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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>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><p style="text-align: center;">▶ <b>Complete all entries in accordance with the instructions to the Form 5500.</b></p> | OMB Nos. 1210-0110<br>1210-0089<br><br><div style="text-align: center; font-size: 24pt; font-weight: bold;">2017</div><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 2017 or fiscal plan year beginning <u>01/01/2017</u> and ending <u>12/31/2017</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>KOCH INDUSTRIES EMPLOYEES' PENSION PLAN</u>                                                                                                                                                                                                                                                                                                                                                                    | <b>1b</b> Three-digit plan number (PN) ▶                       | <div style="border: 1px solid black; padding: 2px; display: inline-block;">001</div> |  |
| <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>KOCH INDUSTRIES, INC.</u><br><br><u>C/O KOCH BUSINESS SOLUTIONS, LP</u><br><u>IRS/DOL NOTICES</u><br><u>4111 E. 37TH STREET N, GA029-06</u><br><u>WICHITA, KS 67220</u> |                                                                | <b>1c</b> Effective date of plan<br><u>11/01/1947</u>                                |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                | <b>2b</b> Employer Identification Number (EIN)<br><u>48-0484227</u>                  |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                | <b>2c</b> Plan Sponsor's telephone number<br><u>404-652-8326</u>                     |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                | <b>2d</b> Business code (see instructions)<br><u>324190</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. | 10/12/2018 | RICHARD CAIRNS                                               |
|                  | Signature of plan administrator                   | Date       | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b> | Filed with authorized/valid electronic signature. | 10/15/2018 | WALT MALONE                                                  |
|                  | 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                      |

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

Form 5500 (2017)  
v. 170203

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3a</b> Plan administrator's name and address <input type="checkbox"/> Same as Plan Sponsor<br><br>KOCH BENEFITS ADMINISTRATIVE COMMITTEE<br>C/O KOCH BUSINESS SOLUTIONS, LP<br>IRS/DOL NOTICES<br>4111 E. 37TH STREET N, GA029-06<br>WICHITA, KS 67220                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>3b</b> Administrator's EIN<br>20-3661223<br><br><b>3c</b> Administrator's telephone number<br>404-652-8326                                                     |
| <b>4</b> If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:<br><b>a</b> Sponsor's name<br><b>c</b> Plan Name                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>4b</b> EIN<br><br><b>4d</b> PN                                                                                                                                 |
| <b>5</b> Total number of participants at the beginning of the plan year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>5</b> 19098                                                                                                                                                    |
| <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 who terminated employment during the plan year with accrued benefits that were less than 100% vested ..... | <b>6a(1)</b> 13000<br><b>6a(2)</b> 10993<br><b>6b</b> 2150<br><b>6c</b> 4290<br><b>6d</b> 17433<br><b>6e</b> 359<br><b>6f</b> 17792<br><b>6g</b><br><b>6h</b> 691 |
| <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 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

**a Pension Schedules**

- (1) ☒ **R** (Retirement Plan Information)
- (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

**b General Schedules**

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☐ 0 **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 2017 Form M-1 annual report. If the plan was not required to file the 2017 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code \_\_\_\_\_

|                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                 |                                                                                                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| <div>SCHEDULE SB<br/>(Form 5500)<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</div> | <div>Single-Employer Defined Benefit Plan<br/>Actuarial Information</div> <div>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).</div> <div>File as an attachment to Form 5500 or 5500-SF.</div> | <div>OMB No. 1210-0110</div> <div>2017</div> <div>This Form is Open to Public Inspection</div> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

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>KOCH INDUSTRIES EMPLOYEES' PENSION PLAN                                  | <b>B</b> Three-digit plan number (PN) 001                   |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF<br>KOCH INDUSTRIES, INC. | <b>D</b> Employer Identification Number (EIN)<br>48-0484227 |

|                                                                                                                                           |                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| <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 2017                                                                                                                                              |                            |                           |                          |
| <b>2</b> Assets:                                                                                                                                                                                          |                            |                           |                          |
| <b>a</b> Market value                                                                                                                                                                                     | <b>2a</b>                  | 1290201647                |                          |
| <b>b</b> Actuarial value                                                                                                                                                                                  | <b>2b</b>                  | 1334442248                |                          |
| <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                                                                                                                                     | 2299                       | 165965699                 | 165965699                |
| <b>b</b> For terminated vested participants                                                                                                                                                               | 3799                       | 179566134                 | 179566134                |
| <b>c</b> For active participants                                                                                                                                                                          | 13000                      | 705136340                 | 742295229                |
| <b>d</b> Total                                                                                                                                                                                            | 19098                      | 1050668173                | 1087827062               |
| <b>4</b> If the plan is in at-risk status, check the box and complete lines (a) and (b):                                                                                                                  |                            |                           |                          |
| <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>                   | 6.07 %                    |                          |
| <b>6</b> Target normal cost                                                                                                                                                                               | <b>6</b>                   | 75678072                  |                          |

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>                              |                               |                                        |
|                                               | Signature of actuary          | 10/03/2018                             |
| MICHAEL R. MACE                               |                               | Date                                   |
|                                               | Type or print name of actuary | 17-06591                               |
| TOWERS WATSON DELAWARE, INC.                  |                               | Most recent enrollment number          |
|                                               | Firm name                     | 314-719-5900                           |
| 101 S HANLEY ROAD<br>ST. LOUIS, MO 63105-3437 |                               | Telephone number (including area code) |
|                                               | Address of the firm           |                                        |

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

**Part II Beginning of Year Carryover and Prefunding Balances**

|                                                                                                                                                                      | (a) Carryover balance | (b) Prefunding balance |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------|
| <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>1.05</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) .....                                                                                      |                       | 91959163               |
| <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>6.26</u> % ..... |                       | 5756644                |
| <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 .....                                                                        |                       | 97715807               |
| <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> | 122.67% |
| <b>15</b> Adjusted funding target attainment percentage .....                                                                                                              | <b>15</b> | 122.67% |
| <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> | 128.28% |
| <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 |
|--------------------------|-----------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|
| 09/12/2018               | 300000000                         | 0                               |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
| <b>Totals ▶</b>          |                                   |                                 | <b>18(b)</b>             | 300000000                         | <b>18(c)</b> 0                  |

**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> | 271446957 |

**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>4.16 % | 2nd segment:<br>5.72 % | 3rd segment:<br>6.48 % | <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 checked="" type="checkbox"/> Yes <input 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 checked="" type="checkbox"/> Yes <input 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>          | 75678072           |               |
| <b>b</b> Excess assets, if applicable, but not greater than line 31a .....                                                                                                           | <b>31b</b>          | 75678072           |               |
| <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>           |                    |               |
| <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                   | 0                  | 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>           | 271446957          |               |
| <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>          | 271446957          |               |
| <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>                                                                                                               | 0 |  |
| <b>43</b> Excess installment acceleration amount to be carried over to future plan years ..... | <b>43</b>                                                                                                               | 0 |  |

|                                                                                                                                                                                                                                              |                                                                                                                                                                                                                             |                                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| <div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury<br/>Internal Revenue Service</div> <div>Department of Labor<br/>Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div> | <div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div> | OMB No. 1210-0110                       |
|                                                                                                                                                                                                                                              |                                                                                                                                                                                                                             | 2017                                    |
|                                                                                                                                                                                                                                              |                                                                                                                                                                                                                             | This Form is Open to Public Inspection. |

|                                                                                            |                                                      |     |
|--------------------------------------------------------------------------------------------|------------------------------------------------------|-----|
| For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017 |                                                      |     |
| A Name of plan<br>KOCH INDUSTRIES EMPLOYEES' PENSION PLAN                                  | B Three-digit plan number (PN) ▶                     | 001 |
| C Plan sponsor's name as shown on line 2a of Form 5500<br>KOCH INDUSTRIES, INC.            | D Employer Identification Number (EIN)<br>48-0484227 |     |

|        |                                                 |
|--------|-------------------------------------------------|
| Part I | Service Provider Information (see instructions) |
|--------|-------------------------------------------------|

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 |
| HEWITT FINANCIAL SERVICES                                                                                  |
| 36-3943169                                                                                                 |

|                                                                                                            |
|------------------------------------------------------------------------------------------------------------|
| (b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
| ALIGHT FINANCIAL SOLUTIONS, LLC                                                                            |
| 82-1061233                                                                                                 |

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

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

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

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

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

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

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

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

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**(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)

HEWITT ASSOCIATES LLC

36-2235791

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 15                            | RECORDKEEPER                                                                                             | 635049                                                                        | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                         | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                                   | 0                                                                                                                                                                                      | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                 |

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

BANK OF NEW YORK MELLON

13-5160382

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 18 21                         | TRUSTEE                                                                                                  | 75263                                                                         | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                         | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                              |                                                                                                                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                            |

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

ALIGHT FINANCIAL SOLUTIONS, LLC

82-1061233

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 15                            | RECORDKEEPER                                                                                             | 57968                                                                         | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                         | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                                   | 0                                                                                                                                                                                      | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                 |

**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)

TOWERS WATSON DELAWARE, INC.

53-0181291

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 11                     | NONE                                                                                              | 41575                                                                  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                       |                                                                                                                                                                                 | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

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

MAYER HOFFMAN MCCANN P.C.

43-1947695

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 10                     | AUDITOR                                                                                           | 26730                                                                  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                       |                                                                                                                                                                                 | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

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

IRON MOUNTAIN

1000 CAMPUS DRIVE  
COLLEGEVILLE, PA 19426

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 15                     | RECORDKEEPER                                                                                      | 11799                                                                  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                       |                                                                                                                                                                                 | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

**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<br>(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<br>(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<br>(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)

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:



**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
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><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small><br><br><small>Pension Benefit Guaranty Corporation</small> | <b>Financial 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 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>2017</b><br><br><b>This Form is Open to Public Inspection</b> |
| For calendar plan year 2017 or fiscal plan year beginning <u>01/01/2017</u> and ending <u>12/31/2017</u>                                                                                                                                                                 |                                                                                                                                                                                                                                                                              |                                                                                           |
| <b>A</b> Name of plan<br><u>KOCH INDUSTRIES EMPLOYEES' PENSION PLAN</u>                                                                                                                                                                                                  | <b>B</b> Three-digit plan number (PN) <span style="float: right;">►</span>                                                                                                                                                                                                   | <u>001</u>                                                                                |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>KOCH INDUSTRIES, INC.</u>                                                                                                                                                                            | <b>D</b> Employer Identification Number (EIN)<br><u>48-0484227</u>                                                                                                                                                                                                           |                                                                                           |

| Part I Asset and Liability Statement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                 |                       |                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>1</b> 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. <b>Round off amounts to the nearest dollar.</b> 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>       |                       |                 |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                 |                       |                 |
| <b>(1)</b> Employer contributions .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>1b(1)</b>    | 100000000             | 300000000       |
| <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>   | 1210919335            | 1283625508      |
| <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>   |                       |                 |

| <b>1d</b> Employer-related investments:                              |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (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>    | 1310919335            | 1583625508      |

**Liabilities**

|                                                                           |           |        |        |
|---------------------------------------------------------------------------|-----------|--------|--------|
| <b>g</b> Benefit claims payable .....                                     | <b>1g</b> |        |        |
| <b>h</b> Operating payables .....                                         | <b>1h</b> | 131518 | 169430 |
| <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> | 131518 | 169430 |

**Net Assets**

|                                                           |           |            |            |
|-----------------------------------------------------------|-----------|------------|------------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 1310787817 | 1583456078 |
|-----------------------------------------------------------|-----------|------------|------------|

**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 |
|------------------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>a Contributions:</b>                                                                                    |                 |            |           |
| (1) Received or receivable in cash from: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> | 300000000  |           |
| <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>    |            | 300000000 |
| <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> |            |           |
| (G) 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> |            |           |
| (D) 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)  |            | 100247315 |
| (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     |            | 400247315 |

**Expenses**

|                                                                                     |       |           |           |
|-------------------------------------------------------------------------------------|-------|-----------|-----------|
| e Benefit payment and payments to provide benefits:                                 |       |           |           |
| (1) Directly to participants or beneficiaries, including direct rollovers.....      | 2e(1) | 122982374 |           |
| (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) |           | 122982374 |
| 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) | 68305     |           |
| (2) Contract administrator fees .....                                               | 2i(2) | 704816    |           |
| (3) Investment advisory and management fees .....                                   | 2i(3) |           |           |
| (4) Other .....                                                                     | 2i(4) | 3823559   |           |
| (5) Total administrative expenses. Add lines 2i(1) through (4).....                 | 2i(5) |           | 4596680   |
| j Total expenses. Add all <b>expense</b> amounts in column (b) and enter total..... | 2j    |           | 127579054 |

**Net Income and Reconciliation**

|                                                          |       |  |           |
|----------------------------------------------------------|-------|--|-----------|
| k Net income (loss). Subtract line 2j from line 2d ..... | 2k    |  | 272668261 |
| 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: **MAYER HOFFMAN MCCANN PC**

(2) EIN: **43-1947695**

**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.)                                          |     | 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.)                               |     | X  |        |
| <b>e</b> Was this plan covered by a fidelity bond?                                                                                                                                                                      | X   |    | 500000 |
| <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?                                                                                       |     | 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?                                                    |     | 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?                                          |     | 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.)                                                                |     | 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.) |     | 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?                                                           |     | X  |        |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan?                                                                                                                                            |     | X  |        |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)                                                                                                  |     | X  |        |
| <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.                                     |     |    |        |

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

**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 4072842. (See instructions.)

|                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| <div>SCHEDULE R<br/>(Form 5500)<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</div>                                                                                                                                 | <div>Retirement Plan Information</div> <div>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).</div> <div>▶ File as an attachment to Form 5500.</div> | <div>OMB No. 1210-0110</div> <div>2017</div> <div>This Form is Open to Public Inspection.</div> |
| For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| A Name of plan<br>KOCH INDUSTRIES EMPLOYEES' PENSION PLAN                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                  | B Three-digit plan number (PN) ▶ 001                                                            |
| C Plan sponsor's name as shown on line 2a of Form 5500<br>KOCH INDUSTRIES, INC.                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                  | D Employer Identification Number (EIN)<br>48-0484227                                            |
| Part I                                                                                                                                                                                                                                                                                                                                                          | Distributions                                                                                                                                                                                                                                                                                    |                                                                                                 |
| All references to distributions relate only to payments of benefits during the plan year.                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                  | 1 0                                                                                             |
| 2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):<br><br>EIN(s): 25-6263968                                                                                                            |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                  | 3 616                                                                                           |
| Part II                                                                                                                                                                                                                                                                                                                                                         | Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)                                                                                                                           |                                                                                                 |
| 4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A<br>If the plan is a defined benefit plan, go to line 8.                                                                                                |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month Day Year<br>If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.                              |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                  | 6a                                                                                              |
| b Enter the amount contributed by the employer to the plan for this plan year                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                  | 6b                                                                                              |
| c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                  | 6c                                                                                              |
| If you completed line 6c, skip lines 8 and 9.                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 7 Will the minimum funding amount reported on line 6c be met by the funding deadline? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| Part III                                                                                                                                                                                                                                                                                                                                                        | Amendments                                                                                                                                                                                                                                                                                       |                                                                                                 |
| 9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. <input type="checkbox"/> Increase <input type="checkbox"/> Decrease <input type="checkbox"/> Both <input checked="" type="checkbox"/> No        |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| Part IV                                                                                                                                                                                                                                                                                                                                                         | ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.                                                                                                                                                       |                                                                                                 |
| 10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 11 a Does the ESOP hold any preferred stock? <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                        |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 12 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) 2017 v. 170203                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                  |                                                                                                 |

**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.*

|          |                                                                                                                                                                                                                                                                                           |          |                                       |
|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|---------------------------------------|
| <b>a</b> | Name of contributing employer                                                                                                                                                                                                                                                             |          |                                       |
| <b>b</b> | EIN                                                                                                                                                                                                                                                                                       | <b>c</b> | Dollar amount contributed by employer |
| <b>d</b> | Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box <input type="checkbox"/> and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____ |          |                                       |
| <b>e</b> | Contribution rate information (If more than one rate applies, check this box <input type="checkbox"/> 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: <input type="checkbox"/> Hourly <input type="checkbox"/> Weekly <input type="checkbox"/> Unit of production <input type="checkbox"/> Other (specify): _____                                                                                                        |          |                                       |
| <b>a</b> | Name of contributing employer                                                                                                                                                                                                                                                             |          |                                       |
| <b>b</b> | EIN                                                                                                                                                                                                                                                                                       | <b>c</b> | Dollar amount contributed by employer |
| <b>d</b> | Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box <input type="checkbox"/> and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____ |          |                                       |
| <b>e</b> | Contribution rate information (If more than one rate applies, check this box <input type="checkbox"/> 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: <input type="checkbox"/> Hourly <input type="checkbox"/> Weekly <input type="checkbox"/> Unit of production <input type="checkbox"/> Other (specify): _____                                                                                                        |          |                                       |
| <b>a</b> | Name of contributing employer                                                                                                                                                                                                                                                             |          |                                       |
| <b>b</b> | EIN                                                                                                                                                                                                                                                                                       | <b>c</b> | Dollar amount contributed by employer |
| <b>d</b> | Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box <input type="checkbox"/> and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____ |          |                                       |
| <b>e</b> | Contribution rate information (If more than one rate applies, check this box <input type="checkbox"/> 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: <input type="checkbox"/> Hourly <input type="checkbox"/> Weekly <input type="checkbox"/> Unit of production <input type="checkbox"/> Other (specify): _____                                                                                                        |          |                                       |
| <b>a</b> | Name of contributing employer                                                                                                                                                                                                                                                             |          |                                       |
| <b>b</b> | EIN                                                                                                                                                                                                                                                                                       | <b>c</b> | Dollar amount contributed by employer |
| <b>d</b> | Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box <input type="checkbox"/> and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____ |          |                                       |
| <b>e</b> | Contribution rate information (If more than one rate applies, check this box <input type="checkbox"/> 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: <input type="checkbox"/> Hourly <input type="checkbox"/> Weekly <input type="checkbox"/> Unit of production <input type="checkbox"/> Other (specify): _____                                                                                                        |          |                                       |
| <b>a</b> | Name of contributing employer                                                                                                                                                                                                                                                             |          |                                       |
| <b>b</b> | EIN                                                                                                                                                                                                                                                                                       | <b>c</b> | Dollar amount contributed by employer |
| <b>d</b> | Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box <input type="checkbox"/> and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____ |          |                                       |
| <b>e</b> | Contribution rate information (If more than one rate applies, check this box <input type="checkbox"/> 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: <input type="checkbox"/> Hourly <input type="checkbox"/> Weekly <input type="checkbox"/> Unit of production <input type="checkbox"/> Other (specify): _____                                                                                                        |          |                                       |

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

|                                                                          |            |  |
|--------------------------------------------------------------------------|------------|--|
| <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> |  |

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

|                                                                                                       |            |  |
|-------------------------------------------------------------------------------------------------------|------------|--|
| <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> |  |

- 16** 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> |  |

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. .... ☐

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

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment .... ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: 19.0% Investment-Grade Debt: 31.0% High-Yield Debt: 5.0% Real Estate: 12.0% Other: 33.0%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☒ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate line 19(b)?

☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):



Financial Statements and  
Independent Auditors' Report

**Koch Industries Employees' Pension Plan**

December 31, 2017 and 2016



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| Note:                                                      | All schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, as amended, have been omitted because they are not applicable. |



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## INDEPENDENT AUDITORS' REPORT

To the Plan Administrator  
Koch Industries Employees' Pension Plan

### Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Koch Industries Employees' Pension Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2017 and 2016, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

### Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("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 3, which was certified by The Bank of New York Mellon/BNY Mellon, N.A., the trustee of the Plan, except for comparing the 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 certifications from the trustee as of December 31, 2017 and 2016 and for the years then ended, that the information provided to the plan administrator by the trustee is complete and accurate.

### Disclaimer of Opinion

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

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

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

*Mayer Hoffman McCann P.C.*

Kansas City, Missouri  
October 10, 2018



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# Statements of net assets available for benefits

| <b>December 31</b>                                                       | <b>2017</b>             | <b>2016</b>      |
|--------------------------------------------------------------------------|-------------------------|------------------|
| <b>Assets:</b>                                                           |                         |                  |
| Investment in Koch Companies Defined Benefit Master Trust, at fair value | <b>\$ 1,283,625,508</b> | \$ 1,210,919,335 |
| Employer contributions receivable                                        | <b>300,000,000</b>      | 100,000,000      |
| Total assets                                                             | <b>1,583,625,508</b>    | 1,310,919,335    |
| <b>Liabilities:</b>                                                      |                         |                  |
| Accrued liabilities                                                      | <b>169,430</b>          | 131,518          |
| Total liabilities                                                        | <b>169,430</b>          | 131,518          |
| <b>Net assets available for benefits</b>                                 | <b>\$ 1,583,456,078</b> | \$ 1,310,787,817 |

See accompanying notes to the financial statements

# Statements of changes in net assets available for benefits

| For the years ended December 31                                                          | 2017           | 2016          |
|------------------------------------------------------------------------------------------|----------------|---------------|
| <b>Additions:</b>                                                                        |                |               |
| Net increase of investment in Koch Companies Defined Benefit Master Trust, at fair value | \$ 100,247,315 | \$ 28,688,241 |
| Employer contributions                                                                   | 300,000,000    | 100,000,000   |
| Total additions, net                                                                     | 400,247,315    | 128,688,241   |
| <b>Deductions:</b>                                                                       |                |               |
| Benefit payments to participants and beneficiaries                                       | 122,982,374    | 100,151,814   |
| Administrative expenses                                                                  | 4,596,680      | 2,084,602     |
| Total deductions                                                                         | 127,579,054    | 102,236,416   |
| Net increase                                                                             | 272,668,261    | 26,451,825    |
| Net assets available for benefits, beginning of year                                     | 1,310,787,817  | 1,284,335,992 |
| Net assets available for benefits, end of year                                           | 1,583,456,078  | 1,310,787,817 |

See accompanying notes to the financial statements

# Notes to financial statements

## 1 Description of the Plan

The following description of the Koch Industries Employees' 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 noncontributory defined benefit plan sponsored by Koch Industries, Inc. (the Company) for the benefit of its employees who have worked at least 1,000 hours in a year at the Company and certain other companies affiliated with the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The trustee of the Plan, Bank of New York Mellon/BNY Mellon, N.A., formerly Mellon Bank, N.A. (the Trustee), together with the Koch Industries, Inc. Investment Committee, manages the Plan's investment assets. The Plan was closed to new participants effective January 1, 2016.

### Pension Benefits

The monthly normal retirement allowance of a participant who retires on a normal retirement date and expressed as a 10-year life and certain annuity shall be determined by multiplying the participant's years of credited service (limited to 45 years), by 1.25% of the average final monthly compensation, as defined in the Plan document.

### Vesting

Participants are 100% vested upon completion of five years of credited service.

### Retirement Benefit Options

In general, the Plan provides for normal retirement benefits upon reaching age 65 and has provisions for early retirement, disability, or death benefits. Participants may elect the following other types of payments: single life annuity, joint and survivor annuity, 10 or 15 year life and certain annuity, periodic monthly payments, or a lump-sum payment. In addition, a combination of lump-sum and annuity form of payment is available for commencements prior to January 1, 2020.

If a vested participant dies after the commencement of normal benefits, a death benefit will be paid in accordance with the form of benefit payment election in effect. If a vested participant dies prior to the commencement of normal benefits, the beneficiary will receive the current lump-sum equivalent of the deferred vested benefit. If the beneficiary is a spouse, the payment will be made as a single life annuity unless he or she chooses a lump-sum payment.

### Funding Policy

Participant contributions were required until December 31, 1979. Since that date, no participant contributions have been permitted. The Company makes annual contributions to the Plan based on the funding recommendations of the Plan's independent consulting actuary to meet the minimum requirements under ERISA. The Plan was in compliance with applicable ERISA funding requirements for 2017 and 2016.

## 2 Summary of Significant Accounting Policies

### Basis of Accounting

The accompanying financial statements are prepared on the accrual method of accounting. Certain prior year amounts have been reclassified for consistency with the current year presentation.

## **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America (US GAAP) requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and changes therein, disclosures of contingent assets and liabilities and the actuarial present value of accumulated plan benefits at the date of the financial statements. Accordingly, actual results may differ from those estimates.

## **Investment Valuation and Income Recognition**

The Plan's investment in the Koch Companies Defined Benefit Master Trust (Koch Master Trust) is stated at fair value (Note 3). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (Note 4).

Investments held by the Koch Master Trust that are traded on a national securities exchange are valued at the last reported sales price on the last business day of the Plan year. Investments in preferred stocks, government bonds, corporate bonds, other corporate debt securities, and cash equivalents are valued based on yields available on comparable securities. Investments in limited partnerships are valued at appraised values at the end of the Plan year as reported by the partnerships' respective general partners and the Trustee of the Plan. Appraised values are developed using various modeling techniques, including, but not limited to, the strong correlation of the underlying security to one or more broad-based securities market indices and/or other financial instruments. Other investments consist primarily of synthetic equity options that are indexed to specific equity market benchmarks and are valued based upon observable market data. Investments in derivative instruments are marked to market daily based on quoted prices or widely accepted models that use readily observable market parameters as their basis. Amounts owed or due on open derivative contracts are recorded as receivables or payables to the Koch Master Trust. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Investment related expenses of the Koch Master Trust, such as Trustee and investment manager fees, are paid by the Koch Master Trust and are netted against investment gains.

## **Payment of Benefits**

Benefits are recorded in the year in which they are paid.

## **Administrative Expenses**

Administrative expenses include Pension Benefit Guaranty Corporation (PBGC) premiums, record keeping, legal, and other administration fees directly incurred by the Plan.

## **Subsequent Events**

The Plan administrator has evaluated subsequent events through October 10, 2018, the date the financial statements were available to be issued. No significant matters were identified during this evaluation.

# **3 Financial Information of Koch Master Trust**

The Koch Master Trust was established for the collective investment of the assets of participating employee benefit plans of Koch Industries, Inc. and certain subsidiaries. Fund assets are allocated among participating plans by assigning to each plan those transactions (primarily contributions, benefit payments, and specific administrative expenses) which can be specifically identified. Income and expenses resulting from the collective investment of the assets are allocated (on a monthly or daily basis) in proportion to the fair value of the assets assigned to each plan.

The assets of the Koch Master Trust are accounted for on a units-of-participation basis. At December 31, 2017 and 2016, the Plan held 1,283,625,508 and 1,210,919,335 units of the Koch Master Trust, respectively, with an individual unit estimated fair value of \$1. The Plan's unit holdings at December 31, 2017 and 2016 had fair values of \$1,283,625,508 and \$1,210,919,335, which represented approximately 21.3% and 21.6% of the net assets of the Koch Master Trust, respectively.

The Trustee of the Plan has certified the completeness and accuracy of substantially all investments reflected in the accompanying statements of net assets available for benefits and substantially all of the related investment activity reflected in the statements of changes in net assets available for benefits of the Plan. The net assets of the Koch Master Trust certified as complete and accurate by the Trustee totaled \$5,963,519,341 and \$5,517,180,735 at December 31, 2017 and 2016, respectively. Net investment gain of the Koch Master Trust certified as complete and accurate by the Trustee totaled \$486,844,487 and \$17,204,636, which excluded \$68,371,155 and \$85,284,807 of net investment gain related to certain investment valuations subsequent to Trustee certification for the years ended December 31, 2017 and 2016, respectively. The Plan's independent auditors have not audited investment information certified by the Trustee of the Plan.

A summary of the net assets of the Koch Master Trust is as follows:

| <b>December 31</b>                | <b>2017</b>      | <b>2016</b>      |
|-----------------------------------|------------------|------------------|
| <b>Assets:</b>                    |                  |                  |
| <b>Investments at fair value:</b> |                  |                  |
| Cash equivalents <sup>1</sup>     | \$ 946,286,693   | \$ 1,652,218,648 |
| Common and preferred stocks       | 185,474,031      | 179,892,229      |
| Corporate debt instruments        | 313,833,618      | 248,890,109      |
| Government bonds                  | 154,105,020      | 90,396,255       |
| Limited partnerships              | 4,334,668,128    | 3,390,276,850    |
| Other investments                 | 81,676,253       | 11,227,495       |
| Total investments at fair value   | 6,016,043,743    | 5,572,901,586    |
| <b>Receivables:</b>               |                  |                  |
| Interest and dividends            | 3,167,103        | 1,716,914        |
| Due from brokers                  | 13,498,191       | 27,847,042       |
| Total receivables                 | 16,665,294       | 29,563,956       |
| Total assets                      | 6,032,709,037    | 5,602,465,542    |
| <b>Liabilities:</b>               |                  |                  |
| Due to brokers                    | 818,541          | —                |
| Total liabilities                 | 818,541          | —                |
| Net assets                        | \$ 6,031,890,496 | \$ 5,602,465,542 |

<sup>1</sup> Includes cash, repurchase agreements, U.S. government Treasury bills, and funds that invest in U.S. government short-term securities.

Net investment gain for the Koch Master Trust is as follows:

| <b>For the years ended December 31</b>               | <b>2017</b>           | <b>2016</b>           |
|------------------------------------------------------|-----------------------|-----------------------|
| <b>Net investment gain:</b>                          |                       |                       |
| Net increase (decrease) in fair value of investments | \$ 204,697,112        | \$ (6,916,725)        |
| Interest, dividend and other income                  | 268,792,420           | 113,103,450           |
| Investment expenses                                  | (3,558,698)           | (3,697,282)           |
| <b>Net investment gain of Koch Master Trust</b>      | <b>\$ 469,930,834</b> | <b>\$ 102,489,443</b> |

The Koch Master Trust's overall strategy is to provide investment diversification to minimize risk and maximize long-term investment returns while maintaining sufficient liquidity. As a part of this strategy, the Koch Master Trust holds certain investments that have redemption restrictions, future funding commitments, and other requirements that vary by individual investment. Redemption restrictions are generally short-term with the exception of certain limited partnership investments, of which funds frequently cannot be withdrawn for the life of the investment. At December 31, 2017 and 2016, the Koch Master Trust had noncancelable commitments to make future investments in certain limited partnerships totaling \$1,252,515,614 and \$1,283,174,362, respectively. The commitments mature at various dates designated by the respective fund agreements.

At December 31, 2017 and 2016, the Koch Master Trust held \$817,697,532 and \$1,520,827,635 of cash equivalents held in custody by the Trustee, respectively. In addition, fees paid by the Koch Master Trust to the Trustee, or an affiliate thereof, for Trustee and investment management services totaled \$1,192,634 and \$1,040,002 for the years ended December 31, 2017 and 2016, respectively. Transactions with the Trustee qualify as party-in-interest transactions.

During 2017 and 2016, the Koch Master Trust invested in a limited number of derivative financial instruments. Certain investment managers were allowed to use derivatives for such strategies as portfolio structuring, return enhancement, and hedging against deterioration of investment holdings from market and interest rate changes. Derivatives are also used as a hedge against foreign currency fluctuations. Derivative instruments included equity index, government and money market forwards and futures, credit default swaps, as well as interest rate swaps and options. The resulting fair value changes of derivative instruments were included in the net increase (decrease) in fair value of investments. Derivative positions held at December 31, 2017 and 2016 were not material and the use of derivative instruments was not believed to materially increase the credit or market risk of the Koch Master Trust's investments.

#### 4 Fair Value Measurements

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

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

The valuation methods described in Note 2 may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used at December 31, 2017 and 2016.

The following table sets forth by level, within the fair value hierarchy, a summary of the Koch Master Trust's investment assets at fair value as of December 31, 2017.

| <b>December 31, 2017</b>    | <b>Level 1</b>          | <b>Level 2</b>        | <b>Level 3</b>          | <b>NAV</b>              | <b>Total</b>            |
|-----------------------------|-------------------------|-----------------------|-------------------------|-------------------------|-------------------------|
| Cash equivalents            | \$ 946,286,693          | \$ —                  | \$ —                    | \$ —                    | \$ 946,286,693          |
| Common and preferred stocks | —                       | —                     | 185,474,031             | —                       | 185,474,031             |
| Corporate debt instruments  | —                       | —                     | 313,833,618             | —                       | 313,833,618             |
| Government bonds            | 82,511,058              | 71,593,962            | —                       | —                       | 154,105,020             |
| Limited partnerships        | 144,272,349             | —                     | 1,530,985,603           | 2,659,410,176           | 4,334,668,128           |
| Other investments           | (5,128,463)             | 86,804,716            | —                       | —                       | 81,676,253              |
| <b>Total</b>                | <b>\$ 1,167,941,637</b> | <b>\$ 158,398,678</b> | <b>\$ 2,030,293,252</b> | <b>\$ 2,659,410,176</b> | <b>\$ 6,016,043,743</b> |

The following table sets forth by level, within the fair value hierarchy, a summary of the Koch Master Trust's investment assets at fair value as of December 31, 2016.

| <b>December 31, 2016</b>    | <b>Level 1</b>          | <b>Level 2</b>       | <b>Level 3</b>          | <b>NAV</b>              | <b>Total</b>            |
|-----------------------------|-------------------------|----------------------|-------------------------|-------------------------|-------------------------|
| Cash equivalents            | \$ 1,652,218,648        | \$ —                 | \$ —                    | \$ —                    | \$ 1,652,218,648        |
| Common and preferred stocks | —                       | —                    | 179,892,229             | —                       | 179,892,229             |
| Corporate debt instruments  | —                       | —                    | 248,890,109             | —                       | 248,890,109             |
| Government bonds            | 23,619,555              | 66,776,700           | —                       | —                       | 90,396,255              |
| Limited partnerships        | —                       | —                    | 1,329,435,004           | 2,060,841,846           | 3,390,276,850           |
| Other investments           | (2,016,235)             | 13,243,730           | —                       | —                       | 11,227,495              |
| <b>Total</b>                | <b>\$ 1,673,821,968</b> | <b>\$ 80,020,430</b> | <b>\$ 1,758,217,342</b> | <b>\$ 2,060,841,846</b> | <b>\$ 5,572,901,586</b> |

The table below sets forth a summary of changes in fair value of the Koch Master Trust's level 3 investment assets.

|                                           | <b>Common and preferred stocks</b> | <b>Corporate debt instruments</b> | <b>Limited partnerships</b> | <b>Total</b>            |
|-------------------------------------------|------------------------------------|-----------------------------------|-----------------------------|-------------------------|
| <b>At December 31, 2015</b>               | <b>\$ 139,335,488</b>              | <b>\$ 244,510,512</b>             | <b>\$ 1,303,214,714</b>     | <b>\$ 1,687,060,714</b> |
| Net investment gain during the period     | 47,413,412                         | 11,230,155                        | 91,048,095                  | 149,691,662             |
| Contributions, purchases and transfers in | —                                  | 18,825,340                        | 511,916,673                 | 530,742,013             |
| Distributions and sales                   | (6,856,671)                        | (25,675,898)                      | (576,744,478)               | (609,277,047)           |
| <b>At December 31, 2016</b>               | <b>\$ 179,892,229</b>              | <b>\$ 248,890,109</b>             | <b>\$ 1,329,435,004</b>     | <b>\$ 1,758,217,342</b> |
| Net investment gain during the period     | 14,541,786                         | 15,814,366                        | 189,365,183                 | 219,721,335             |
| Contributions, purchases and transfers in | —                                  | 98,076,677                        | 455,831,603                 | 553,908,280             |
| Distributions and sales                   | (8,959,984)                        | (48,947,534)                      | (443,646,187)               | (501,553,705)           |
| <b>At December 31, 2017</b>               | <b>\$ 185,474,031</b>              | <b>\$ 313,833,618</b>             | <b>\$ 1,530,985,603</b>     | <b>\$ 2,030,293,252</b> |

The table below sets forth more detailed assumptions used in developing the fair values of the Koch Master Trust's level 3 investment assets.

| <b>Fund Type</b>            | <b>Valuation Technique</b>                                                              | <b>Significant Unobservable Inputs</b>                                                                                                                           | <b>Range (if applicable)</b>                                                         |
|-----------------------------|-----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| Common and preferred stocks | Valued at probable realization value using cost price or values for recent transactions | Quotes from brokers active in trading the particular security type                                                                                               |                                                                                      |
| Corporate debt instruments  | Valued at probable realization value using cost price or values for recent transactions | Quotes from brokers active in trading the particular security type                                                                                               |                                                                                      |
| Limited partnerships        | Valued at probable realization value using cost price or values for recent transactions | Quotes from brokers active in trading the particular security type, counterparty valuations, market data service providers or reference to visible traded levels |                                                                                      |
|                             | Company trading and precedent trading multiple                                          | EBITDA Multiple                                                                                                                                                  | 5 times-19 times                                                                     |
|                             | Discounted cash flow over holding period                                                | Risk adjusted premiums of not achieving a return of capital. 3rd party engineering reports, comparable transactions                                              |                                                                                      |
|                             | Discounted cash flow/direct capitalization                                              | Discounted Rate Terminal Capitalization Rate                                                                                                                     | 8/5/2025                                                                             |
|                             | Projected cash flow                                                                     | Investment, liquidation and wind-down periods                                                                                                                    | Investment Periods 20-30%<br>Liquidations Periods 15-30%<br>Wind down Periods 10-25% |

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Plan management evaluates the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the years ended December 31, 2017 and 2016, there were no significant transfers in or out of levels 1, 2 or 3.

## **5 Actuarial Present Value of Accumulated Plan Benefits**

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the services rendered by the employees to the valuation date. The actuarial present value of accumulated plan benefits is determined by the Plan's actuary and is the amount that results from applying actuarial assumptions to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment. The actuarial present value of accumulated plan benefits is presented based on a beginning-of-year benefit information date.

The significant actuarial assumptions used in the January 1, 2017 valuation are as follows:

|                                                 |                                                                                                                                                                                |
|-------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Method of valuation:                            | Unit credit cost method                                                                                                                                                        |
| Assumed rate of return on investments:          | 6.75%                                                                                                                                                                          |
| Mortality:                                      | RP-2014 with no collar adjustment projected with Scale MP-2014 back to 2007, converging linearly to a 1% long-term improvement rate in 2019, with no improvement above age 115 |
| Average age of participants receiving benefits: | 69.6                                                                                                                                                                           |

These actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits. The computations of the actuarial present value of accumulated plan benefits were made as of January 1, 2017. Had the valuation been performed as of December 31, there would be no material differences.

The actuarial present value of accumulated plan benefits of the Plan is as follows:

| <b>January 1</b>                          | <b>2017</b>             |
|-------------------------------------------|-------------------------|
| <b>Accumulated benefits:</b>              |                         |
| Participants currently receiving payments | \$ 159,950,653          |
| Other participants                        | 996,625,898             |
| Nonvested benefits                        | 32,159,489              |
| <b>Total</b>                              | <b>\$ 1,188,736,040</b> |

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

| <b>For the year ended January 1</b>                                            | <b>2017</b>             |
|--------------------------------------------------------------------------------|-------------------------|
| <b>Actuarial present value of accumulated plan benefits, beginning of year</b> | <b>\$ 997,843,572</b>   |
| Increase for interest due to the decrease in the discount period               | 74,143,006              |
| Benefits paid                                                                  | (100,151,814)           |
| Assumption changes                                                             | 106,532,127             |
| Benefits accumulated and other changes                                         | 110,369,149             |
| <b>Actuarial present value of accumulated plan benefits, end of year</b>       | <b>\$ 1,188,736,040</b> |

## 6 Related-Party Transactions

Certain Plan investments are managed by the Trustee and therefore, these transactions qualify as party-in-interest transactions.

## 7 Plan Termination

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

In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

- a. Benefits attributable to employee contributions, taking into account those paid out before termination.

- b. Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan.
- c. Other vested benefits insured by the PBGC up to the application limitations discussed below.
- d. Vested benefits not insured by the PBGC.
- e. All nonvested benefits.

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

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations, and may also depend on the financial condition of the Plan sponsor and the level of benefits guaranteed by the PBGC.

## **8 Tax Status**

The Internal Revenue Service ("IRS") has determined and informed the Company by a letter dated February 14, 2014, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the Plan administrative committee and the Plan's tax counsel believe that the Plan and related trust are currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

US GAAP requires 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 IRS or other applicable taxing authorities. The Plan is subject to routine audits by taxing jurisdictions; however, the Plan is not currently under audit with respect to any tax periods in progress.

## **9 Risks and Uncertainties**

The Plan, through the Koch Master Trust, invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

The Plan, through the Koch Master Trust, invests in securities with contractual cash flows, such as asset-backed securities, collateralized mortgage obligations and commercial mortgage backed securities, including securities backed by subprime mortgage loans. The value, liquidity and related income (loss) of these securities are sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

Plan contributions are made, and the actuarial present value of accumulated plan benefits are reported, based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

# SCHEDULE SB ATTACHMENTS

## Schedule SB, Line 26 Schedule of Active Participant Data as of January 1, 2017

| Attained Age                      |                  | Attained Years of Credited Service <sup>1</sup> |        |        |         |        |         |         |         |         |         |         |         |           | Total   |
|-----------------------------------|------------------|-------------------------------------------------|--------|--------|---------|--------|---------|---------|---------|---------|---------|---------|---------|-----------|---------|
|                                   |                  | 0                                               | 1      | 2      | 3       | 4      | 5-9     | 10-14   | 15-19   | 20-24   | 25-29   | 30-34   | 35-39   | 40 & Over |         |
| Under 25                          | Count            | 0                                               | 70     | 238    | 81      | 23     | 8       | 0       | 0       | 0       | 0       | 0       | 0       | 0         | 420     |
|                                   | Average Earnings | 0                                               | 49,131 | 62,756 | 65,517  | 67,165 | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0         | 61,150  |
| 25-29                             | Count            | 0                                               | 111    | 381    | 355     | 261    | 307     | 9       | 0       | 0       | 0       | 0       | 0       | 0         | 1,424   |
|                                   | Average Earnings | 0                                               | 62,032 | 66,524 | 72,878  | 80,260 | 82,301  | 0       | 0       | 0       | 0       | 0       | 0       | 0         | 73,769  |
| 30-34                             | Count            | 0                                               | 108    | 321    | 299     | 245    | 580     | 125     | 0       | 0       | 0       | 0       | 0       | 0         | 1,678   |
|                                   | Average Earnings | 0                                               | 64,893 | 75,313 | 82,327  | 84,842 | 88,000  | 100,789 | 0       | 0       | 0       | 0       | 0       | 0         | 83,567  |
| 35-39                             | Count            | 0                                               | 75     | 248    | 215     | 204    | 523     | 246     | 79      | 7       | 0       | 0       | 0       | 0         | 1,597   |
|                                   | Average Earnings | 0                                               | 75,156 | 84,495 | 86,275  | 87,446 | 94,756  | 100,036 | 104,220 | 0       | 0       | 0       | 0       | 0         | 91,327  |
| 40-44                             | Count            | 0                                               | 50     | 189    | 170     | 127    | 416     | 258     | 189     | 93      | 0       | 0       | 0       | 0         | 1,492   |
|                                   | Average Earnings | 0                                               | 99,762 | 94,752 | 92,238  | 89,398 | 95,084  | 108,994 | 103,249 | 107,271 | 0       | 0       | 0       | 0         | 98,590  |
| 45-49                             | Count            | 0                                               | 44     | 187    | 126     | 107    | 360     | 249     | 210     | 166     | 181     | 4       | 0       | 0         | 1,634   |
|                                   | Average Earnings | 0                                               | 97,446 | 95,504 | 94,803  | 84,724 | 98,939  | 102,056 | 108,284 | 111,422 | 105,276 | 0       | 0       | 0         | 100,787 |
| 50-54                             | Count            | 0                                               | 28     | 134    | 120     | 91     | 296     | 215     | 167     | 171     | 265     | 73      | 4       | 0         | 1,564   |
|                                   | Average Earnings | 0                                               | 95,378 | 97,542 | 87,432  | 94,993 | 103,507 | 107,238 | 104,500 | 113,943 | 106,044 | 123,980 | 0       | 0         | 104,229 |
| 55-59                             | Count            | 0                                               | 22     | 112    | 100     | 68     | 237     | 180     | 152     | 140     | 215     | 89      | 258     | 30        | 1,603   |
|                                   | Average Earnings | 0                                               | 84,624 | 92,054 | 102,604 | 93,738 | 88,513  | 98,243  | 103,338 | 109,766 | 101,627 | 117,829 | 100,625 | 54,017    | 98,853  |
| 60-64                             | Count            | 0                                               | 19     | 53     | 37      | 40     | 128     | 113     | 77      | 88      | 124     | 58      | 209     | 213       | 1,159   |
|                                   | Average Earnings | 0                                               | 0      | 99,673 | 89,838  | 95,482 | 91,739  | 89,126  | 90,569  | 99,393  | 95,408  | 98,620  | 97,185  | 64,858    | 89,560  |
| 65-69                             | Count            | 0                                               | 4      | 20     | 10      | 8      | 41      | 47      | 18      | 29      | 34      | 19      | 34      | 106       | 370     |
|                                   | Average Earnings | 0                                               | 0      | 97,004 | 0       | 0      | 101,961 | 81,094  | 0       | 85,463  | 87,668  | 0       | 84,553  | 81,713    | 87,847  |
| 70 & over                         | Count            | 0                                               | 0      | 6      | 4       | 3      | 8       | 8       | 3       | 5       | 4       | 2       | 2       | 14        | 59      |
|                                   | Average Earnings | 0                                               | 0      | 0      | 0       | 0      | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0         | 94,693  |
| Total                             | Count            | 0                                               | 531    | 1,889  | 1,517   | 1,177  | 2,904   | 1,450   | 895     | 699     | 823     | 245     | 507     | 363       | 13,000  |
|                                   | Average Earnings | 0                                               | 73,927 | 80,672 | 84,170  | 86,078 | 92,912  | 101,241 | 103,134 | 108,075 | 102,188 | 112,473 | 98,074  | 70,480    | 91,689  |
| Average:                          |                  |                                                 |        |        |         |        |         |         |         |         |         |         |         |           |         |
|                                   |                  | Age                                             | 44.6   |        |         |        |         |         |         |         |         |         |         |           |         |
|                                   |                  | Service                                         | 11.1   |        |         |        |         |         |         |         |         |         |         |           |         |
| Census data as of January 1, 2017 |                  |                                                 |        |        |         |        |         |         |         |         |         |         |         |           |         |

Age and service for purposes of determining category are based on exact (not rounded) values.

Plan Name: Koch Industries Employees' Pension Plan  
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 Plan Sponsor: Koch Industries, Inc.  
 Valuation Date: January 1, 2017

# SCHEDULE SB ATTACHMENTS

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

### Appendix A— Statement of Actuarial Assumptions, Methods and Data Sources

#### Economic Assumptions

##### Interest rate basis:

- Applicable month September
- Interest rate basis 3-Segment Rates

##### Interest rates:

|                           | Reflecting<br>Corridors | Not Reflecting<br>Corridors |
|---------------------------|-------------------------|-----------------------------|
| ■ First segment rate      | 4.16%                   | 1.52%                       |
| ■ Second segment rate     | 5.72%                   | 3.80%                       |
| ■ Third segment rate      | 6.48%                   | 4.79%                       |
| ■ Effective interest rate | 6.07%                   | 4.05%                       |

##### Annual rates of increase:

- Salaries Age graded salary scale weighted average of 4.5%. Rates varying by age as follows:

#### Annual Salary Increase Percentage

| Age   | Rates |
|-------|-------|
| <29   | 9.0%  |
| 30-34 | 7.0%  |
| 35-39 | 5.5%  |
| 40-44 | 5.0%  |
| 45-49 | 4.0%  |
| 50-54 | 3.6%  |
| 55+   | 3.0%  |

- Administrative expenses Prior year administrative expenses paid, adjusted for expected deviations and PBGC premiums for one year. For 2017, an amount of \$4,620,000 was included in the target normal cost.

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# SCHEDULE SB ATTACHMENTS

## Demographic Assumptions

**Inclusion date** The valuation date coincident with or next following the date on which the employee becomes a participant.

**New or rehired employees** It was assumed there will be no new or rehired employees.

### Mortality

■ **Healthy** Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, projected to 2032 using Scale AA) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2024 using Scale AA).

■ **Disabled** Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, projected to 2032 using Scale AA) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2024 using Scale AA).

**Termination** Rates varying by age and service per 1,000 participants as follows:

### Number leaving during the year

| Age   | Years of Service |     |
|-------|------------------|-----|
|       | 0-4              | 5+  |
| 0-17  | 160              | 0   |
| 18-34 | 160              | 100 |
| 35-44 | 160              | 80  |
| 45-49 | 160              | 60  |
| 50-65 | 160              | 80  |

**Disability** Rates varying by age and gender per 1,000 participants as follows:

### Number becoming disabled during the year

| Age        | Male | Female |
|------------|------|--------|
| 39 or less | 0.14 | 0.16   |
| 40-44      | 0.28 | 0.48   |
| 45-49      | 0.54 | 0.66   |
| 50-54      | 1.02 | 0.94   |
| 55-59      | 1.86 | 1.44   |
| 60-65      | 2.48 | 1.63   |

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# SCHEDULE SB ATTACHMENTS

## Retirement

Rates varying by age, per 1,000 participants as follows:

| Number retiring during the year |  |
|---------------------------------|--|
|---------------------------------|--|

| Age   | Rate  |
|-------|-------|
| 55-58 | 50    |
| 59-61 | 75    |
| 62-64 | 150   |
| 65-69 | 250   |
| 70+   | 1,000 |

### Benefit commencement date:

- Deferred vested benefit Age 65.
- Disability benefit Upon disablement
- Retirement benefit Upon termination of employment

### Form of payment

80% of participants are assumed to elect a lump sum and 20% are assumed to elect an annuity. Lump sums were valued using the substitution of annuity form under IRS Regulation §1.430(d)-1(f)(4) without application of generational mortality.

### Percent married

80% of males, 80% of females. Used to value preretirement and surviving spouse benefits.

### Spouse age

Wife three years younger than her husband.

### Covered pay

The 2016 pensionable pay increased with the salary increase assumption.

### At-risk assumptions

For at-risk calculations, all participants eligible to elect benefits during the current and subsequent ten plan years are assumed to commence benefits at the earliest possible date under the plan, but not before the end of the current plan year, except in accordance with the regular valuation assumptions. In addition, all participants (not just those eligible to begin benefits within the next 11 years) are assumed to elect the most valuable form of benefit under the plan, which is usually the lump sum form of payment.

### Timing of benefit payments

Annuity payments are payable monthly at the beginning of the month and lump sum payments are payable on date of decrement.

Plan Name: Koch Industries Employees' Pension Plan  
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# SCHEDULE SB ATTACHMENTS

## Methods

|                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Valuation date</b>            | First day of plan year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Funding target</b>            | Present value of accrued benefits as required by regulations under IRC §430.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Target normal cost</b>        | Present value of benefits expected to accrue during the plan year plus plan-related expenses expected to be paid from plan assets during the plan year as required by regulations under IRC §430.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Actuarial value of assets</b> | <p>Average of the fair market value of assets on the valuation date and 12 and 24 months preceding the valuation date, adjusted for contributions, benefits, administrative expenses and expected earnings (with such expected earnings limited as described in IRS Notice 2009-22). The average asset value must be within 10% of market value, including discounted contributions receivable.</p> <p>The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term under PPA's smoothing rules, the method has a significant bias to produce an actuarial value of assets that is below the market value of assets.</p> |
| <b>Benefits not valued</b>       | <p>All benefits described in the Plan Provisions section of this report were valued. Willis Towers Watson has reviewed the plan provisions with Koch Industries, Inc. and, based on that review, is not aware of any significant benefits required to be valued that were not.</p> <p>The plan pays small benefits (with a present value up to \$5,000) in a single lump sum payment. Such lump sums are not explicitly valued; rather such participants' benefits are valued using the benefit choice assumptions described above.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

|                |                                         |
|----------------|-----------------------------------------|
| Plan Name:     | Koch Industries Employees' Pension Plan |
| EIN / PN:      | 48-0484227/001                          |
| Plan Sponsor:  | Koch Industries, Inc.                   |
| Valuation Date | January 1, 2017                         |

# SCHEDULE SB ATTACHMENTS

## Assumptions Rationale - Significant Economic Assumptions

|                                          |                                                                                                                                                                                          |
|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Discount rate</b>                     | The basis chosen was selected by the plan sponsor from among choices prescribed by law, all of which are based on observed market data over certain periods of time.                     |
| <b>Lump Sum conversion rate</b>          | As required by IRC 430, lump sum benefits are valued using "annuity substitution", so that the interest rates assumed are effectively the same as described above for the discount rate. |
| <b>Rates of increase in compensation</b> | Assumed increases were chosen by the plan sponsor and represent an estimate of future experience.                                                                                        |

## Assumptions Rationale - Significant Demographic Assumptions

|                           |                                                                                                                                                                                                                                            |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Healthy mortality</b>  | Assumptions used for funding purposes are as prescribed by IRC §430(h).                                                                                                                                                                    |
| <b>Disabled mortality</b> | Assumptions used for funding purposes are as prescribed by IRC §430(h).                                                                                                                                                                    |
| <b>Termination</b>        | Termination rates were based on an experience study conducted in 2016, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.                                 |
| <b>Retirement</b>         | Retirement rates were based on an experience study conducted in 2016, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.                                  |
| <b>Form of payment</b>    | The percentage of retiring participants assumed to take lump sums is based on an experience study conducted in 2016, with annual consideration of whether any conditions have changed that would be expected to produce different results. |

## Source of Prescribed Methods

|                        |                                                                                                                                                                                                                                                                                                                                                |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Funding methods</b> | The methods used for funding purposes as described in Appendix A, including the method of determining plan assets, are "prescribed methods set by law", as defined in the actuarial standards of practice (ASOPs). These methods are required by IRC §430, or were selected by the plan sponsor from a range of methods permitted by IRC §430. |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                |                                         |
|----------------|-----------------------------------------|
| Plan Name:     | Koch Industries Employees' Pension Plan |
| EIN / PN:      | 48-0484227/001                          |
| Plan Sponsor:  | Koch Industries, Inc.                   |
| Valuation Date | January 1, 2017                         |

## SCHEDULE SB ATTACHMENTS

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### Changes in Assumptions and Methods

**Change in assumptions since prior valuation**

The segment interest rates used to calculate the funding target and target normal cost were updated to the current valuation date as required by IRC §430.

The mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvement, as required by IRC §430.

The termination, retirement, salary scale, and form of payment assumptions were updated based on an experience study conducted during 2016 to better reflect anticipated experience under the plan.

**Change in methods since prior valuation**

None.

Plan Name: Koch Industries Employees' Pension Plan  
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Valuation Date: January 1, 2017

|                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                    |                                                                                                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| <b>SCHEDULE SB</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<br/>Pension Benefit Guaranty Corporation</small> | <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> | <small>OMB No. 1210-0110</small><br><br><b>2017</b><br><br><b>This Form is Open to Public Inspection</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

► **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>KOCH INDUSTRIES EMPLOYEES' PENSION PLAN                                  | <b>B</b> Three-digit plan number (PN) <span style="float: right;">►</span> | 001 |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF<br>KOCH INDUSTRIES, INC. | <b>D</b> Employer Identification Number (EIN)<br>48-0484227                |     |

**E** Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B **F** Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

| Part I Basic Information |                                                                                                                                                                                                                 |                            |                           |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------|
| <b>1</b>                 | Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2017</u>                                                                                                                                        |                            |                           |
| <b>2</b>                 | Assets:                                                                                                                                                                                                         |                            |                           |
|                          | <b>a</b> Market value .....                                                                                                                                                                                     | <b>2a</b>                  | 1,290,201,647             |
|                          | <b>b</b> Actuarial value .....                                                                                                                                                                                  | <b>2b</b>                  | 1,334,442,248             |
| <b>3</b>                 | Funding target/participant count breakdown                                                                                                                                                                      | (1) Number of participants | (2) Vested Funding Target |
|                          | <b>a</b> For retired participants and beneficiaries receiving payment .....                                                                                                                                     | 2,299                      | 165,965,699               |
|                          | <b>b</b> For terminated vested participants .....                                                                                                                                                               | 3,799                      | 179,566,134               |
|                          | <b>c</b> For active participants .....                                                                                                                                                                          | 13,000                     | 705,136,340               |
|                          | <b>d</b> Total .....                                                                                                                                                                                            | 19,098                     | 1,050,668,173             |
| <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>                   | 6.07%                     |
| <b>6</b>                 | Target normal cost .....                                                                                                                                                                                        | <b>6</b>                   | 75,678,072                |

**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> | <div style="text-align: center;"> <br/> <b>Michael R. Mace</b> </div> <div style="text-align: center;">           Signature of actuary<br/>           Michael R. Mace<br/>           Type or print name of actuary<br/>           Towers Watson Delaware, Inc.<br/>           Firm name<br/>           101 S Hanley Road<br/>           St. Louis MO 63105-3437<br/>           Address of the firm         </div> | <div style="text-align: center;">           10/03/2018<br/>           Date<br/>           1706591<br/>           Most recent enrollment number<br/>           314-719-5900<br/>           Telephone number (including area code)         </div> |
|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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) 2017

**Part II Beginning of Year Carryover and Prefunding Balances**

|                                                                                                                                                                     | (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>1.05%</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) .....                                                                                     |                       | 91,959,163             |
| <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>6.26%</u> ..... |                       | 5,756,644              |
| <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 .....                                                                       |                       | 97,715,807             |
| <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> | 122.67% |
| <b>15</b> Adjusted funding target attainment percentage .....                                                                                                              | <b>15</b> | 122.67% |
| <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> | 128.28% |
| <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 |
|--------------------------|-----------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|
| 09/12/2018               | 300,000,000                       | 0                               |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
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|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
| <b>Totals ▶</b>          | <b>18(b)</b>                      | 300,000,000                     | <b>18(c)</b>             |                                   | 0                               |

**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> | 271,446,957 |

**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>4.16 % | 2nd segment:<br>5.72 % | 3rd segment:<br>6.48 %                              |
|                                                                                                                                                                                              |                        |                        | <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 checked="" type="checkbox"/> Yes <input 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 checked="" type="checkbox"/> Yes <input 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>          | 75,678,072    |
| <b>b</b> Excess assets, if applicable, but not greater than line 31a .....                                                                                                           |                   | <b>31b</b>          | 75,678,072    |
| <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>           |               |
| <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                 | 0                   | 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>           | 271,446,957   |
| <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>          | 271,446,957   |
| <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>                                                                                                               | 0 |
| <b>43</b> Excess installment acceleration amount to be carried over to future plan years ..... |  | <b>43</b>                                                                                                               | 0 |

# SCHEDULE SB ATTACHMENTS

## Schedule SB, Line 22 Description of Weighted Average Retirement Age as of January 1, 2017

| Age | Retirement Rate | Assumed Number Eligible | Assumed Number Retiring         | Age * Number Retiring |
|-----|-----------------|-------------------------|---------------------------------|-----------------------|
| 55  | 5.0%            | 10,000                  | 500                             | 27,500                |
| 56  | 5.0%            | 9,500                   | 475                             | 26,600                |
| 57  | 5.0%            | 9,025                   | 451                             | 25,707                |
| 58  | 5.0%            | 8,574                   | 429                             | 24,882                |
| 59  | 7.5%            | 8,145                   | 611                             | 36,049                |
| 60  | 7.5%            | 7,534                   | 565                             | 33,900                |
| 61  | 7.5%            | 6,969                   | 523                             | 31,903                |
| 62  | 15.0%           | 6,446                   | 967                             | 59,954                |
| 63  | 15.0%           | 5,479                   | 822                             | 51,786                |
| 64  | 15.0%           | 4,657                   | 699                             | 44,736                |
| 65  | 25.0%           | 3,958                   | 990                             | 64,350                |
| 66  | 25.0%           | 2,968                   | 742                             | 48,972                |
| 67  | 25.0%           | 2,226                   | 557                             | 37,319                |
| 68  | 25.0%           | 1,669                   | 417                             | 28,356                |
| 69  | 25.0%           | 1,252                   | 313                             | 21,597                |
| 70  | 100.0%          | 939                     | 939                             | 65,730                |
|     |                 |                         | 10,000                          | 629,341               |
|     |                 |                         |                                 | / 10,000              |
|     |                 |                         | Weighted Average Retirement Age | 63                    |

Plan Name: Koch Industries Employees' Pension Plan  
 EIN / PN: 48-0484227/001  
 Plan Sponsor: Koch Industries, Inc.  
 Valuation Date: January 1, 2017

# SCHEDULE SB ATTACHMENTS

## Schedule SB, Part V Summary of Plan Provisions

### Appendix B– Summary of Principal Plan Provisions

|                     |                                                                                                                                                                                                                                                                                        |                       |                                                                                                      |
|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------------------------------------------------------------------------------------|
| Plan Name           | Koch Industries Employees' Pension Plan                                                                                                                                                                                                                                                | Plan Effective        | 01/01/1998                                                                                           |
|                     |                                                                                                                                                                                                                                                                                        | Last Change Effective | 01/01/2017                                                                                           |
| Type of Plan        | Final average pay formula                                                                                                                                                                                                                                                              |                       |                                                                                                      |
| Normal Form         | 10 Years Certain and Life Annuity                                                                                                                                                                                                                                                      |                       |                                                                                                      |
| Plan Eligibility    | 1 year of service, plan is closed to new entrants                                                                                                                                                                                                                                      |                       |                                                                                                      |
| Credited Service    | From Date of Hire, not to exceed 45 years                                                                                                                                                                                                                                              |                       |                                                                                                      |
| Pension Earnings    | Base pay for the calendar year                                                                                                                                                                                                                                                         |                       |                                                                                                      |
| EE Contributions    | None                                                                                                                                                                                                                                                                                   |                       |                                                                                                      |
| Class               | All Employees of Koch Industries, Inc. that are not covered under another pension plan due to a collectively bargaining agreement                                                                                                                                                      |                       |                                                                                                      |
| Accumulated Benefit | Generally, greater of<br>A) 1.25% of average annual compensation multiplied by years of benefit service after acquisition, or<br>B) 1.25% of average annual compensation multiplied by all years of benefit service, not to exceed 45, offset by prior accrued benefit, if applicable. |                       |                                                                                                      |
| <b>Benefit</b>      | <b>Age</b>                                                                                                                                                                                                                                                                             | <b>Cont Svc</b>       | <b>Age + Memb Svc</b><br><b>Description</b>                                                          |
| Normal Retirement   | 65                                                                                                                                                                                                                                                                                     | 5                     | AB, payable immediately                                                                              |
| Early               | 55                                                                                                                                                                                                                                                                                     | 10                    | AB, reduced 6% per year in most cases. Offset may have been different ERF and normal form of payment |
| Postponed           | >65                                                                                                                                                                                                                                                                                    | --                    | AB, including earnings and service to actual retirement                                              |
| Vesting             | --                                                                                                                                                                                                                                                                                     | 5                     | AB, payable at NRD                                                                                   |
| Disability          | --                                                                                                                                                                                                                                                                                     | 10                    | AB, payable at NRD (Some locations have only 5 year service requirement)                             |
| Pre Ret Death       | --                                                                                                                                                                                                                                                                                     | 5                     | AB, payable at NRD for life of spouse                                                                |
|                     | --                                                                                                                                                                                                                                                                                     | 10                    | 100% of ERB, payable for life of spouse                                                              |

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# SCHEDULE SB ATTACHMENTS

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## Optional Forms of Payment

In addition to the normal form of payment, participants are eligible to elect the following actuarially equivalent optional forms:

**Life Annuity** – An annuity payable for your participant's lifetime only. No monthly benefits are payable after participant's death.

**Joint and Survivor Annuity** – An annuity payable for the participant's life and upon death, an annuity payable to the beneficiary based on the percentage elected.

**Certain and Life Annuity** – An annuity payable for participant's life. If participant dies after payments begin and within the guaranteed period chosen, payments will continue to the beneficiary for the remaining period guaranteed. Normal form is 120 payments, but participants may also choose 180 or 240 guaranteed payments.

**Period Certain Annuity** – A monthly annuity with a guaranteed number of payments. Participant may choose 120, 180 or 240 guaranteed payments. If participant dies after payments begin and within the guaranteed period chosen, payments will continue to the beneficiary for the remaining period guaranteed. Once the guaranteed number of payments have been received, payments will stop, even if participant is still living.

**Lump Sum** – Single payment paid to participant who meets plan requirements.

## Changes in Benefits Valued Since Prior Year

All participants are now eligible for the lump sum form of payment.

Since the prior valuation, the plan was amended to include a voluntary distribution window for certain former employees to receive a one-time cash out of their benefit.

|                |                                         |
|----------------|-----------------------------------------|
| Plan Name:     | Koch Industries Employees' Pension Plan |
| EIN / PN:      | 48-0484227/001                          |
| Plan Sponsor:  | Koch Industries, Inc.                   |
| Valuation Date | January 1, 2017                         |

## **SCHEDULE SB ATTACHMENTS**

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### **Schedule SB, Line 25 Change in Actuarial Methods**

The valuation software used to produce the actuarial information submitted on this schedule has been changed and such modification may be considered to be a method change. The percentage changes in funding target, target normal cost and plan assets due to the refinements in the software are each less than 2% (disregarding the effects of any changes that are automatically approved under final IRC 430 regulations), and the modifications to the software were designed to produce results no less accurate than the results produced by the software prior to the change. Therefore the change in funding method due to a change in valuation software receives automatic approval under IRS Announcement 2010-3.

|                |                                         |
|----------------|-----------------------------------------|
| Plan Name:     | Koch Industries Employees' Pension Plan |
| EIN / PN:      | 48-0484227/001                          |
| Plan Sponsor:  | Koch Industries, Inc.                   |
| Valuation Date | January 1, 2017                         |

# SCHEDULE SB ATTACHMENTS

## Schedule SB, Line 24 Change in Actuarial Assumptions

The termination, retirement, salary scale, and form of payment assumptions were updated based on an experience study conducted during 2016 to better reflect anticipated experience under the plan.

| Type of Assumption | Old Assumptions | New Assumptions |
|--------------------|-----------------|-----------------|
|--------------------|-----------------|-----------------|

| Termination | Representative Termination Rates |                  |    | Representative Termination Rates |                  |     |
|-------------|----------------------------------|------------------|----|----------------------------------|------------------|-----|
|             | Number leaving during the year   |                  |    | Number leaving during the year   |                  |     |
|             | Age                              | Years of Service |    | Age                              | Years of Service |     |
|             |                                  | 0 - 4            | 5  |                                  | 0 - 4            | 5+  |
|             | 0 - 17                           | 200              | 0  | 0 - 17                           | 160              | 0   |
|             | 18 - 34                          | 200              | 80 | 18 - 34                          | 160              | 100 |
|             | 35 - 44                          | 200              | 70 | 35 - 44                          | 160              | 80  |
|             | 45 - 49                          | 200              | 60 | 45 - 49                          | 160              | 60  |
|             | 50 - 65                          | 200              | 50 | 50 - 65                          | 160              | 80  |

| Retirement Rates | Rates varying by age and gender, per 1,000 participants as follows: |       | Rates varying by age and gender, per 1,000 participants as follows: |       |
|------------------|---------------------------------------------------------------------|-------|---------------------------------------------------------------------|-------|
|                  | Age                                                                 | Rate  | Age                                                                 | Rate  |
|                  | 55 - 59                                                             | 50    | 55 - 58                                                             | 50    |
|                  | 60 - 61                                                             | 100   | 59 - 61                                                             | 75    |
|                  | 62 - 64                                                             | 150   | 62 - 64                                                             | 150   |
|                  | 65                                                                  | 300   | 70+                                                                 | 1,000 |
|                  | 66                                                                  | 400   |                                                                     |       |
|                  | 67 - 69                                                             | 200   |                                                                     |       |
|                  | 70+                                                                 | 1,000 |                                                                     |       |

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## SCHEDULE SB ATTACHMENTS

|              | Old Assumption |       | New Assumption |       |
|--------------|----------------|-------|----------------|-------|
|              | Age            | Rates | Age            | Rates |
| Salary Scale | <29            | 8.0%  | <29            | 9.0%  |
|              | 30-34          | 6.0%  | 30-34          | 7.0%  |
|              | 35-39          | 4.5%  | 35-39          | 5.5%  |
|              | 40-44          | 4.0%  | 40-44          | 5.0%  |
|              | 45-49          | 3.0%  | 45-49          | 4.0%  |
|              | 50-54          | 2.6%  | 50-54          | 3.6%  |
|              | 55+            | 2.0%  | 55+            | 3.0%  |

|                 |                                                                                                                                                                                                                           |                                                                                              |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| Form of Payment | For participants eligible to elect a lump sum, 65% of participants are assumed to elect a lump sum and 35% are assumed to elect an annuity. For those eligible to elect a lump sum, 100% are assumed to elect an annuity. | 80% of participants are assumed to elect a lump sum and 20% are assumed to elect an annuity. |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|

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