

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2016 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2016 or fiscal plan year beginning <u>10/01/2016</u> and ending <u>05/01/2017</u>			
A	This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)	
	☒ a single-employer plan ☐ a DFE (specify) ____		
B	This return/report is:	☐ the first return/report ☒ the final return/report	
	☐ an amended return/report ☒ a short plan year return/report (less than 12 months)		
C	If the plan is a collectively-bargained plan, check here. ▶ ☐		
D	Check box if filing under:	☐ Form 5558 ☐ automatic extension ☒ the DFVC program	
	☐ special extension (enter description)		

Part II	Basic Plan Information —enter all requested information		
1a	Name of plan <u>ASHLAND INC LEVERAGED EMPLOYEE STOCK OWNERSHIP PLAN</u>	1b	Three-digit plan number (PN) ▶ <u>003</u>
		1c	Effective date of plan <u>10/01/1985</u>
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>VALVOLINE LLC</u> <u>100 VALVOLINE WAY</u> <u>LEXINGTON, KY 40509-2714</u>	2b	Employer Identification Number (EIN) <u>61-1782197</u>
		2c	Plan Sponsor's telephone number <u>859-357-7777</u>
		2d	Business code (see instructions) <u>325600</u>

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	<u>03/12/2018</u>	<u>EIVIND KOLEMAINEN</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number)			Preparer's telephone number

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

Form 5500 (2016)
v. 160205

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN	
		3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name		4b EIN	
		4c PN	
5 Total number of participants at the beginning of the plan year		5	1718
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).			
a(1) Total number of active participants at the beginning of the plan year.....		6a(1)	1562
a(2) Total number of active participants at the end of the plan year		6a(2)	0
b Retired or separated participants receiving benefits.....		6b	0
c Other retired or separated participants entitled to future benefits		6c	0
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	0
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	0
f Total. Add lines 6d and 6e		6f	0
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....		7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2D 2P			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply)		9b Plan benefit arrangement (check all that apply)	
(1) ☐ Insurance		(1) ☐ Insurance	
(2) ☐ Code section 412(e)(3) insurance contracts		(2) ☐ Code section 412(e)(3) insurance contracts	
(3) ☒ Trust		(3) ☒ Trust	
(4) ☐ General assets of the sponsor		(4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules		b General Schedules	
(1) ☒ R (Retirement Plan Information)		(1) ☒ H (Financial Information)	
(2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary		(2) ☐ I (Financial Information – Small Plan)	
(3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		(3) ☐ A (Insurance Information)	
		(4) ☒ C (Service Provider Information)	
		(5) ☐ D (DFE/Participating Plan Information)	
		(6) ☐ G (Financial Transaction Schedules)	

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

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

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

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

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

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2016
		This Form is Open to Public Inspection.

For calendar plan year 2016 or fiscal plan year beginning **10/01/2016** and ending **05/01/2017**

A Name of plan ASHLAND INC LEVERAGED EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ▶ 003
C Plan sponsor's name as shown on line 2a of Form 5500 VALVOLINE LLC	D Employer Identification Number (EIN) 61-1782197

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation FIDELITY INVEST INST OPNS CO INC
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04-2647786

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) <small>Internal Revenue Service</small> <hr/> <small>Department of Labor</small> <small>Employee Benefits Security Administration</small> <hr/> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2016 This Form is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning 10/01/2016 and ending 05/01/2017		
A Name of plan ASHLAND INC LEVERAGED EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ►	003
C Plan sponsor's name as shown on line 2a of Form 5500 VALVOLINE LLC	D Employer Identification Number (EIN) 61-1782197	

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	623967	0
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	118234129	0
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	118858096	0

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	118858096	0
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	13757	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		13757
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	769903	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		769903
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	125562287	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	118236396	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		7325891
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	601471	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		601471

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		8711022

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	6956332	
(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)		6956332
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)		
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total	2j		6956332

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		1754690
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		120612786

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: BLUE AND COMPANY, LLC

(2) EIN: 35-1178661

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

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

Part IV Compliance Questions

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

During the plan year:

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

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

	Yes	No	Amount
4a		X	
4b		X	

		Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e Was this plan covered by a fidelity bond?	4e	X		10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k	X		
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			
o Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service?	4o			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If "Yes," enter the amount of any plan assets that reverted to the employer this year. ☒ Yes ☐ No Amount: 0

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)
ASHLAND HERCULES PENSION PLAN	61-1782197	001
ASHLAND EMPLOYEE SAVINGS PLAN	20-0865835	010
VALVOLINE 401(K) PLAN	30-0939371	002

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

Part V Trust Information

6a Name of trust	6b Trust's EIN
6c Name of trustee or custodian	6d Trustee's or custodian's telephone number



Blue & Co., LLC / 250 West Main Street, Suite 2900 / Lexington, KY 40507
main 859.253.1100 fax 859.253.1384 email blue@blueandco.com

REPORT OF INDEPENDENT AUDITORS

To the Plan Administrator, Valvoline LLC
Ashland Inc. Leveraged Employee Stock Ownership Plan

We were engaged to audit the accompanying financial statements of Ashland Inc. Leveraged Employee Stock Ownership Plan (the Plan), which comprise the statements of net assets available for benefits as of May 1, 2017 and September 30, 2016, and the related statements of changes in net assets available for benefits for the periods then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee, as of and for

the periods ended May 1, 2017 and September 30, 2016, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

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

Other Matter

As discussed in Note 1 to the financial statements, effective May 1, 2017, the Plan merged with the Valvoline 401(k) Plan and the Ashland Employee Savings Plan.

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

The form and content of the information included in the financial statements, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Blue & Co., LLC

Lexington, Kentucky
March 12, 2018

Ashland Inc.
Leveraged Employee Stock Ownership Plan
Financial Statements

*Plan periods ended May 1, 2017 and September 30, 2016
with Report of Independent Auditors*

Ashland Inc.
Leveraged Employee Stock Ownership Plan

Financial Statements

Plan periods ended May 1, 2017 and September 30, 2016

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REPORT OF INDEPENDENT AUDITORS

To the Plan Administrator, Valvoline LLC
Ashland Inc. Leveraged Employee Stock Ownership Plan

We were engaged to audit the accompanying financial statements of the Ashland Inc. Leveraged Employee Stock Ownership Plan (the Plan), which comprise the statements of net assets available for benefits as of May 1, 2017 and September 30, 2016, and the related statements of changes in net assets available for benefits for the periods then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

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Disclaimer of Opinion

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

Other Matter

As discussed in Note 1 to the financial statements, effective May 1, 2017, the Plan merged with the Valvoline 401(k) Plan and the Ashland Employee Savings Plan.

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

The form and content of the information included in the financial statements, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Blue & Co., LLC

Lexington, Kentucky
March 12, 2018

Ashland Inc.
Leveraged Employee Stock Ownership Plan

Statements of Net Assets Available for Benefits

	May 1	September 30
	2017	2016
Assets		
Investments, at fair value		
Ashland Global Holdings Inc. common stock	\$ —	\$ 118,234,129
Money market mutual funds	—	623,967
	<hr/>	<hr/>
Net assets available for benefits	\$ —	\$ 118,858,096
	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes to the financial statements.

Ashland Inc.
Leveraged Employee Stock Ownership Plan

Statements of Changes in Net Assets Available for Benefits

	Period Ended May 1	Period Ended September 30
	2017	2016
Additions:		
Net appreciation in fair value of investments	\$7,927,362	\$16,266,477
Dividend income	769,903	1,659,117
Interest and other income	13,757	23,003
Total additions	<u>8,711,022</u>	<u>17,948,597</u>
Deductions:		
Paid to participants or beneficiaries	6,186,429	7,255,622
Distributions of dividends to participants	769,903	1,659,117
Total deductions	<u>6,956,332</u>	<u>8,914,739</u>
Transfers:		
Transfers to Ashland Hercules Pension Plan	(1,338,501)	(2,502,210)
Transfers to savings plans	(119,274,285)	(188,458)
Total transfers	<u>(120,612,786)</u>	<u>(2,690,668)</u>
Net increase (decrease) in net assets	<u>(118,858,096)</u>	<u>6,343,190</u>
Net assets available for benefits, beginning of period	<u>118,858,096</u>	<u>112,514,906</u>
Net assets available for benefits, end of period	<u><u>\$ —</u></u>	<u><u>\$ 118,858,096</u></u>

See accompanying notes to the financial statements.

Ashland Inc.
Leveraged Employee Stock Ownership Plan
Notes to Financial Statements

May 1, 2017 and September 30, 2016

1. Description of Plan

The following description of the Ashland Inc. Leveraged Employee Stock Ownership Plan (LESOP or the Plan) provides only general information. Participants should refer to the *Summary Plan Description* for a more complete description of the LESOP's provisions.

General

On September 22, 2015, Ashland Global Holdings Inc. (Ashland) announced that the Board of Directors approved proceedings with a plan to separate Ashland into two independent, publicly traded companies comprising of the new Ashland and Valvoline Inc. (Valvoline). The initial step of the separation, the initial public offering (IPO) of Valvoline closed on September 28, 2016. After the IPO, Ashland owned 83% of the total outstanding shares of Valvoline Inc.'s Common Stock (Valvoline Common Stock). Substantially all of the historical Valvoline business reported by Ashland, as well as certain other legacy Ashland assets and liabilities, were transferred to Valvoline, including the LESOP and the Ashland Hercules Pension Plan. Valvoline LLC became the plan sponsor on September 1, 2016.

Effective May 1, 2017, the LESOP merged with the Valvoline 401(K) Plan and the Ashland Employee Savings Plan (the Mergers) and all Plan assets of \$118,843,593 were transferred. At this date, the non-offset shares of \$5,977,286 for active Ashland employees transferred to the Ashland Employee Savings Plan. The remaining balances of the LESOP transferred to the Valvoline 401(K) Plan for both Valvoline and Ashland employees, including terminated participants. Following the Mergers, participants were then able to direct the investment of the non-offset shares.

In April 2017, the Ashland Board of Directors authorized the distribution to Ashland stockholders of all 83% of Valvoline's 170 million shares of common stock on May 12, 2017 as a pro rata dividend on shares of Ashland Global Holdings Inc. Common Stock (Ashland Common Stock) outstanding at the close of business on the record date of May 5, 2017. Based on the shares of Ashland Common Stock outstanding as of May 5, 2017, the record date for the distribution, each share of Ashland Common Stock received 2.745338 shares of Valvoline Common Stock in the distribution. Based on the May 1, 2017, effective date of the Plan Mergers discussed above, the Valvoline Common Stock attributed to the former LESOP shares of Ashland Common Stock were received by the Valvoline 401(K) Plan and the Ashland Employee Savings Plan.

The LESOP was a defined contribution plan established as of October 1, 1985, to provide benefits to eligible salaried employees of Ashland, the former plan sponsor, and various subsidiaries meeting certain age and employment requirements. No participant contributions were permitted under the LESOP. Effective January 1, 1991, the balances of LESOP participants in Ashland's payroll-based tax credit stock ownership plan (PAYSOP) were transferred into the LESOP to become a sub-account of the LESOP. Each participant's interest in his or her PAYSOP account is separately accounted for and is nonforfeitable. The LESOP was amended as of March 31, 1996, the date of the final share allocation, to fully vest any participant with an account balance. Valvoline did not make any further contributions to the LESOP subsequent to the March 31, 1996, final share allocation.

Prior to the Mergers, cash dividends received on Ashland Common Stock were distributed quarterly to participants; however, the plan sponsor was also able to direct dividends to be used to pay plan expenses or purchase additional shares.

Ashland Inc.
Leveraged Employee Stock Ownership Plan
Notes to Financial Statements (continued)

1. Description of Plan (continued)

Diversification

Participants who were age 45 or older by the end of a calendar year were able to elect to diversify a specified percentage of the total shares allocated to their LESOP non-offset accounts and PAYSOP sub-accounts. The LESOP non-offset accounts and PAYSOP sub-accounts consisted of three parts: the LESOP non-offset account and PAYSOP sub-account, the allocable portions acquired in connection with the Arch Coal, Inc. spin-off in 2000, and the allocable portions acquired in connection with the transfer of Ashland's interest in Marathon Ashland Petroleum, LLC (MAP) to Marathon Oil Corporation on June 30, 2005.

The manner in which these accounts were able to be diversified is illustrated by the following table:

	Effective August 1, 2005 Age 45 or later
Original non-offset account	50%
Arch Coal, Inc. addition to non-offset account	100%
MAP addition to non-offset account	100%
Original PAYSOP sub-account	50%
Arch Coal, Inc. addition to PAYSOP sub-account	50%
MAP addition to PAYSOP sub-account	50%

The amount subject to diversification at any age was reduced by the number of shares previously diversified.

Diversification elections of eligible Ashland employees resulted in the shares subject to the election being transferred to the Ashland Common Stock Fund in the Ashland Inc. Employee Savings Plan. This transfer occurred within 90 days of the end of the LESOP plan year to which the diversification elections relates. The shares so transferred may then be transferred to other available investment options in the Ashland Inc. Employee Savings Plan.

Employees who were with MAP and who are now employed with Marathon Oil Corporation that were still eligible to make diversification elections received distributions of the amounts they elected to diversify in cash or stock. They were able to elect to roll over such amounts into another qualified retirement plan. Such distribution or rollover occurred within 90 days of the end of the LESOP plan year to which the diversification election relates.

Ashland Inc.
Leveraged Employee Stock Ownership Plan
Notes to Financial Statements (continued)

1. Description of Plan (continued)

Coordination of Benefits

The Ashland Hercules Pension Plan covers LESOP participants and contains provisions for coordinating the offset account of participants' account balances under the LESOP with accumulated pension benefits. Prior to the Mergers, terminating participants (or their beneficiaries) may elect to receive 100% of their vested account balances under the LESOP in a single cash payment or in full shares of Ashland Common Stock (with fractional shares paid in cash). If this option was elected, participants whose pension benefits are computed under the traditional pension formula are reduced by the annuity value of their vested account balances in their offset account. If this option was elected by a participant whose pension benefit is computed under the cash balance formula (referred to as the retirement growth account) that applies to a defined set of participants effective July 1, 2003, the retirement growth account balance was reduced by the value of the vested account balance of the offset account. Alternatively, terminating participants elected to receive their vested account balances in the non-offset account and PAYSOP subaccount in full shares of Ashland Common Stock (with fractional shares paid in cash) with no reduction in their pension benefits. If this option was elected, the values of the remaining vested offset account in the LESOP were transferred to the pension plan. If the participant held less than 100 shares combined in the LESOP account that was not transferred to the Ashland Hercules Pension Plan and PAYSOP sub-account, the participant could elect to receive these account balances in cash instead of stock.

Voting Rights

Participants could instruct the trustee on how to vote shares of Ashland Common Stock held in their LESOP account and were notified by the trustee prior to the time such rights are to be exercised. The trustee voted fractional shares and shares for which it received no instructions in the same proportion as the voting instructions on allocated shares received from participants. Participants could also direct the trustee on how to respond if a tender offer was made for Ashland Common Stock. If no instructions were received from a participant on a tender offer, it would be considered to be instruction to the trustee not to respond to the offer.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the LESOP are prepared on the accrual basis.

Benefit Payments

Benefit payments to participants are recorded upon distribution.

Use of Estimates

The presentation of financial statements requires management to make estimates that affect the financial statements and accompanying notes. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Fidelity Management Trust Company (the Trustee) is the record keeper and trustee of the LESOP. Investments held by the LESOP are stated at fair value, which represents the quoted market value of Ashland Common Stock and the cost (which equals market) of short-term investments in a money market fund administered by the plan Trustee.

Ashland Inc.
Leveraged Employee Stock Ownership Plan
Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Distributions paid to participants or their beneficiaries in Ashland Common Stock are recorded at market value when the transactions occur.

Dividends are recorded on the ex-dividend date.

Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses from security transactions are reported on the average cost method. Net appreciation and depreciation includes the plan's gains and losses on investments bought and sold as well as held during the period.

Forfeitures

If a participant or beneficiary entitled to the participant's account cannot be located after reasonable effort, shares in the account are forfeited. However, if such participant or beneficiary makes a proper claim prior to termination of the Plan, the number of shares forfeited will be restored unadjusted for any dividends, gains, or losses. Unallocated forfeitures as of May 1, 2017 and September 30, 2016 were zero and approximately \$340,000, respectively.

Date of Management's Review

The LESOP evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through March 12, 2018, which is the date the financial statements were available to be issued.

Recent Accounting Pronouncements

During 2017, the Plan adopted Accounting Standards Update (ASU) 2015-12, *Plan Accounting, Part II* which removed the disclosure of individual investments with a value equal to or greater than 5% of net assets available for benefits. The Notes to the Financial Statements have been retroactively restated as required by the standard.

3. Transactions with Related Parties

The LESOP is not charged for administrative services performed on its behalf by the plan sponsor. Currently, although not required, all expenses related to maintaining the Plan are paid by the plan sponsor. The Plan's investments in Ashland Common Stock and related income are disclosed elsewhere in the notes to the financial statements.

4. Investments

The Plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Fidelity Management Trust Company, the trustee of the Plan, has certified to the completeness and accuracy of all investments reflected on the accompanying statements of net assets available for benefits as of May 1, 2017 and September 30, 2016, the related investment activity reflected in the statements of changes in net assets available for benefits for the periods ended May 1, 2017 and September 30, 2016, respectively.

Ashland Inc.
Leveraged Employee Stock Ownership Plan
Notes to Financial Statements (continued)

5. Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). An instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the instrument's fair value measurement. The three levels within the fair value hierarchy are described as follows:

Level 1 – Observable inputs such as unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs, other than quoted prices included in Level 1, which are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3 – Unobservable inputs for the asset or liability for which there is little, if any, market activity at the measurement date.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of September 30, 2016:

	Level 1	Level 2	Level 3	Total
Common Stock	\$ 118,234,129	\$ —	\$ —	\$ 118,234,129
Money market mutual funds	623,967			623,967
Total	<u>\$118,858,096</u>	<u>\$</u>	<u>\$</u>	<u>\$ 118,858,096</u>

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2016.

Common stock: Valued at the published market price per share multiplied by the number of shares held by the Plan at year-end without consideration of transaction costs.

Money market mutual fund: Valued at the published net asset value per unit multiplied by the number units held by the Plan at year-end without consideration of transaction costs.

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

Ashland Inc.
Leveraged Employee Stock Ownership Plan
Notes to Financial Statements

6. Differences between Financial Statements and Form 5500

The following is a reconciliation of benefits paid to participants according to the financial statements to Form 5500 for the period ended May 1, 2017:

Benefits paid to participants or beneficiaries per the financial statements	\$ 6,186,429
Add: Distributions of dividends to participants per the financial statements	\$ 769,903
Benefits paid to participants per Form 5500	<u>\$ 6,956,332</u>

There is no difference in the net assets available for benefits presented in the financial statements and the Form 5500.

7. Income Tax Status

The Internal Revenue Service ruled in the most recent determination letter on May 24, 2017, that the LESOP qualifies under Section 401(a) of the Internal Revenue Code (IRC) and, therefore, the related trust is exempt from taxation. Although the Plan has been amended since receiving the determination letter, the Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of May 1, 2017 and September 30, 2016, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2014.

8. Risks and Uncertainties

The Plan's investments consist primarily of Ashland Common Stock. Ashland's common stock is exposed to market risk. It is at least reasonably possible that changes in the values of Ashland's common stock will occur in the near-term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.