------------------------------------|----------------------|-----------------------------|
| First Segment Rate                                    | 1.34%                | 4.43%                       |
| Second Segment Rate                                   | 4.03%                | 5.91%                       |
| Third Segment Rate                                    | 5.06%                | 6.65%                       |
| Effective Interest Rate<br>Based on constrained rates |                      | 5.92%                       |

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

|                                                       | Unconstrained Rates* | Rates Reflecting Corridor** |
|-------------------------------------------------------|----------------------|-----------------------------|
| First Segment Rate                                    | 1.15%                | 4.72%                       |
| Second Segment Rate                                   | 4.06%                | 6.11%                       |
| Third Segment Rate                                    | 5.15%                | 6.81%                       |
| Effective Interest Rate<br>Based on constrained rates |                      | 6.13%                       |

\* Used for maximum tax-deduction purposes

\*\* Used for minimum funding and benefit restriction purposes

#### Mortality

Healthy and disabled participants

Section 430(h)(3) prescribed separate static annuitant and non-annuitant mortality tables. These tables are based on the RP-2000 mortality tables projected with mortality improvement to the valuation year plus 7 and 15 years based on Scale AA.

#### Actuarial cost method

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

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Non-Prescribed Funding Assumptions and Methods

The following assumptions were selected by the plan's enrolled actuary. The asset valuation method was selected by the plan sponsor with the actuary's advice and is an acceptable method under PPA. The assumptions for retirement rates, withdrawal rates, and form of payment are appropriate given historic gain and loss experience of the plan. Actual experience is reviewed each year and compared to the assumption. Changes are then made, as appropriate, based on this review.

#### Marital percentage

For O'Sullivan, 100% of participants are assumed to be married at death and husbands are assumed to be 4 years older than their wives. Otherwise, 80% of participants are assumed to be married at death and husbands are assumed to be 3 years older than their wives.

#### Salary Increases

Not applicable.

#### Flat-dollar benefit increases

Not applicable.

#### Social Security wage base

Not applicable.

#### Inflation

Not applicable.

#### Expenses

The expected plan related expenses added to the Target Normal Cost equal the prior year's plan related expenses (excluding PBGC premium) without inflation adjustment plus the current year's expected PBGC premium, rounded up to the next \$100,000.

\$900,000 for current year

\$1,200,000 for prior year

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Non-Prescribed Funding Assumptions and Methods (continued)

#### Demographic assumptions

Withdrawal

See table of sample rates.

| Attained Age | Male   | Female |
|--------------|--------|--------|
| 20           | 12.00% | 12.00% |
| 25           | 12.00% | 12.00% |
| 30           | 9.60%  | 9.60%  |
| 35           | 7.04%  | 7.04%  |
| 40           | 5.92%  | 5.92%  |
| 45           | 4.64%  | 4.64%  |
| 50           | 3.28%  | 3.28%  |
| 55           | 2.80%  | 2.80%  |
| 60           | 2.80%  | 2.80%  |
| 65           | 0.00%  | 0.00%  |

#### Disability incidence

None.

#### Retirement rates

| Age          | Male   | Female |
|--------------|--------|--------|
| 55           | 5.0%   | 5.0%   |
| 56           | 2.0%   | 2.0%   |
| 57           | 2.0%   | 2.0%   |
| 58           | 2.0%   | 2.0%   |
| 59           | 2.0%   | 2.0%   |
| 60           | 5.0%   | 5.0%   |
| 61           | 10.0%  | 10.0%  |
| 62           | 25.0%  | 25.0%  |
| 63           | 15.0%  | 15.0%  |
| 64           | 15.0%  | 15.0%  |
| 65 and above | 100.0% | 100.0% |

#### Benefit commencement age for

Future vested deferred

65

Current vested deferred

65 (age 62 for Oxy Vinyl and Westlake Chemicals participants)

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Non-Prescribed Funding Assumptions and Methods (continued)

#### Form of Payment

For O'Sullivan:

|                         | Lump Sum | 50% J&S |
|-------------------------|----------|---------|
| Future deaths           | 0.0%     | 100.0%  |
| Current vested deferred | 100.0%   | 0.0%    |

For other than O'Sullivan:

|                         | Single Life | 50% J&S |
|-------------------------|-------------|---------|
| Active retirements      | 40.0%       | 60.0%   |
| Future vested deferred  | 40.0%       | 60.0%   |
| Future disabilities     | N/A         | N/A     |
| Future deaths           | 0.0%        | 100.0%  |
| Current vested deferred | 40.0%       | 60.0%   |

#### Unpredictable contingent event assumptions

Not applicable

#### Expected investment return

The expected investment return is based on the plan's asset allocation and forward-looking expected rates of return by asset category provided by the plan's investment consultant.

|                      | Actuary's Assumption | Third Segment Rate | Reflecting PPA Limit |
|----------------------|----------------------|--------------------|----------------------|
| 2016 Expected Return | 6.50%                | 6.65%              | 6.50%                |
| 2015 Expected Return | 6.50%                | 6.81%              | 6.50%                |

#### Future actuarial measurements

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, changes expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions, applicable law or regulations. An analysis of the potential range of such future differences is beyond the scope of this report.

# PolyOne Merged Pension Plan

## EIN/PN: 34-1730488 / 003

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

#### Summary of Changes from the January 1, 2015 Valuation

- The funding interest rates were updated for the current year as required by PPA and HATFA. This change increased the Funding Target by approximately \$11,800,000.
- The funding mortality table was updated for the current year as required by PPA. The applicable mortality table used to determine lump sum optional forms of payment was updated for the current year. These changes increased the Funding Target by approximately \$700,000.
- Expected plan related expenses added to the Target Normal Cost were updated from \$1,200,000 to \$900,000 due to an increase in plan related expenses excluding PBGC premium and a lower current year expected PBGC premium.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Actuarial Methods for Funding

#### Asset Methods – Effective January 1, 2010

The asset valuation method is an average of the adjusted market value for each month during the last three months preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110% and no less than 90% of the fair market value, as defined in IRC Section 430.

A characteristic of this asset method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than the market value.

#### Participant Methods – Effective January 1, 2009

Participants or former participants are included or excluded from the valuation as described below:

Participants included:

The plan administrator provides us with data on all employees as of the valuation date that are eligible for the plan. Those participants are included in the valuation of liabilities.

Participants excluded:

No actuarial liability is included for non-vested participants who terminated prior to the valuation date.

#### Minimum Funding Methods – Effective January 1, 2008

The funding target for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- The plan's valuation date is the beginning of the plan year.
- An individual's **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target normal cost for an individual is the sum of the component funding targets and target normal costs associated with the various anticipated separation dates.
- The plan's **target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan.

#### Summary of Changes from the January 1, 2015 Valuation

None.

|                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                    |                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE SB</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Single-Employer Defined Benefit Plan</b><br><b>Actuarial Information</b><br><br>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).<br><br>▶ <b>File as an attachment to Form 5500 or 5500-SF.</b> | OMB No. 1210-0110<br><br><b>2016</b><br><br><b>This Form is Open to Public Inspection</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

▶ **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.

|                                                                                                                                           |                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A</b> Name of plan<br>POLYONE MERGED PENSION PLAN                                                                                      | <b>B</b> Three-digit plan number (PN) ▶ 003                                                                                                             |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF<br>POLYONE CORPORATION                                           | <b>D</b> Employer Identification Number (EIN)<br>34-1730488                                                                                             |
| <b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B | <b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500 |

**Part I Basic Information**

|                                                                                                                                                                                                                 |                            |                           |                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------|--------------------------|
| <b>1</b> Enter the valuation date: Month 01 Day 01 Year 2016                                                                                                                                                    |                            |                           |                          |
| <b>2</b> Assets:                                                                                                                                                                                                |                            |                           |                          |
| <b>a</b> Market value.....                                                                                                                                                                                      | <b>2a</b>                  | 471,112,504               |                          |
| <b>b</b> Actuarial value .....                                                                                                                                                                                  | <b>2b</b>                  | 477,052,267               |                          |
| <b>3</b> Funding target/participant count breakdown                                                                                                                                                             | (1) Number of participants | (2) Vested Funding Target | (3) Total Funding Target |
| <b>a</b> For retired participants and beneficiaries receiving payment .....                                                                                                                                     | 4,302                      | 324,990,898               | 324,990,898              |
| <b>b</b> For terminated vested participants .....                                                                                                                                                               | 723                        | 34,460,362                | 34,460,362               |
| <b>c</b> For active participants .....                                                                                                                                                                          | 270                        | 28,068,025                | 28,886,094               |
| <b>d</b> Total .....                                                                                                                                                                                            | 5,295                      | 387,519,285               | 388,337,354              |
| <b>4</b> If the plan is in at-risk status, check the box and complete lines (a) and (b) .....                                                                                                                   | <input type="checkbox"/>   |                           |                          |
| <b>a</b> Funding target disregarding prescribed at-risk assumptions .....                                                                                                                                       | <b>4a</b>                  |                           |                          |
| <b>b</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 ..... | <b>4b</b>                  |                           |                          |
| <b>5</b> Effective interest rate .....                                                                                                                                                                          | <b>5</b>                   | 5.92%                     |                          |
| <b>6</b> Target normal cost .....                                                                                                                                                                               | <b>6</b>                   | 900,000                   |                          |

**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.

|                                                       |                                               |                                                        |
|-------------------------------------------------------|-----------------------------------------------|--------------------------------------------------------|
| <b>SIGN HERE</b>                                      | <i>Robert D. Fick</i><br>Signature of actuary | 9/15/2017<br>Date                                      |
| ROBERT D. FICK                                        | Type or print name of actuary                 | 1705435<br>Most recent enrollment number               |
| CONDUENT HR CONSULTING, LLC                           | Firm name                                     | 412-281-2506<br>Telephone number (including area code) |
| 11 STANWIX STREET<br>SUITE 700<br>PITTSBURGH PA 15222 | 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**

|                |                                                            |
|----------------|------------------------------------------------------------|
| <b>Part II</b> | <b>Beginning of Year Carryover and Prefunding Balances</b> |
|----------------|------------------------------------------------------------|

|           |                                                                                                                                                                     | (a) Carryover balance | (b) Prefunding balance |
|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------|
| <b>7</b>  | Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....                                                                      | 0                     | 0                      |
| <b>8</b>  | Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....                                                                  | 0                     | 0                      |
| <b>9</b>  | Amount remaining (line 7 minus line 8).....                                                                                                                         | 0                     | 0                      |
| <b>10</b> | Interest on line 9 using prior year's actual return of <u>-0.25%</u> .....                                                                                          | 0                     | 0                      |
| <b>11</b> | Prior year's excess contributions to be added to prefunding balance:                                                                                                |                       |                        |
|           | <b>a</b> Present value of excess contributions (line 38a from prior year).....                                                                                      |                       | 18,789,604             |
|           | <b>b(1)</b> 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>6.13%</u> ..... |                       | 1,151,803              |
|           | <b>b(2)</b> Interest on line 38b from prior year Schedule SB, using prior year's actual return .....                                                                |                       | 0                      |
|           | <b>c</b> Total available at beginning of current plan year to add to prefunding balance.....                                                                        |                       | 19,941,407             |
|           | <b>d</b> Portion of (c) to be added to prefunding balance.....                                                                                                      |                       | 0                      |
| <b>12</b> | Other reductions in balances due to elections or deemed elections.....                                                                                              | 0                     | 0                      |
| <b>13</b> | Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....                                                                                   | 0                     | 0                      |

## Part III Funding Percentages

|           |                                                                                                                                                                  |           |         |
|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------|
| <b>14</b> | Funding target attainment percentage .....                                                                                                                       | <b>14</b> | 122.84% |
| <b>15</b> | Adjusted funding target attainment percentage.....                                                                                                               | <b>15</b> | 122.84% |
| <b>16</b> | Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement ..... | <b>16</b> | 123.45% |
| <b>17</b> | If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage. ....                                        | <b>17</b> | %       |

## Part IV Contributions and Liquidity Shortfalls

**18** Contributions made to the plan for the plan year by employer(s) and employees:

| (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
|--------------------------|-----------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 | Totals ►                 | 18(b)                             | 0 18(c)                         |

**19** Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

|                                                                                                                        |            |   |
|------------------------------------------------------------------------------------------------------------------------|------------|---|
| <b>a</b> Contributions allocated toward unpaid minimum required contributions from prior years.....                    | <b>19a</b> | 0 |
| <b>b</b> Contributions made to avoid restrictions adjusted to valuation date .....                                     | <b>19b</b> | 0 |
| <b>c</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date..... | <b>19c</b> | 0 |

## 20 Quarterly contributions and liquidity shortfalls:

**a** Did the plan have a "funding shortfall" for the prior year?..... ☐ Yes ☒ No

**b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

**C** If line 20a is "Yes," see instructions and complete the following table as applicable:

| Liquidity shortfall as of end of quarter of this plan year |         |         |         |
|------------------------------------------------------------|---------|---------|---------|
| (1) 1st                                                    | (2) 2nd | (3) 3rd | (4) 4th |
|                                                            |         |         |         |

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

|                                                                                                                                                                                              |                        |                        |                        |                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|------------------------|-----------------------------------------------------|
| <b>21</b> Discount rate:                                                                                                                                                                     |                        |                        |                        |                                                     |
| <b>a</b> Segment rates:                                                                                                                                                                      | 1st segment:<br>4.43 % | 2nd segment:<br>5.91 % | 3rd segment:<br>6.65 % | <input type="checkbox"/> N/A, full yield curve used |
| <b>b</b> Applicable month (enter code) .....                                                                                                                                                 |                        |                        |                        | <b>21b</b> 4                                        |
| <b>22</b> Weighted average retirement age .....                                                                                                                                              |                        |                        |                        | <b>22</b> 63                                        |
| <b>23</b> Mortality table(s) (see instructions) <input type="checkbox"/> Prescribed - combined <input checked="" type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute |                        |                        |                        |                                                     |

**Part VI Miscellaneous Items**

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

**Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years**

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

**Part VIII Minimum Required Contribution For Current Year**

|                                                                                                                                                                                      |                     |                    |               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|---------------|
| <b>31</b> Target normal cost and excess assets (see instructions):                                                                                                                   |                     |                    |               |
| <b>a</b> Target normal cost (line 6) .....                                                                                                                                           | <b>31a</b>          | 900,000            |               |
| <b>b</b> Excess assets, if applicable, but not greater than line 31a .....                                                                                                           | <b>31b</b>          | 900,000            |               |
| <b>32</b> Amortization installments:                                                                                                                                                 | Outstanding Balance |                    | Installment   |
| <b>a</b> Net shortfall amortization installment .....                                                                                                                                | 0                   |                    | 0             |
| <b>b</b> Waiver amortization installment .....                                                                                                                                       | 0                   |                    | 0             |
| <b>33</b> 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 ..... | <b>33</b>           | 0                  |               |
| <b>34</b> Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) .....                                                         | <b>34</b>           | 0                  |               |
|                                                                                                                                                                                      | Carryover balance   | Prefunding balance | Total balance |
| <b>35</b> Balances elected for use to offset funding requirement .....                                                                                                               |                     |                    | 0             |
| <b>36</b> Additional cash requirement (line 34 minus line 35) .....                                                                                                                  | <b>36</b>           | 0                  |               |
| <b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) .....                                                  | <b>37</b>           | 0                  |               |
| <b>38</b> Present value of excess contributions for current year (see instructions)                                                                                                  |                     |                    |               |
| <b>a</b> Total (excess, if any, of line 37 over line 36) .....                                                                                                                       | <b>38a</b>          | 0                  |               |
| <b>b</b> Portion included in line 38a attributable to use of prefunding and funding standard carryover balances .....                                                                | <b>38b</b>          | 0                  |               |
| <b>39</b> Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) .....                                                                      | <b>39</b>           | 0                  |               |
| <b>40</b> Unpaid minimum required contributions for all years .....                                                                                                                  | <b>40</b>           | 0                  |               |

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

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

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

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

| (1)<br>Age                                                      | (2)<br>Expected<br>Active<br>Headcount | (3)<br>Retirement<br>Rate | (4)<br>Expected<br>Retirements<br>(2)*(3) | (5)<br>Weighted Age<br>(1)*(4) |
|-----------------------------------------------------------------|----------------------------------------|---------------------------|-------------------------------------------|--------------------------------|
| 55                                                              | 101.8435                               | 0.0500                    | 5.0922                                    | 280.0696                       |
| 56                                                              | 108.5758                               | 0.0200                    | 2.1715                                    | 121.6049                       |
| 57                                                              | 125.1913                               | 0.0200                    | 2.5038                                    | 142.7181                       |
| 58                                                              | 142.4101                               | 0.0200                    | 2.8482                                    | 165.1957                       |
| 59                                                              | 152.2061                               | 0.0200                    | 3.0441                                    | 179.6032                       |
| 60                                                              | 167.7422                               | 0.0500                    | 8.3871                                    | 503.2266                       |
| 61                                                              | 171.8455                               | 0.1000                    | 17.1845                                   | 1,048.2573                     |
| 62                                                              | 164.0718                               | 0.2500                    | 41.0180                                   | 2,543.1129                     |
| 63                                                              | 134.4370                               | 0.1500                    | 20.1655                                   | 1,270.4294                     |
| 64                                                              | 125.7060                               | 0.1500                    | 18.8559                                   | 1,206.7773                     |
| 65                                                              | 113.2769                               | 1.0000                    | 113.2769                                  | 7,362.9964                     |
| 66                                                              | 4.0000                                 | 1.0000                    | 4.0000                                    | 264.0000                       |
| 67                                                              | 2.0000                                 | 1.0000                    | 2.0000                                    | 134.0000                       |
| 68                                                              | 1.0000                                 | 1.0000                    | 1.0000                                    | 68.0000                        |
| 69                                                              | 2.0000                                 | 1.0000                    | 2.0000                                    | 138.0000                       |
| 70                                                              | 0.0000                                 | 1.0000                    | 0.0000                                    | 0.0000                         |
| 71                                                              | 0.0000                                 | 1.0000                    | 0.0000                                    | 0.0000                         |
| 72                                                              | 1.0000                                 | 1.0000                    | 1.0000                                    | 72.0000                        |
| 73                                                              | 0.0000                                 | 1.0000                    | 0.0000                                    | 0.0000                         |
| 74                                                              | 0.0000                                 | 1.0000                    | 0.0000                                    | 0.0000                         |
| 75                                                              | 0.0000                                 | 1.0000                    | 0.0000                                    | 0.0000                         |
| 76                                                              | 0.0000                                 | 1.0000                    | 0.0000                                    | 0.0000                         |
| 77                                                              | 1.0000                                 | 1.0000                    | 1.0000                                    | 77.0000                        |
| <b>Total</b>                                                    |                                        |                           | <b>245.5478</b>                           | <b>15,576.9914</b>             |
| <b>Weighted Average Retirement Age = 15,576.9914 / 245.5478</b> |                                        |                           |                                           | <b>63.44</b>                   |
| <b>Rounded Weighted Average Retirement Age</b>                  |                                        |                           |                                           | <b>63</b>                      |

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

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

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

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

## Schedule SB, Part V – Summary of Plan Provisions

### Summary of Major Plan Provisions

**Plan sponsor**

PolyOne Corporation

**EIN/PN**

34-1730488/003

**Plan year**

January 1 to December 31

**Status of the plan**

Benefit accruals and participation are frozen as detailed in the summary of each respective plan below.

**Significant events that occurred during the year**

None.

**Miscellaneous****Maximum compensation**

Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2016, the limit is \$265,000.

**Maximum benefits**

Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2016, the limit is \$210,000.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for The Geon Pension Plan

#### Effective Date

The plan was originally effective April 29, 1993. The plan became the Merged Plan effective January 1, 2002 with the merger of several plans into The Geon Pension Plan.

#### Definitions

##### Covered employees and participation

Eligible Legacy Geon Salaried and “normally hourly salaried” employees hired prior to December 31, 1999

##### Benefit service

Completed years and months of service as a covered employee through date of termination or retirement, but in no event later than December 31, 2002.

##### Vesting service

Elapsed time from hire date.

##### Final average monthly earnings

Average of high four consecutive pensionable earning. Compensation frozen effective March 20, 2009.

##### Covered compensation

The 35-year average of the Social Security taxable wage base. For the benefit formulas outlined below, covered compensation is frozen as of December 31, 2002.

##### Normal retirement

###### Eligibility

First of calendar month next following or coincident with employee's age 65.

###### Benefit

The greater of A and B below:

A = sum of i) and ii)

(i) 1.15% of Final Average Earnings multiplied by Benefit Services

(ii) 0.45% of final Average Earnings in excess of covered compensation multiplied by the minimum of 35 or Benefit Service

B = \$198 multiplied by Benefit Service

##### Early retirement

###### Eligibility

Age 55 with 10 years of vesting service.

###### Benefit

Accrued benefit reduced by 0.5% for each month prior to employee's age 62.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for The Geon Pension Plan (continued)

#### **Late retirement**

##### Eligibility

Employment beyond normal retirement

##### Benefit

The accrued benefit as of the Late Retirement Date.

#### **Deferred vested**

##### Eligibility

5 years of vested service.

##### Benefit

Accrued benefit.

#### **Disability**

##### Eligibility

Date of hire.

##### Benefit

Benefit based on Final Average Compensation at date of disability with benefit service continuing to accrue to normal retirement date (service accruals cease as of December 31, 2002 for those with LTD dates after 2002. Benefit is payable at normal retirement date.

#### **Pre-retirement death**

##### Eligibility

5 years of vested service.

##### Benefit prior to early retirement

The benefit payable is 50% of the accrued benefit calculated as if the participants had survived to the earliest retirement date and elected a reduced Joint and Survivor Annuity.

##### Benefit after early retirement but before normal retirement

The benefit payable is 50% of the accrued benefit at death assuming the participant had retired on the date of death and elected a reduced Joint and Survivor Annuity.

#### **Forms of benefits**

##### Automatic form for unmarried participants

5 years certain and life

##### Automatic form for married participants

50% joint and survivor

##### Optional forms

Participants may elect a Joint and Survivor Annuity, Life Only, Life Only with a certain period or level income option.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for M. A. Hanna Company – Salaried Employees Retirement Income Plan (SERIP)

#### Effective Date

The Hanna Nickel Smelting Plan was merged into the SERIP effective December 31, 1998. The SERIP merged into The Geon Pension Plan effective December 31, 2001.

#### Definitions

##### Covered employees and participation

- SERIP  
All salaried employees age 21 and older with one year of Vesting Service.
- Nickel Smelting  
All employees covered by a collective bargaining agreement and all other hourly employees, age 21 and older with one year of Vesting Service.

#### Vesting service

Years and months of service as a covered employee.

#### Pension service

Years and months of service as a covered employee.

#### Pensionable earnings

W-2 earnings

#### Average final earnings

Average pensionable earnings of 60 highest consecutive months out of the last 120.

#### Normal retirement

##### Eligibility

- SERIP  
Age 65
- Nickel Smelting  
Age 65 with five years of Vesting Service.

##### Benefit

- SERIP  
The greater of (a) and (b) below:
  - (a) (i) 2% of Average Final Earnings x years of Pension Service (maximum of 20 years); plus
  - (ii) 1% of Average Final Earnings x years of Pension Service in excess of (maximum of 20 years)
  - (b) (i) \$17.50 for each of the first 15 years of Pension Service; plus
  - (ii) \$19.00 for each year of Pension Service between 15 and 30 years; plus

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for M. A. Hanna Company – Salaried Employees Retirement Income Plan (SERIP) (continued)

- (iii) \$20.50 for each year of Pension Service in excess of 30. The above benefit is reduced by the pension actuarially equivalent to the employee's Retirement Fund Plan balance as of May 1, 1975. \$19.00 x years of Service (maximum of 35 years).

The above benefit is reduced by the pension actuarially equivalent to the employee's Retirement Fund Plan balance as of May 1, 1975.

- Nickel Smelting  
\$19.00 x years of Service (maximum of 35 years.)

#### Early retirement

##### Eligibility

- SERIP
  - (a) Age 62 with five years of Vesting Service.
  - (b) Age 55 with 15 years of Vesting Service.
  - (c) 30 years of Vesting Service
- Nickel Smelting
  - (a) Age 62 with 15 years of Vesting Service.
  - (b) Age 60 with 15 years of Vesting Service.
  - (c) 30 years of Vesting Service

##### Benefit

- SERIP
  - Under (a) and (c), unreduced Normal Retirement Benefit.
  - Under (b), Normal Retirement Benefit reduced 6.0% annually for each year prior to age 62.
- Nickel Smelting
  - Under (a) and (c), unreduced Normal Retirement Benefit.
  - Under (b), Normal Retirement Benefit actuarially reduced for each year prior to age 62.

#### Deferred vested

##### Eligibility

5 years of vested service.

##### Benefit

- SERIP
  - The accrued benefit as of the date of termination payable at the participant's Normal Retirement Age; or a benefit beginning as early as age 55 reduced 6.0% annually for each year prior to age 62 if the participant has at least 15 years of Vesting Service.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for M. A. Hanna Company – Salaried Employees Retirement Income Plan (SERIP) (continued)

- Nickel Smelting

The accrued benefit as of the date of termination payable at the participant's Normal Retirement Age; or a benefit beginning as early as age 60, actuarially reduced from age 65 if the participant has at least 10 years of Vesting Service.

#### Disability

##### Eligibility

- SERIP

None.

- Nickel Smelting

Participant become totally and permanently disabled, and has 15 years of Vesting Service.

##### Benefit

- SERIP

None.

- Nickel Smelting

Normal Retirement Benefit at date of disability, plus a temporary supplement of \$75 per month payable until the participant's eligible to receive unreduced Social Security.

#### Pre-retirement death

##### Eligibility

- SERIP

Death while eligible for normal, early, or deferred vested retirement benefits, with a surviving spouse.

- Nickel Smelting

15 years of Vesting Service.

##### Benefit

- SERIP

50% of the monthly benefit that would have been paid to the participant, if the participant had survived to the earliest retirement date.

- Nickel Smelting

The greater of (a) and (b)

(a) \$112.50 until age 60 and \$62.50 after age 60.

(b) 50% of the benefit earned by participant at death, reduced at spouse's age 65 by 65% of spouse's Social Security benefit.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for M. A. Hanna Company – Salaried Employees Retirement Income Plan (SERIP) (continued)

#### Forms of benefits

Automatic form for unmarried participants

Life annuity

Automatic form for married participants

The actuarial equivalent 50% joint and survivor annuity.

Optional forms

- SERIP  
50%, 75%, and 100% joint and survivor annuity, 10-year certain and life annuity, life annuity (for married participants).
- Nickel Smelting  
50%, 75%, and 100% joint and survivor annuity.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for M. A. Hanna Company – Pension Plan for Hourly Wage Employees

#### Effective Date

The Pension Plan for Hourly Wage Employees merged into The Geon Pension Plan effective December 31, 2001.

#### Definitions

##### Covered employees and participation

Hourly employees of the "Employing Company" whose operations are managed by The Hanna Mining Company, operating agent, who are age 21 and older with one year of Vesting Service.

##### Vesting service

One year for each 1,000-hour calendar year of employment.

##### Pension service

Years and months of service as a covered employee.

##### Pensionable earnings

W-2 earnings

##### Average final earnings

Average pensionable earnings of 60 highest consecutive months out of the last 120.

##### Normal retirement

###### Eligibility

Age 65 with five years of Vesting Service.

###### Benefit

The greater of (a) and (b) below:

- (a) 1.155% of Average Final Earnings x years of Pension Service up to 30 years; plus 1.26% of Average Final Earnings x years of Pension Service in excess of 30.
- (b) \$17.50 for each of the first 15 years of Pension Service; plus  
\$19.00 for each year of Pension Service between 15 and 30 years; plus  
\$20.50 for each year of Pension Service in excess of 30.

##### Early retirement

###### Eligibility

- (a) Age 62 with 15 years of Vesting Service.
- (b) Age 60 with 15 years of Vesting Service.
- (c) 30 years of Vesting Service

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for M. A. Hanna Company – Pension Plan for Hourly Wage Employees (continued)

#### Benefit

##### Nickel Smelting

Under (a) and (c), unreduced Normal Retirement Benefit.

Under (b), Normal Retirement Benefit actuarially reduced for each year prior to age 62.

#### Deferred vested

##### Eligibility

5 years of vested service.

##### Benefit

The accrued benefit as of the date of termination payable at the participant's Normal Retirement Age; or a benefit beginning as early as age 60, actuarially reduced from age 62 if the participant was age 40 with 15 years of Vesting Service at termination, actuarially reduced from age 65 otherwise.

#### Disability

##### Eligibility

Participant become totally and permanently incapacitated, and retires before age 65 with at least 15 years of Vesting Service.

##### Benefit

Monthly benefit determined as of disability date, payable immediately.

#### Pre-retirement death

##### Eligibility

Death while eligible for normal, early, or deferred vested retirement benefits, with a surviving spouse.

##### Benefit

50% of the monthly benefit that would have been paid to the participant without reduction, but not less than \$140 per month before the spouse reaches age 62. After age 62, the benefit is reduced by 50% of the survivor's Social Security benefits, but not less than \$90.

#### Special Payment

##### Eligibility

All retirements except Permanent Incapacity and Deferred Vested.

##### Benefit

14 weeks of vacation pay, reduced by any regular vacation pay received in the year of retirement. The special payment replaces the first three months of the retirement benefit.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for M. A. Hanna Company – Pension Plan for Hourly Wage Employees (continued)

#### Forms of benefits

Automatic form for unmarried participants

Life annuity

Automatic form for married participants

The actuarial equivalent 50% joint and survivor annuity.

Optional forms

50%, 75%, and 100% joint and survivor annuity.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for M. A. Hanna Company – Pension Plan for Unlicensed Seamen

#### Effective Date

The Pension Plan for Unlicensed Seamen merged into The Geon Pension Plan effective December 31, 2003.

#### Definitions

##### Covered employees and participation

All employees covered by a collective bargaining agreement, age 21 and older with one year of Vesting Service.

##### Vesting service

Years and months of service from date of hire.

##### Pension service

Years and months of service from date of hire.

##### Pensionable earnings

W-2 earnings

##### Average final earnings

Average pensionable earnings of five highest consecutive calendar years out of the last 10.

##### Social Security benefit

The projected amount of the participant's primary Social Security benefit payable at age 62 or retirement, whichever is later, according to the law in effect at the date of termination or employment and assuming zero earnings to the later of age 62 or retirement.

##### Normal retirement

###### Eligibility

Age 65 with five years of Pension Service.

###### Benefit

The greater of (a) and (b) below:

###### (a) Percent Pension:

1.155% of Average Final Earnings x years of Pension Service (maximum of 30 years); plus  
1.26% x years of Pension Service in excess of 30.

###### (b) Minimum Pension:

\$17.50 for each of the first 15 years of Pension Service; plus  
\$19.00 for each year of Pension Service between 15 and 30 years; plus  
\$20.50 x years of Pension Service in excess of 30.

Hanna froze its Pension Service effective August 1, 1991.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for M. A. Hanna Company – Pension Plan for Unlicensed Seamen (continued)

#### Early retirement

##### Eligibility

- (a) Age 62 with 15 years of Vesting Service.
- (b) Age 60 with 15 years of Vesting Service.
- (c) 30 years of Vesting Service

##### Benefit

Under (a) and (c), unreduced Normal Retirement Benefit.

Under (b), Normal Retirement Benefit actuarially reduced for each year prior to age 62.

#### Deferred vested

##### Eligibility

5 years of vested service.

##### Benefit

The accrued benefit as of the date of termination payable at the participant's Normal Retirement Age; or a benefit commencing on or after attaining age 60, actuarially reduced from age 62 if the participant was age 40 with 15 years of service at termination, actuarially reduced from age 65 otherwise.

#### Disability

##### Eligibility

Participant become physically or mentally incapacitated, and has completed 15 years of Pension Service.

##### Benefit

Normal Retirement Benefit at date of disability, payable immediately.

#### Pre-retirement death

##### Eligibility

Death while eligible for normal, early, or deferred vested retirement benefits, with a surviving spouse.

##### Benefit

50% of the monthly benefit that would have been paid to the participant without reduction, but not less than \$140 per month before the spouse reaches age 62. After age 62, the benefit is reduced by 50% of the survivor's Social Security benefits, but not less than \$90.

#### Special Payment

##### Eligibility

All retirements except Deferred Vested and Disability.

##### Benefit

14 weeks of vacation pay, reduced by any regular vacation pay received in the year of retirement. The special payment replaces the first three months of the retirement benefit.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for M. A. Hanna Company – Pension Plan for Unlicensed Seamen (continued)

#### **Forms of benefits**

Automatic form for unmarried participants

Life annuity

Automatic form for married participants

The actuarial equivalent 50% joint and survivor annuity.

Optional forms

50%, 75%, and 100% joint and survivor annuity.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for M. A. Hanna Company – Master Pension Plan

#### Effective Date

The Colonial-Dyersburg, Colonial-Kingstree, Day Merged, and 1996 Day Merged plans were merged into the Hanna Licensed Plan effective December 31, 1999. The plan was renamed the M.A. Hanna Company Master Pension Plan. The Master Pension Plan was merged into The Geon Pension Plan effective December 31, 2001.

#### Hanna Licensed Participants

#### Definitions

##### Covered employees and participation

All employees covered by a collective bargaining agreement, age 21 and older with one year of Vesting Service.

##### Vesting service

Years and months of service from date of hire.

##### Benefit service

Years and months of service as a covered employee.

##### Pensionable earnings

W-2 earnings

##### Average final earnings

Average pensionable earnings of 60 highest consecutive months out of the last 120.

##### Social Security benefit

The projected amount of the participant's primary Social Security benefit according to the law in effect at the date of termination of employment assuming continuation of the current earnings to age 62.

#### Normal retirement

##### Eligibility

Age 65 with five years of Pension Service.

##### Benefit

The greater of (a) and (b) below:

##### (a) Percent Pension:

1.1% of Average Final Earnings x years of Pension Service (maximum of 30 years); plus 1.2% Average Final Earnings x years of Pension Service in excess of 30.

##### (b) Minimum Pension:

\$17.50 for each of the first 15 years of Pension Service; plus

\$19.00 for each year of Pension Service between 15 and 30 years; plus

\$20.50 x years of Pension Service in excess of 30.

Hanna froze its Pension Service effective August 1, 1991.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for M. A. Hanna Company – Master Pension Plan (continued)

#### Hanna Licensed Participants (continued)

##### Early retirement

###### Eligibility

- (a) Age 62 with 15 years of Vesting Service.
- (b) Age 55 with 10 years of Vesting Service.
- (c) 30 years of Vesting Service

###### Benefit

Under (a) and (c), unreduced Normal Retirement Benefit.

Under (b), Normal Retirement Benefit actuarially reduced 6.0% for each year prior to age 62.

##### Deferred vested

###### Eligibility

5 years of vested service.

###### Benefit

The accrued benefit as of the date of termination payable at the participant's Normal Retirement Age; or a benefit commencing on or after attaining age 60, reduced by 6.0% for each year of payment prior to age 62 if the participant was age 40 with 15 years of service at termination, reduced 6.0% for each year of payment prior to age 65 otherwise.

##### Pre-retirement death

###### Eligibility

Death while eligible for normal, early, or deferred vested retirement benefits, with a surviving spouse.

###### Benefit

Accrued Benefit reduced for Joint and 50% Survivor form and early retirement payment.

##### Forms of benefits

###### Automatic form for unmarried participants

Life annuity

###### Automatic form for married participants

The actuarial equivalent 50% joint and survivor annuity.

###### Optional forms

50%, 75%, and 100% joint and survivor annuity.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for M. A. Hanna Company – Master Pension Plan (continued)

#### Colonial – Dyersburg and Colonial – Kingstree Participants

##### Definitions

###### Covered employees and participation

All employees with one year of 1,000 hours of service.

###### Vesting service

Elapsed years and months of service.

###### Benefit service

Elapsed years and months of service through December 31, 1994.

###### Normal retirement

Eligibility

Age 65.

Benefit

\$12.00 x years of Benefit Service

###### Early retirement

Eligibility

Age 60 with 10 years of Vesting Service.

Benefit

Normal Retirement Benefit reduced 6.67% annually for each year prior to age 65.

###### Late retirement

Eligibility

Retirement after Normal Retirement Date.

Benefit

Actuarially increased Normal Retirement Benefit.

###### Deferred vested

Eligibility

5 years of vested service.

Benefit

The accrued benefit as of the date of termination payable at the participant's Normal Retirement Age; or if a participant has at least 10 years of Vesting Service, a benefit commencing as early as age 60 reduced 6.67% annually for each year prior to age 65.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for M. A. Hanna Company – Master Pension Plan (continued)

#### Colonial – Dyersburg and Colonial – Kingstree Participants (continued)

##### **Disability**

###### Eligibility

Participant become totally and permanently disabled, and has completed 10 years of Vesting Service.

###### Benefit

If the participant is entitled to receive unreduced Social Security benefits, Normal Retirement Benefit at date of disability.

If the participant is not entitled to receive unreduced Social Security benefits, twice the Normal Retirement Benefit at date of disability.

##### **Pre-retirement death**

###### Eligibility

Death before Normal Retirement Date.

###### Benefit

Accrued Benefit reduced for Joint and 50% Survivor form and early retirement payment.

##### **Forms of benefits**

###### Automatic form for unmarried participants

Life annuity

###### Automatic form for married participants

The actuarial equivalent 50% joint and survivor annuity.

###### Optional forms

50%, and 75% joint and survivor annuity, life annuity (for married participant).

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for M. A. Hanna Company – Master Pension Plan (continued)

#### Day Merged Participants

##### Definitions

##### Participants

Employees listed in the plan document.

##### Normal retirement

###### Eligibility

Age 65.

###### Benefit

- Dover  
\$6.75 x years of Credited Service, not to exceed 30 years. No service credited after September 15, 1981.
- Faulkner  
\$4.00 x years of Vested Service, not to exceed 30 years. No service credited after December 31, 1987.
- Olney  
\$9.50 x years of Credited Service. No service credited after February 28, 1985.
- Seward Luggage  
\$4.00 x years of Credited Service, not to exceed 35 years. No service credited after June 30, 1983.
- Three Rivers  
\$12.50 x years of Credited Service. No service credited after November 11, 1981.

##### Early retirement

###### Eligibility

- Dover
  - (a) Age 62, and 30 years of Vested Service.
  - (b) Age 55 and 20 years of Vested Service.
- Faulkner  
Age 55 and 10 years of Vested Service.
- Olney  
Age 60 and 10 years of Vested Service.
- Seward Luggage  
Age 60 and 20 years of Vested Service.
- Three Rivers  
Age 55 and 10 years of Vested Service.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for M. A. Hanna Company – Master Pension Plan (continued)

#### Day Merged Participants (continued)

##### Benefit

- Dover  
Under (a), unreduced Normal Retirement Benefit.  
Under (b), Normal Retirement Benefit, reduced 6.0% for each year that early retirement precedes Normal Retirement Date.
- Faulkner  
Normal Retirement Benefit, reduced 6.0% for each year between ages 60 and 65 and 4.0% for each year between ages 55 and 60 that early retirement precedes Normal Retirement Date.
- Olney  
Normal Retirement Benefit, reduced 6.67% for each year the early retirement precedes Normal Retirement Date.
- Seward Luggage  
Normal Retirement Benefit, actuarially reduced for each year that early retirement precedes Normal Retirement Date.
- Three Rivers  
Normal Retirement Benefit, reduced 4.8% for each year that early retirement precedes Normal Retirement Date.

##### Deferred vested

##### Eligibility

5 years of vested service.

##### Benefit

- Dover  
The accrued benefit as of the date of termination, payable at the participant's Normal Retirement Age; or a benefit commencing as early as age 55 if the participant had at least 20 years of Vested Service, reduced 6.0% per year.
- Faulkner  
The accrued benefit as of the date of termination, payable at the participant's Normal Retirement Age; or a benefit commencing as early as age 55 if the participant had at least 10 years of Vested Service, reduced 6.0% per year between age 60 and 65 and 4.0% per year between ages 60 and 55.
- Olney  
The accrued benefit as of the date of termination, payable at the participant's Normal Retirement Age; or a benefit commencing as early as age 60 if the participant had at least 10 years of Vested Service, reduced 6.67% per year.
- Seward Luggage  
The accrued benefit as of the date of termination, payable at the participant's Normal Retirement Age; or a benefit commencing as early as age 60 if the participant had at least 20 years of Vested Service, actuarially reduced.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for M. A. Hanna Company – Master Pension Plan (continued)

#### Day Merged Participants (continued)

- Three Rivers  
The accrued benefit as of the date of termination, payable at the participant's Normal Retirement Age; or a benefit commencing as early as age 55 if the participant had at least 10 years of Vested Service, actuarially reduced.

#### Disability

##### Eligibility

- Dover  
Age 50 and 15 years of Vested Service.
- Faulkner  
10 years of Vested Service and eligible for Social Security disability benefits.
- Three Rivers  
10 years of Vested Service and eligible for Social Security disability benefits.

##### Benefit

- Dover  
Twice the employee's accrued benefit. When the employee reaches his Normal Retirement Age, the pension will be reduced to the accrued benefit.
- Faulkner  
Accrued pension benefit.
- Three Rivers  
Accrued pension benefit. Participants who have filed for and have not yet been declared eligible for Social Security disability shall receive twice the accrued pension benefit.

#### Pre-retirement death

##### Eligibility

Death while eligible for normal, early or retirement benefits, with a surviving spouse.

##### Benefit

Death while eligible for normal or early retirement benefits, with a surviving spouse. Eligible spouses of vested participants shall receive, commencing at the date the participant would have become eligible to receive retirement benefits, or immediately if the participant is already eligible, a death benefit equal to 50% of that to which the participant would have been entitled had he:

- (a) Survived to become eligible to receive retirement benefits, or immediately if already eligible, with the accrued benefit he had when he died;
- (b) Elected early retirement;
- (c) Accepted the spouse's annuity benefit form; and
- (d) died immediately thereafter.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for M. A. Hanna Company – Master Pension Plan (continued)

#### Day Merged Participants (continued)

##### Forms of benefits

Automatic form for unmarried participants

- Dover  
5-year certain and life annuity, except life annuity for disability.
- Faulkner, Olney, Seward Luggage, Three Rivers  
Life annuity.

Automatic form for married participants

- Dover, Faulkner, Olney, Seward Luggage, Three Rivers  
The actuarial equivalent 50% joint and survivor annuity.

Optional forms

- Dover  
50%, 66.67%, 75%, and 100% joint and survivor with 5-year certain annuity; 5-year certain and life annuity.
- Faulkner  
50%, 75%, and 100% joint and survivor annuity; 10-year certain annuity and life annuity; life annuity (for married participants).
- Olney  
Life annuity (for married participants); 75% joint and survivor.
- Seward Luggage  
Life annuity (for married participants); 75% joint and survivor.
- Three Rivers  
1%, 50%, 66.67%, 75%, and 100% joint and survivor annuity; 5, 10, and 15-year certain annuity and life annuity; life annuity (for married participants).

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for M. A. Hanna Company – Master Pension Plan (continued)

#### 1996 Day Merged Participants

##### Definitions

###### Covered employees

All employees who were participants as of the dates the plans were frozen:

- Electric Hose and Rubber – July 31, 1977
- L. E. Carpenter – January 18, 1988
- Allen Industries – September 15, 1977

###### Normal retirement

###### Eligibility

Age 65.

###### Benefit

Accrued benefit determine as of date plan was frozen.

###### Early retirement

###### Eligibility

- L. E. Carpenter  
Age 55 and 10 years of Vesting Service.
- Allen Industries
  - (a) Age 60 and 10 years of Vesting Service.
  - (b) Age 55 and 10 years of Vesting Service, with 85 age + service points.

###### Benefit

- L. E. Carpenter  
Normal Retirement Benefit, actuarially reduced for each year prior to age 65.
- Allen Industries  
Normal Retirement Benefit, reduced 6.67% for each year prior to age 62.

###### Deferred vested

###### Eligibility

5 years of Vesting Service.

###### Benefit

- L. E. Carpenter  
The accrued benefit as of the date of termination, payable at the participant's Normal Retirement Age; or a benefit commencing as early as age 55 if the participant had 10 years of Vesting Service, actuarially reduced.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for M. A. Hanna Company – Master Pension Plan (continued)

#### 1996 Day Merged Participants (continued)

- Allen Industries  
The accrued benefit as of the date of termination, payable at the participant's Normal Retirement Age; or a benefit commencing as early as age 60 (if the participant had at least 10 years of Vesting Service) or as early as age 55 (if age + service points equal 85), reduced 6.67% from age 65.

#### Disability

##### Eligibility

- L. E. Carpenter  
Five years of Vested Service.
- Allen Industries  
10 years of Vesting Service.

##### Benefit

- L. E. Carpenter  
Accrued benefit commencing as early as age 55, actuarially reduced for each year prior to age 65.
- Allen Industries  
Accrued pension benefit. Participants who have filed for and have not yet been declared eligible for Social Security disability shall receive twice the accrued pension benefit.

#### Pre-retirement death

##### Eligibility

Death while eligible for normal, early or retirement benefits, with a surviving spouse.

##### Benefit

Eligible spouses of vested participants shall receive, commencing at the date the participant would have become eligible to receive retirement benefits, or immediately if the participant is already eligible, a death benefit equal to 50% of that to which the participant would have been entitled had he:

- (a) Survived to become eligible to receive retirement benefits, or immediately if already eligible, with the accrued benefit he had when he died;
- (b) Elected early retirement;
- (c) Accepted the spouse's annuity benefit form; and
- (d) died immediately thereafter.

#### Forms of benefits

##### Automatic form for unmarried participants

- L. E. Carpenter  
10-year certain and life annuity.
- Allen Industries  
Life annuity.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for M. A. Hanna Company – Master Pension Plan (continued)

#### 1996 Day Merged Participants (continued)

Automatic form for married participants

- L. E. Carpenter  
The actuarial equivalent 50% joint and survivor annuity.
- Allen Industries  
The actuarial equivalent 55% joint and survivor annuity.

Optional forms

- L. E. Carpenter  
50%, 66.67%, 75%, and 100% joint and survivor annuity; 10 and 15-year certain annuity and life annuity; lump sum; life annuity (for married participants).
- Allen Industries  
Early retirement Social Security adjustment option, life annuity (for married participants).

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for M. A. Hanna Company Silicon Division – Pension Plan for Hourly Wage Employees

#### Effective Date

The Silicon Division – Pension Plan for Hourly Wage Employees merged into The Geon Pension Plan effective December 31, 2003.

#### Definitions

##### Covered employees

Covered employees age 21 and older with one year of Vesting Service.

##### Vesting service

One year for each calendar year of employment.

##### Pension service

Years and months of service as a covered employee.

##### Normal retirement

###### Eligibility

Age 65 with five years of Vesting Service.

###### Benefit

Monthly benefits for each participant are listed in the plan document.

##### Early retirement

###### Eligibility

Age 55.

###### Benefit

Normal Retirement Benefit reduced 5.0% annually for each year prior to age 65.

##### Deferred vested

###### Eligibility

Five years of vesting service.

###### Benefit

The accrued benefit as of the date of termination payable at the participant's Normal Retirement Age; or a benefit commencing on or after attaining age 55 if the participant has at least 10 years of Vesting Service, reduced 5.0% for each year prior to age 65.

##### Disability

###### Eligibility

15 years of Vesting Service and total and permanent disability.

###### Benefit

Monthly benefit determined as of disability date, payable immediately with a minimum benefit of \$150.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for M. A. Hanna Company Silicon Division – Pension Plan for Hourly Wage Employees (continued)

#### **Pre-retirement death**

##### Eligibility

Death while eligible for normal, early, or deferred vested retirement benefits, with a surviving spouse.

##### Benefit

Normal Retirement Benefit reduced for Joint and 50% Survivor form and early retirement payment.

#### **Forms of benefits**

##### Automatic form for unmarried participants

Life annuity

##### Automatic form for married participants

The actuarial equivalent 50% joint and survivor annuity.

##### Optional forms

50% and 75% joint and survivor annuity, life annuity (for married participants).

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for The Lower Lake Dock Company - Pension Plan for Hourly Wage Employees Sandusky, Ohio

#### **Effective Date**

The Pension Plan for Hourly Wage Employees Sandusky, Ohio merged into The Geon Pension Plan effective December 31, 2003.

#### **Definitions**

##### **Covered employees**

All covered employees listed in the plan document.

##### **Vesting service**

One year for each calendar year of employment by The Lower Lake Dock Company.

##### **Pension service**

Years and months of service as a covered employee.

##### **Normal retirement**

###### Eligibility

Age 65 with five years of Pension Service.

###### Benefit

Monthly benefits for each participant are listed in the plan document.

##### **Early retirement**

###### Eligibility

Age 62 with 10 years of Vesting Service.

###### Benefit

Normal Retirement Benefit reduced 6.66% annually for each year prior to age 65.

##### **Deferred vested**

###### Eligibility

Five years of vesting service.

###### Benefit

The accrued benefit as of the date of termination payable at the participant's Normal Retirement Age; or a benefit commencing on or after attaining age 62 reduced by 6.67% annually for each year prior to age 65.

##### **Pre-retirement death**

###### Eligibility

Death while eligible for normal, early, or deferred vested retirement benefits, with a surviving spouse.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for The Lower Lake Dock Company - Pension Plan for Hourly Wage Employees Sandusky, Ohio (continued)

#### Benefit

Normal Retirement Benefit reduced for Joint and 50% Survivor form and early retirement payment.

#### Forms of benefits

Automatic form for unmarried participants

Life annuity

Automatic form for married participants

The actuarial equivalent 50% joint and survivor annuity.

Optional forms

Life annuity (for married participants), 75% joint survivor.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for The Ohio & Western Pennsylvania Dock Company – Pension Plan for Production & Maintenance Employees Other Than Electrical at Cleveland, Ohio

#### Effective Date

The Pension Plan for Production & Maintenance Employees Other Than Electrical at Cleveland, Ohio merged into The Geon Pension Plan effective December 31, 2003.

#### Definitions

##### Covered employees and participation

All employees covered by the ILA collective bargaining agreement, age 21 and older with one year of continuous service.

##### Service

Total continuous service with the employer.

##### Normal retirement

###### Eligibility

Age 65 with five years of continuous service.

###### Benefit

\$15.00 x years of continuous service.

##### Early retirement

###### Eligibility

(a) Age 62 with 15 years of continuous service.

(b) Age 58 with 15 years of continuous service.

###### Benefit

Under (a), unreduced Normal Retirement Benefit.

Under (b), Normal Retirement Benefit reduced 9.0% annually for each year prior to age 62.

##### Deferred vested

###### Eligibility

Five years of vesting service.

###### Benefit

The accrued benefit as of the date of termination payable at the participant's Normal Retirement Age; or a benefit commencing as early as age 58 actuarially reduced for each year of payment prior to age 65.

##### Disability

###### Eligibility

Participant becomes totally and permanently disabled, and has completed 10 years of service.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for The Ohio & Western Pennsylvania Dock Company – Pension Plan for Production & Maintenance Employees Other Than Electrical at Cleveland, Ohio (continued)

#### Benefit

Normal Retirement Benefit at date of disability. The minimum disability pension is \$250 per month prior to Normal Retirement Date.

#### Pre-retirement death

##### Eligibility

Five years of continuous service.

##### Benefit

Accrued Benefit reduced for Joint and 50% Survivor form and early retirement payment. If the participant was at least age 55 with 15 years of continuous service, the surviving spouse will also receive \$50 per month, but not before the spouse reaches age 62.

#### Forms of benefits

##### Automatic form for unmarried participants

Life annuity

##### Automatic form for married participants

The actuarial equivalent 50% joint and survivor annuity.

##### Optional forms

50%, 75%, and 100% joint and survivor annuity.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for The Ohio & Western Pennsylvania Dock Company – Pension Plan for Electrical Employees at Cleveland, Ohio

#### Effective Date

The Pension Plan for Electrical Employees at Cleveland, Ohio merged into The Geon Pension Plan effective December 31, 2003.

#### Definitions

##### Covered employees and participation

All employees covered by the IBEW collective bargaining agreement, age 21 and older with one year of continuous service.

##### Service

Total continuous service with the employer.

##### Normal retirement

###### Eligibility

Age 65 with five years of continuous service.

###### Benefit

\$15.00 x years of continuous service.

##### Early retirement

###### Eligibility

(a) Age 62 with 15 years of continuous service.

(b) Age 58 with 15 years of continuous service.

###### Benefit

Under (a), unreduced Normal Retirement Benefit.

Under (b), Normal Retirement Benefit reduced 9.0% annually for each year prior to age 62.

##### Deferred vested

###### Eligibility

Five years of vesting service.

###### Benefit

The accrued benefit as of the date of termination payable at the participant's Normal Retirement Age; or a benefit commencing as early as age 58 actuarially reduced for each year of payment prior to age 65.

##### Disability

###### Eligibility

Participant becomes totally and permanently disabled, and has completed 10 years of service.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for The Ohio & Western Pennsylvania Dock Company – Pension Plan for Electrical Employees at Cleveland, Ohio (continued)

#### Benefit

Normal Retirement Benefit at date of disability. The minimum disability pension is \$250 per month prior to Normal Retirement Date.

#### Pre-retirement death

##### Eligibility

Five years of continuous service.

##### Benefit

Accrued Benefit reduced for Joint and 50% Survivor form and early retirement payment. If the participant was at least age 55 with 15 years of continuous service, the surviving spouse will also receive \$50 per month, but not before the spouse reaches age 62.

#### Forms of benefits

##### Automatic form for unmarried participants

Life annuity

##### Automatic form for married participants

The actuarial equivalent 50% joint and survivor annuity.

##### Optional forms

50%, 75%, and 100% joint and survivor annuity.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for Pennsylvania Tidewater Dock Company – Pension Plan for Hourly Wage Employees

#### Effective Date

The Pennsylvania Tidewater Dock Company – Pension Plan for Hourly Wage Employees merged into The Geon Pension Plan effective December 31, 2003.

#### Definitions

#### Participants

All employees covered by the United Steel Workers of America bargaining agreements, age 21 and older with one year of service.

#### Service

Total years of continuous service with the employer.

#### Compensation

For part (a), of the Normal Retirement Benefit, total compensation.

For part (c), of the Normal Retirement Benefit W-2 compensation.

#### Average final earnings

For part (a), of the Normal Retirement Benefit, average compensation of the last 10 years.

For part (c), of the Normal Retirement Benefit, average compensation of two highest calendar years out of the last 10.

#### Normal retirement

##### Eligibility

Age 65 with five years of continuous service.

##### Benefit

The greater of (a) and (b); but not greater than (c) or (d):

- (a) % of Average Final Earnings x years of continuous service.
- (b) (i) For participants with at least 10 but less than 15 years of continuous service, \$175 plus \$17.50 x continuous service in excess of 10 years;  
(ii) For participants with at least 15 but less than 30 years of continuous service, \$262.50 plus \$19.00 x continuous service in excess of 15 years;
- (iii) For participants with at least 30 years of continuous service, \$547.50 plus \$20.50 x continuous service in excess of 30 years.
- (c) 70% of Average Final Earnings, plus 1% of Average Final Earnings x continuous service in excess of 15 years, reduced by the primary Social Security benefit.
- (d) \$14.00 for each of the first 15 years of continuous service, plus \$15.00 for each year of continuous service between 15 and 30 years; plus \$16.00 for each year of continuous service in excess of 30.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for Pennsylvania Tidewater Dock Company – Pension Plan for Hourly Wage Employees (continued)

#### Early retirement

##### Eligibility

- (a) Age 62 with 15 years of continuous service.
- (b) Age 60 with 15 years of continuous service.
- (c) 30 years of continuous service. Benefit

Under (a) and (c), unreduced Normal Retirement Benefit.

Under (b), Normal Retirement Benefit actuarially reduced for each year prior to age 62.

#### Deferred vested

##### Eligibility

Five years of continuous service.

##### Benefit

The accrued benefit as of the date of termination payable at the participant's Normal Retirement Age; or a benefit beginning as early as age 60 actuarially reduced from age 62 if the participant was age 40 with 15 years of service at termination, actuarially reduced from age 65 otherwise.

#### Disability

##### Eligibility

Participant becomes totally and permanently incapacitated, and has completed 15 years of continuous service.

##### Benefit

Monthly benefit determined as of disability date, payable immediately.

#### Pre-retirement death

##### Eligibility

Death while eligible for normal, early, or deferred vested retirement benefits, with a surviving spouse.

##### Benefit

Accrued Benefit reduced for Joint and 50% Survivor form and early retirement payment, subject to a minimum of \$140 per month before age 62, after age 62, the benefit is reduced by 50% of the spouse's Social Security benefit, with a minimum of \$90 per month.

#### Special Payment

##### Eligibility

All retirements except Permanent Incapacity and Deferred Vested.

##### Benefit

13 weeks of vacation pay, reduced by pay for weeks of vacation to which the employee is entitled. The special payment replaces the first three months of the retirement benefit.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Forms of benefits

Automatic form for unmarried participants

Life annuity

Automatic form for married participants

The actuarial equivalent 50% joint and survivor annuity.

Optional forms

50%, 75%, and 100% joint and survivor annuity.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for Pilot Knob Pellet Company – Pension Plan for Hourly Wage Employees

#### Effective Date

The Pilot Knob Pellet Company – Pension Plan for Hourly Wage Employees merged into The Geon Pension Plan effective December 31, 2003.

#### Definitions

#### Participants

All employees covered by the labor agreement, age 21 and older with one year of service.

#### Service

Total years of continuous service with the employer.

#### Average final earnings

For part (a), of the Normal Retirement Benefit, average compensation of the last 10 years.

For part (c), of the Normal Retirement Benefit, average compensation of two highest calendar years out of the last 10.

#### Normal retirement

##### Eligibility

Age 65 with five years of continuous service.

##### Benefit

The greater of (a) and (b); but not greater than (c) or (d):

- (a) % of Average Final Earnings x years of continuous service (maximum of 30 years); plus 1.2% of Average Final Earnings x years of continuous service in excess of 30. This benefit is increased by 5%.
- (b) \$17.50 for each of the first 15 years of continuous service; plus \$19.00 for each year of continuous service between 15 and 30 years; plus \$20.50 for each year of continuous service in excess of 30.
- (c) 70% of Average Final Earnings, plus 1% of Average Final Earnings x continuous service in excess of 15 years, reduced by the primary Social Security benefit.
- (d) \$14.00 for each of the first 15 years of continuous service, plus \$15.00 for each year of continuous service between 15 and 30 years; plus \$16.00 for each year of continuous service in excess of 30.

#### Early retirement

##### Eligibility

- (a) Age 62 with 15 years of continuous service.
- (b) Age 60 with 15 years of continuous service.
- (c) 30 years of continuous service.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for Pilot Knob Pellet Company – Pension Plan for Hourly Wage Employees (continued)

#### Benefit

Under (a) and (c), unreduced Normal Retirement Benefit.

Under (b), Normal Retirement Benefit actuarially reduced for each year prior to age 62.

#### Deferred vested

##### Eligibility

Five years of continuous service.

##### Benefit

The accrued benefit as of the date of termination payable at the participant's Normal Retirement Age; or a benefit beginning as early as age 60 actuarially reduced from age 62 if the participant was age 40 with 15 years of service at termination, actuarially reduced from age 65 otherwise.

#### Disability

##### Eligibility

Participant becomes totally and permanently incapacitated, and has completed 15 years of continuous service.

##### Benefit

Normal Retirement Benefit at date of disability, plus \$400 per month until the participant is eligible to receive Social Security disability benefits.

#### Pre-retirement death

##### Eligibility

Five years of continuous service.

##### Benefit

The greater of (a) and (b):

(a) \$140 per month until 62, and \$90 per month after age 62.

(b) 50% of benefit earned by participant at time of death, reduced at spouse's age 62 by 50% of spouse's Social Security benefit.

#### Special Payment

##### Eligibility

All retirements except Permanent Incapacity and Deferred Vested.

##### Benefit

13 weeks of vacation pay, reduced by pay for weeks of vacation to which the employee is entitled and vacation pay already received. The special payment replaces the first three months of the retirement benefit.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for Pilot Knob Pellet Company – Pension Plan for Hourly Wage Employees (continued)

#### **Forms of benefits**

Automatic form for unmarried participants

Life annuity

Automatic form for married participants

The actuarial equivalent 50% joint and survivor annuity.

Optional forms

50%, 75%, and 100% joint and survivor annuity.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for Geon Wage Employees' Pension Plan

#### Effective Date and plan year

Original plan: April 29, 1993

Plan year: January 1 to December 31

#### Status of the plan

No Louisville Union employees hired after May 31, 2001 may participate in the plan. Furthermore, credited service for Louisville Union employees was frozen on July 31, 2004. The Plan became part of the Merged Pension Plan on December 31, 2010.

#### Significant events that occurred during the year

None.

#### Definitions

##### Coverage and participation

All Louisville Union employees hired prior to May 31, 2001, and Burlington Union employees.

##### Vesting service

Elapsed time from hire date.

##### Credited service

Continuous service from service date to date of termination or date of retirement, but in no event later than July 31, 2004 for Louisville Union employees.

##### Future service

Continuous service occurring after January 1, 1999, excluding service under the Occidental Plan.

##### Final average earnings

Average of high five consecutive Base Annual Earnings.

##### Accrued benefit

Normal Retirement Benefit based on Final Average Compensation and Credited Service to the date of termination.

##### Normal retirement

Eligibility

First of calendar month next following or coincident with Employee's age 65.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for Geon Wage Employees' Pension Plan (continued)

#### Benefit

- Louisville Employees

\$40 per month per year of credited service.

- Burlington Employees

Part I + Part II where Part I and Part II are outlined below:

#### Part I

1% of Base Annual Earnings for each year of Future Service.

#### Part II

Final Average Compensation minus \$3,000 divided by 600, rounding the result up to the next integer and then multiply by \$132. This amount is then reduced by 1/15th for each year of service projected to normal retirement that is less than 15. In addition, this amount is further reduced by the ratio of service at termination, retirement, etc. divided by service at age 62. Finally, this amount is offset by the Part II pension earned under the Occidental Plan.

### Early retirement

#### Eligibility

- Louisville

Age 55 and 10 years of Credited Service.

- Burlington

Age 55 with 5 years of eligibility service.

#### Benefit

- Louisville

Normal Retirement Benefit, reduced by 4/10 of 1% for each month prior to employee's age 62. (no reduction if 30 years of service).

- Burlington

Normal Retirement Benefit, reduced by 1/12 of 3% for each month prior to employee's age 65.

### Late retirement

#### Eligibility

#### Retirement

### Deferred vested

#### Eligibility

Termination with 5 years of credited service (eligibility service in Burlington's case).

#### Benefit

Benefit accrued to date payable at Normal Retirement Date or reduced benefit at Early Retirement.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for Geon Wage Employees' Pension Plan (continued)

#### Disability

##### Eligibility

- Louisville  
10 years of credited service and has not yet attained age 65.
- Burlington  
15 years of credited service.

##### Benefit

Accrued benefit at date of disability.

#### Pre-retirement death

##### Eligibility

Termination with 5 years of credited service (eligibility service in Burlington's case).

##### Benefit prior to early retirement

The benefit payable is 50% of the accrued benefit calculated as if the participants had survived to the earliest retirement date and elected a reduced Joint and Survivor Annuity.

##### Benefit after early but before normal retirement

The benefit payable is 50% of the accrued benefit at death assuming the participant had retired on the date of death and elected a reduced Joint and Survivor Annuity.

#### Additional benefits for Louisville Union Employees

##### Death Benefit

\$2,250 paid to eligible spouse upon death of retiree (retirement must occur prior to August 1, 2004).

##### Special supplement

\$10 per month per year of credited service payable to earlier of death, age 65, or Medicare eligibility for retirements on or after June 1, 2001 but prior to August 1, 2004.

##### Supplemental benefit

Retirement prior to age 62 with at least 30 years of service. The benefit is payable until age 62 in the amount of \$50 per month plus \$10 per month for each year commencement age exceeds age 55 plus \$44.50 for every year service at commencement exceeds 30.

##### Extension of special supplement

\$10 per month per year of credited service payable until earlier of death, age 65, or Medicare eligibility for employees who were eligible for the Special supplement under b. above but did not terminate employment prior to August 1, 2004.

Additionally, if eligible employee's termination occurs after 2006 then a one-time lump sum payment equal to \$10 per month per year of credited service times the number of full months between August 1, 2004 and such termination date is paid upon retirement.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for Geon Wage Employees' Pension Plan (continued)

#### Forms of benefits

Automatic form for unmarried participants

5-Year Certain and Life Annuity.

Automatic form for married participants

50% Joint and Survivor Annuity.

Optional forms

50%, 75%, and 100% Joint and Survivor Annuity.

10, 15-Year Certain and Life

The monthly pension is payable for a term period of 5 years; the benefit is then actuarially adjusted for the option chosen and payable beginning with the first month following the end of the initial 5-year period

Optional form conversion factors

As defined by Exhibit One of the plan document.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for Retirement Plan for Hourly Employees of Regalite Plastics Corporation

#### Effective Date and plan year

Original plan: January 1, 1971

Restated plan: November 1, 2001

Plan year: January 1 to December 31

#### Status of the plan

All benefit accruals ceased on November 1, 2001. There are no new participants who can enter the plan on or after November 1, 2001. There are no active participants in the plan. The plan became part of the Merged Pension Plan on December 31, 2010.

#### Significant events that occurred during the year

None.

#### Definitions

##### Coverage and participation

Hourly employees of the Newton Falls Upper Massachusetts Plan and members of the International Union of Operating Engineers Local 877. Participation begins the first day of the month after completion of one year of vesting service. Participation has been frozen effective November 1, 2001.

##### Employee contributions

None

##### Credited service

Credited Service is frozen under the plan as of November 1, 2001.

##### Normal retirement

###### Eligibility

The first day of the calendar month coincident or next following the Participant's 65<sup>th</sup> birthday.

###### Benefit

\$44 multiplied by benefit service for retirements on or after April 1, 2000.

Note: Benefit service was frozen under the plan as of November 1, 2001.

##### Early retirement

###### Eligibility

The date on which a Participant has both attained age 55 and completed 10 years of vesting service.

###### Benefit

A participants Accrued Benefit as of the early retirement date shall be reduced by ½ of 1% for each of the first 36 months and 1/3 of 1% for each month thereafter in which the early retirement date precedes the Normal Retirement Date.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for Retirement Plan for Hourly Employees of Regalite Plastics Corporation (continued)

#### **Late retirement**

##### Eligibility

The first day of any month subsequent to the Normal Retirement Date.

##### Benefit

The Accrued benefit as of the Late Retirement Date.

#### **Rule of 75 benefit**

##### Eligibility

Eligible if termination on or after June 1, 2000, and completion of 5 years of service, and the sum of age and Benefit Service is greater than or equal to 75.

##### Benefit

A Participant's Accrued Benefit as of his Rule of 75 commencement date shall be reduced by 6% per year for each of the first 3 years prior to age 65 and by 4% for each year thereafter.

#### **Pre-retirement death**

If eligible for early retirement at death, the benefit payable is 50% of the accrued benefit at death assuming the participant had retired on the date of death and elected a reduced Joint and Survivor Annuity. If not eligible for early retirement, the benefit payable is 50% of the accrued benefit calculated as if the participant had survived to the earliest retirement date and elected a reduced Joint and Survivor Annuity.

#### **Unpredictable contingent event benefits**

None.

#### **Forms of benefits**

##### Automatic form for unmarried participants

Single Life Annuity.

##### Automatic form for married participants

Reduced 50% Joint and Survivor Annuity.

##### Optional forms

Single Life Annuity with 5 years Certain.

Single Life Annuity with 10 years Certain.

Reduced 75% Joint and Survivor Annuity.

Reduced 100% Joint and Survivor Annuity.

##### Optional form conversion factors

7% interest rate and UP84 with 1 year set forward for participants and 4 year setback for spouses/beneficiaries.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for Melnor, Inc. Retirement Income Plan

#### Effective Date and plan year

Original plan: October 20, 1983

Restated plan: September 1, 2001

Plan year: September 1 to August 31

#### Status of the plan

The plan is frozen as of November 1, 1994. No future benefit accruals are allowed and the plan is closed to new entrants. The plan became part of the Merged Pension Plan on December 31, 2010.

Short plan year of September 1, 2010 through December 31, 2010 occurred prior to plan merger into the Merged Pension Plan on December 31, 2010.

#### Significant events that occurred during the year

None.

#### Definitions

##### Employer

PolyOne Corporation.

##### Participation

An employee is eligible to become a participant during the first month following completion of one year of service.

Effective November 30, 1994, any employee who is not already a participant is ineligible to become a participant.

##### Employee contributions

None are required or permitted.

##### Year of service

Any plan year in which a Participant completes at least 1,000 hours of service.

Notwithstanding the above, Years of Service shall cease to be credited for all periods beginning on or after November 30, 1994.

##### Credited service

Each plan year during which the employee completes 1,000 hours of service.

During any plan year in which the employee is employed by the employer for fewer than 12 months, a year of credit service will not be granted, but a partial year of credited service will be granted for each month in which at least 83 1/3 Hours of Service are rendered.

Credited Service is frozen as of November 30, 1994.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for Melnor, Inc. Retirement Income Plan (continued)

#### Final average earnings

Average of the highest five consecutive calendar years of compensation out of the final 10 calendar years of employment.

#### Accrued benefit

A monthly benefit equal to 1/12 of:

- (a) 1.05% of final average compensation up to covered compensation, multiplied by credited service (maximum 35 years); plus
- (b) 1.40% of final average compensation in excess of covered compensation, multiplied by credited service (maximum 35 years); plus
- (c) 1.40% of final average compensation, multiplied by credited service in excess of 35 years.

Service accrual, salary, and participation were frozen under the plan effective November 30, 1994.

#### Normal retirement

##### Eligibility

The later of attaining age 65 or the participant's 5<sup>th</sup> anniversary in the plan.

##### Benefit

Accrued benefit.

#### Early retirement

##### Eligibility

Age 55 and 5 Years of Service required.

##### Benefit

The accrued benefit reduced for early commencement by the following early retirement factors:

| Early Retirement Age | Factor |
|----------------------|--------|
| 55                   | .56    |
| 56                   | .62    |
| 57                   | .68    |
| 58                   | .74    |
| 59                   | .80    |
| 60                   | .86    |
| 61                   | .90    |
| 62                   | .94    |
| 63                   | .96    |
| 64                   | .98    |
| 65                   | 1.00   |

#### Late retirement

##### Eligibility

Active employment beyond Normal Retirement.

##### Benefit

The accrued benefit using service and salary at the Late Retirement Date.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for Melnor, Inc. Retirement Income Plan (continued)

#### Deferred vested

##### Eligibility

Completion of 5 Years of Service

All participants were fully vested on November 30, 1994, the date that benefit accrual service was frozen.

##### Benefit

Accrued benefit.

#### Disability

The plan does not provide a disability benefit.

#### Pre-retirement death

##### Eligibility

Vested married participant.

##### Benefit prior to early retirement

The benefit payable is 50% of the accrued benefit calculated as if the participants had survived to the earliest retirement date and elected a reduced Joint and Survivor Annuity.

##### Benefit after early but before normal retirement

The benefit payable is 50% of the accrued benefit at death assuming the participant had retired on the date of death and elected a reduced Joint and Survivor Annuity.

#### Unpredictable contingent event benefits

None.

#### Forms of benefits

##### Automatic form for unmarried participants

Life Annuity.

##### Automatic form for married participants

Reduced 50% Joint and Survivor Annuity.

##### Optional forms

Single Life Annuity.

Single Life Annuity with period Certain (no more than 15 years or life expectancy, if less).

50%, 67%, 75%, 100% Joint and Survivor Annuity.

##### Optional form conversion factors

Conversion from life annuity to other options is based on the 1984 Unisex Pension Mortality table and an interest rate of 7%.

# PolyOne Merged Pension Plan

**EIN/PN: 34-1730488 / 003**

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

### Summary of Plan Provisions for O'Sullivan Corporation Pension Plan for Hourly-Paid Employees

#### Effective date and plan year

Original plan: January 1, 1961

Restated plan: January 1, 2001

Plan year: January 1 to December 31

#### Status of the plan

The plan is frozen as of March 30, 1992. No future accruals are allowed and the plan is closed to new entrants. Effective 12/31/2013, the O'Sullivan Corporation Pension Plan for Hourly-Paid Employees merged into the PolyOne Merged Pension Plan.

#### Significant events that occurred during the year

None.

#### Definitions

##### Coverage and participation

Any employee or former employee who was a participant as of March 30, 1992 shall continue to be a participant. No employee may become a participant after March 30, 1992.

##### Normal retirement

###### Eligibility

The later of attaining age 65 or the participant's 5<sup>th</sup> anniversary in the plan.

###### Benefit

\$15 times benefit service.

Note: Benefit service was frozen under the plan as of March 30, 1992.

##### Early retirement

###### Eligibility

The date on which a participant has both attained age 55 and completed 10 years of vesting service.

###### Benefit

A participant's accrued benefit as of the early retirement date shall be reduced by 5/9<sup>th</sup>% for each of the first 60 months and 5/18% for each month thereafter in which the early retirement date precedes the normal retirement date.

##### Late retirement

###### Eligibility

The first day of any month subsequent to the normal retirement date.

###### Benefit

The accrued benefit as of the late retirement date.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Summary of Plan Provisions for O'Sullivan Corporation Pension Plan for Hourly-Paid Employees (continued)

#### **Vested benefits upon termination of service**

All participants were fully vested on March 30, 1992.

#### **Pre-retirement death**

If eligible for early retirement at death, the benefit payable is 50% of the accrued benefit at death assuming the participant had retired on the date of death and elected a reduced joint and survivor annuity. If not eligible for early retirement, the benefit payable is 50% of the accrued benefit calculated as if the participant had survived to the earliest retirement date and elected a reduced joint and survivor annuity.

#### **Unpredictable contingent event benefits**

None.

#### **Forms of benefits**

Automatic form for unmarried participants

Life annuity.

Automatic form for married participants

Reduced 50% joint and survivor annuity.

Optional forms

Single life annuity, 50% joint and survivor annuity, and lump sum.

# PolyOne Merged Pension Plan

EIN/PN: 34-1730488 / 003

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

### Benefits Included or Excluded

Unless noted below, all benefits provided by the plan, as restated and amended through 2013, are included in this valuation.

- Plan amendments excluded  
None.
- Late retirement increases
  - Active participants
  - The plan provides benefit suspension notices to participants who work beyond normal retirement; therefore, late retirement actuarial increases only apply to participants who defer retirement beyond age 70½. This valuation includes increases for current participants over age 70.
  - Deferred vested participants
  - Current deferred vested participants over normal retirement age are valued including the late retirement actuarial increase.
- Internal Revenue Code limitations  
The limitations of Internal Revenue Code Section 415(b) and 401(a)(17) have been incorporated into our calculations.
- IRC Section 416 rules for top-heavy plans  
We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60% of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants in all plans of the controlled group; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.

### Plan Provisions Specific to Funding

#### Additional Benefits Included or Excluded

- IRC Section 436 benefit restrictions
  - Unpredictable contingent event benefits  
This valuation excludes restricted contingent event benefits that occurred before the valuation date but includes contingent event benefits which are expected to occur on or after the valuation date regardless of anticipated funding-based limitations.
  - Plan amendments  
See above.
  - Prohibited payments  
Limitations on prohibited benefits (if any) are reflected for annuity starting dates before the valuation date but are ignored for annuity starting dates on or after the valuation date.
  - Benefit accruals  
The plan's funding target does not reflect any limitation on benefit accruals. The target normal cost does not reflect any limitation on benefit accruals.
- Unpredictable contingent event benefits  
The plan does not have any unpredictable contingent event benefits.

### Summary of Changes from the January 1, 2015 Valuation

None.