

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2018</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information For calendar plan year 2018 or fiscal plan year beginning <u>01/01/2018</u> and ending <u>12/31/2018</u>
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here. ▶	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)

Part II	Basic Plan Information—enter all requested information		
1a Name of plan <u>KOCH INDUSTRIES EMPLOYEES' PENSION PLAN</u>	1b Three-digit plan number (PN) ▶	<u>001</u>	
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>KOCH INDUSTRIES, INC.</u> <u>C/O KOCH BUSINESS SOLUTIONS, LP</u> <u>IRS/DOL NOTICES</u> <u>4111 E. 37TH STREET N, GA029-06</u> <u>WICHITA, KS 67220</u>	1c Effective date of plan <u>11/01/1947</u>	2b Employer Identification Number (EIN) <u>48-0484227</u>	2c Plan Sponsor's telephone number <u>404-652-2019</u>
		2d Business code (see instructions) <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.

SIGN HERE	Filed with authorized/valid electronic signature.	10/03/2019	RICHARD CAIRNS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/01/2019	WALT MALONE
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2018)
v. 171027

3a Plan administrator's name and address ☐ Same as Plan Sponsor KOCH BENEFITS ADMINISTRATIVE COMMITTEE C/O KOCH BUSINESS SOLUTIONS, LP IRS/DOL NOTICES 4111 E. 37TH STREET N, GA029-06 WICHITA, KS 67220		3b Administrator's EIN 20-3661223
		3c Administrator's telephone number 404-652-2019
4 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: a Sponsor's name c Plan Name		4b EIN 4d PN
5 Total number of participants at the beginning of the plan year		5 17792
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).		
a(1) Total number of active participants at the beginning of the plan year		6a(1) 10993
a(2) Total number of active participants at the end of the plan year		6a(2) 9411
b Retired or separated participants receiving benefits.....		6b 2212
c Other retired or separated participants entitled to future benefits		6c 4639
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d 16262
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e 356
f Total. Add lines 6d and 6e		6f 16618
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h 339
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 3F 3H		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ <u>0</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2018 Form M-1 annual report. If the plan was not required to file the 2018 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2018 This Form is Open to Public Inspection
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For calendar plan year 2018 or fiscal plan year beginning <u>01/01/2018</u> and ending <u>12/31/2018</u>	
▶ Round off amounts to nearest dollar.	
▶ Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.	
A Name of plan <u>KOCH INDUSTRIES EMPLOYEES' PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>KOCH INDUSTRIES, INC.</u>	D Employer Identification Number (EIN) <u>48-0484227</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2018</u>	
2 Assets:	
a Market value.....	2a <u>1556999471</u>
b Actuarial value	2b <u>1557528529</u>
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment	(1) Number of participants <u>2464</u> (2) Vested Funding Target <u>190947014</u> (3) Total Funding Target <u>190947014</u>
b For terminated vested participants	<u>4335</u> <u>217867782</u> <u>217867782</u>
c For active participants	<u>10993</u> <u>744032197</u> <u>777995699</u>
d Total	<u>17792</u> <u>1152846993</u> <u>1186810495</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>5.89 %</u>
6 Target normal cost	6 <u>74591785</u>

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

SIGN HERE	
<u>MICHAEL R. MACE</u>	<u>09/18/2019</u>
Signature of actuary	Date
<u>WILLIS TOWERS WATSON US LLC</u>	<u>17-06591</u>
Type or print name of actuary	Most recent enrollment number
<u>101 S HANLEY ROAD</u> <u>SUITE 900</u> <u>ST. LOUIS, MO 63105-3437</u>	<u>314-719-5900</u>
Firm name	Telephone number (including area code)
<u></u>	
Address of the firm	

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	0	0
10 Interest on line 9 using prior year's actual return of <u>8.75</u> %	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		271446957
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.07</u> %		16476831
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		287923788
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding Percentages

14 Funding target attainment percentage	14	131.23%
15 Adjusted funding target attainment percentage	15	131.23%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	122.67%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

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

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ▶			18(b)	0	18(c) 0

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

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

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☐ 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

21	Discount rate:			
a	Segment rates:	1st segment: 3.92%	2nd segment: 5.52%	3rd segment: 6.29%
		☐ N/A, full yield curve used		
b	Applicable month (enter code)	21b	4	
22	Weighted average retirement age	22	63	
23	Mortality table(s) (see instructions)	Prior regulation:	☐ Prescribed - combined	☒ Prescribed - separate
		Current regulation:	☐ Prescribed - combined	☐ Prescribed - separate
			☐ Substitute	☐ Substitute

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31	Target normal cost and excess assets (see instructions):		
a	Target normal cost (line 6)	31a	74591785
b	Excess assets, if applicable, but not greater than line 31a	31b	74591785
32	Amortization installments:	Outstanding Balance	Installment
a	Net shortfall amortization installment	0	0
b	Waiver amortization installment	0	0
33	If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34	Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	0
	Carryover balance	Prefunding balance	Total balance
35	Balances elected for use to offset funding requirement	0	0
36	Additional cash requirement (line 34 minus line 35)	36	0
37	Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	0
38	Present value of excess contributions for current year (see instructions)		
a	Total (excess, if any, of line 37 over line 36)	38a	0
b	Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0
39	Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0
40	Unpaid minimum required contributions for all years	40	0

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

41	If an election was made to use PRA 2010 funding relief for this plan:			
a	Schedule elected	☐ 2 plus 7 years	☐ 15 years	
b	Eligible plan year(s) for which the election in line 41a was made	☐ 2008	☐ 2009	☐ 2010
		☐ 2011		

<div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	OMB No. 1210-0110
		2018
		This Form is Open to Public Inspection.

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018		
A Name of plan 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 KOCH INDUSTRIES, INC.	D Employer Identification Number (EIN) 48-0484227	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

(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)

ALIGHT FINANCIAL SOLUTIONS, LLC

82-1061233

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15	RECORDKEEPER	777787	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

BANK OF NEW YORK MELLON

13-5160382

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
18 21	TRUSTEE	76727	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

TOWERS WATSON DELAWARE, INC.

53-0181291

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11	ACTUARY	41775	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

MAYER HOFFMAN MCCANN P.C.

43-1947695

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	AUDITOR	14925	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

IRON MOUNTAIN

1000 CAMPUS DRIVE
COLLEGEVILLE, PA 19426

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15	RECORDKEEPER	8587	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 <div style="border: 1px solid black; padding: 5px; font-size: 1.2em; font-weight: bold;">2018</div> This Form is Open to Public Inspection.
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For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

A Name of plan KOCH INDUSTRIES EMPLOYEES' PENSION PLAN	B Three-digit plan number (PN) ►	001
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C Plan or DFE sponsor's name as shown on line 2a of Form 5500 KOCH INDUSTRIES, INC.	D Employer Identification Number (EIN) 48-0484227
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Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
--------	--

a Name of MTIA, CCT, PSA, or 103-12 IE: KOCH IND INC PEN RET PLAN MASTER TR

b Name of sponsor of entity listed in (a): KOCH INDUSTRIES INC

c EIN-PN 25-6263968-001	d Entity code M	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1535377841
--	--	--

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

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

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

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

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

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

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

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

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2018 This Form is Open to Public Inspection
For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018		
A Name of plan 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 KOCH INDUSTRIES, INC.	D Employer Identification Number (EIN) 48-0484227	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.				
	Assets			
a	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions.....	1b(1)	300000000	0
	(2) Participant contributions	1b(2)		
	(3) Other.....	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
	(2) U.S. Government securities	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other.....	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common.....	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property).....	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans.....	1c(8)		
	(9) Value of interest in common/collective trusts	1c(9)		
	(10) Value of interest in pooled separate accounts	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)	1283625508	1535377841
	(12) Value of interest in 103-12 investment entities.....	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
	(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	1583625508	1535377841

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	169430	162970
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	169430	162970

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	1583456078	1535214871
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Part II Income and Expense Statement

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

Income

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

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		73810321
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		73810321

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	117734277	
(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)		117734277
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)	133428	
(2) Contract administrator fees.....	2i(2)	777787	
(3) Investment advisory and management fees.....	2i(3)		
(4) Other	2i(4)	3406036	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		4317251
j Total expenses. Add all expense amounts in column (b) and enter total	2j		122051528

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-48241207
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
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....	4d		X	
e Was this plan covered by a fidelity bond?	4e	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?.....	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?.....	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l Has the plan failed to provide any benefit when due under the plan?.....	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

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 4156557. (See instructions.)

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration 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>2018</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018		
A Name of plan 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 KOCH INDUSTRIES, INC.		D Employer Identification Number (EIN) 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): 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		3 572
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☒ No ☐ N/A If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month Day Year If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)		6a
b Enter the amount contributed by the employer to the plan for this plan year		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☒ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ☐ Increase ☐ Decrease ☐ Both ☒ No		
Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☐ Yes ☐ No		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2018 v. 171027		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

a The current year

b The plan year immediately preceding the current plan year

c The second preceding plan year

14a**14b****14c**

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

a The corresponding number for the plan year immediately preceding the current plan year

b The corresponding number for the second preceding plan year

15a**15b**

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year

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

16a**16b**

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

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

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

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

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

Stock: 31.0% Investment-Grade Debt: 17.0% High-Yield Debt: 6.0% Real Estate: 12.0% Other: 34.0%

- 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, 2018 and 2017



Table of contents

Independent Auditors' Report	1
Financial statements:	
Statements of net assets available for benefits	2
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Notes to financial statements	4
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.



Mayer Hoffman McCann P.C.

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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, 2018 and 2017, 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, 2018 and 2017 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
September 27, 2019



Member of Kreston International – a global network of independent accounting firms

Statements of net assets available for benefits

December 31	2018	2017
Assets:		
Investment in Koch Companies Defined Benefit Master Trust, at fair value	\$ 1,535,377,841	\$ 1,283,625,508
Employer contributions receivable	—	300,000,000
Total assets	<u>1,535,377,841</u>	<u>1,583,625,508</u>
Liabilities:		
Accrued liabilities	162,970	169,430
Total liabilities	<u>162,970</u>	<u>169,430</u>
Net assets available for benefits	<u>\$ 1,535,214,871</u>	<u>\$ 1,583,456,078</u>

See accompanying notes to the financial statements

Statements of changes in net assets available for benefits

For the years ended December 31	2018	2017
Additions:		
Net increase of investment in Koch Companies Defined Benefit Master Trust, at fair value	\$ 73,810,321	\$ 100,247,315
Employer contributions	—	300,000,000
Total additions, net	73,810,321	400,247,315
Deductions:		
Benefit payments to participants and beneficiaries	117,734,277	122,982,374
Administrative expenses	4,317,251	4,596,680
Total deductions	122,051,528	127,579,054
Net (decrease)/increase	(48,241,207)	272,668,261
Net assets available for benefits, beginning of year	1,583,456,078	1,310,787,817
Net assets available for benefits, end of year	1,535,214,871	1,583,456,078

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 2018 and 2017.

2 Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual method of accounting.

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.

New Accounting Pronouncement

In February 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2017-06, "Employee Benefit Plan Master Trust Reporting". The ASU will require an employee benefit plan to report an interest in a master trust and the change in the value of that interest as separate line items on the statements of net assets available for benefits and the statements of changes in net assets available for benefits, respectively. Additionally, the ASU requires the Plan to disclose the master trust's investments and other assets and liabilities, as well as the dollar amount of its interest in these balances. The guidance requires retrospective application and is effective for fiscal years beginning after December 15, 2018, with early adoption permitted. The Company is currently evaluating the new guidance and the impact on the financial statements.

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 September 27, 2019, 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, 2018 and 2017, the Plan held 1,535,377,841 and 1,283,625,508 units of the Koch Master Trust, respectively, with an individual unit estimated fair value of \$1. The Plan's unit holdings at December 31, 2018 and 2017 had fair values of \$1,535,377,841 and \$1,283,625,508, which represented approximately 22.7% and 21.3% 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 \$6,734,920,703 and \$5,963,519,341 at December 31, 2018 and 2017, respectively. Net investment gain of the Koch Master Trust certified as complete and accurate by the Trustee totaled \$389,673,958 and \$486,844,487, which excluded \$14,053,997 and \$68,371,155 of net investment gain related to certain investment valuations subsequent to Trustee certification for the years ended December 31, 2018 and 2017, 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:

December 31	2018	2017
Assets:		
Investments at fair value:		
Cash equivalents ¹	\$ 411,328,413	\$ 946,286,693
Common and preferred stocks	202,990,216	185,474,031
Corporate debt instruments	360,797,529	313,833,618
Government bonds	1,644,726,266	154,105,020
Limited partnerships	4,113,841,156	4,334,668,128
Other investments	1,481,783	81,676,253
Total investments at fair value	<u>6,735,165,363</u>	<u>6,016,043,743</u>
Receivables:		
Interest and dividends	11,016,418	3,167,103
Due from brokers	2,792,919	13,498,191
Total receivables	<u>13,809,337</u>	<u>16,665,294</u>
Total assets	<u>6,748,974,700</u>	<u>6,032,709,037</u>
Liabilities:		
Due to brokers	—	818,541
Total liabilities	<u>—</u>	<u>818,541</u>
Net assets	<u>\$ 6,748,974,700</u>	<u>\$ 6,031,890,496</u>

¹ 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:

For the years ended December 31	2018	2017
Net investment gain:		
Net increase in fair value of investments	\$ 77,991,095	\$ 204,697,112
Interest, dividend and other income	258,011,063	268,792,420
Investment expenses	(645,358)	(3,558,698)
Net investment gain of Koch Master Trust	\$ 335,356,800	\$ 469,930,834

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, 2018 and 2017, the Koch Master Trust had noncancelable commitments to make future investments in certain limited partnerships totaling \$1,670,456,605 and \$1,252,515,614, respectively. The commitments mature at various dates designated by the respective fund agreements.

At December 31, 2018 and 2017, the Koch Master Trust held \$403,756,606 and \$817,697,532 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 \$1,439,401 and \$1,192,634 for the years ended December 31, 2018 and 2017, respectively. Transactions with the Trustee qualify as party-in-interest transactions.

During 2018 and 2017, 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, 2018 and 2017 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, 2018 and 2017.

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, 2018.

December 31, 2018	Level 1	Level 2	Level 3	NAV	Total
Cash equivalents	\$ 411,328,413	\$ —	\$ —	\$ —	411,328,413
Common and preferred stocks	—	—	202,990,216	—	202,990,216
Corporate debt instruments	—	—	360,797,529	—	360,797,529
Government bonds	1,644,726,266	—	—	—	1,644,726,266
Limited partnerships	—	—	1,608,545,264	2,505,295,892	4,113,841,156
Other investments	—	1,481,783	—	—	1,481,783
Total	\$ 2,056,054,679	\$ 1,481,783	\$ 2,172,333,009	\$ 2,505,295,892	\$ 6,735,165,363

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.

December 31, 2017	Level 1	Level 2	Level 3	NAV	Total
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
Total	\$ 1,167,941,637	\$ 158,398,678	\$ 2,030,293,252	\$ 2,659,410,176	\$ 6,016,043,743

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

	Common and preferred stocks	Corporate debt instruments	Limited partnerships	Total
At December 31, 2016	\$ 179,892,229	\$ 248,890,109	\$ 1,329,435,004	\$ 1,758,217,342
Net investment gain during the period	14,541,786	15,814,366	189,365,183	219,721,335
Contributions, purchases and transfer 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)
At December 31, 2017	\$ 185,474,031	\$ 313,833,618	\$ 1,530,985,603	\$ 2,030,293,252
Net investment gain during the period	26,166,919	43,451,720	105,158,665	174,777,304
Contributions and purchases	—	65,500,400	246,008,747	311,509,147
Distributions and sales	(8,650,734)	(61,988,209)	(273,607,751)	(344,246,694)
At December 31, 2018	\$ 202,990,216	\$ 360,797,529	\$ 1,608,545,264	\$ 2,172,333,009

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

Fund Type	Valuation Technique	Significant Unobservable Inputs	Range (if applicable)
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% Liquidations Periods 15-30% 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, 2018 and 2017, 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, 2018 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:	70.0

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, 2018. 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:

January 1	2018
Accumulated benefits:	
Participants currently receiving payments	\$ 181,256,040
Other participants	1,092,836,539
Nonvested benefits	25,916,850
Total	<u>\$ 1,300,009,429</u>

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

For the year ended January 1	2018
Actuarial present value of accumulated plan benefits, beginning of year	\$ 1,188,736,040
Increase for interest due to the decrease in the discount period	81,955,871
Benefits paid	(122,982,374)
Assumption changes	62,901,273
Benefits accumulated and other changes	89,398,619
Actuarial present value of accumulated plan benefits, end of year	<u>\$ 1,300,009,429</u>

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:

- Benefits attributable to employee contributions, taking into account those paid out before termination.
- 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, 2018

Attained Age	Attained Years of Credited Service ¹												
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over
Under 25	0	1	35	104	19	9	0	0	0	0	0	0	0
			52,134	65,812									
25-29	0	0	90	330	293	393	6	0	0	0	0	0	0
			65,507	69,752	77,325	85,990							
30-34	0	3	86	273	262	613	155	0	0	0	0	0	0
			72,705	78,854	85,021	89,708	100,277						
35-39	0	0	56	191	201	575	300	64	5	0	0	0	0
			78,180	87,882	88,372	95,662	101,386	109,236					
40-44	0	0	39	181	146	395	293	160	101	0	0	0	0
			87,778	94,538	95,989	98,001	110,142	108,054	109,019				
45-49	0	1	37	161	105	355	286	138	173	126	6	0	0
			104,165	94,698	96,283	96,504	104,759	103,706	121,689	110,432			
50-54	0	0	20	103	99	264	231	142	168	236	76	0	0
			87,939	107,994	91,197	105,049	110,860	108,582	121,113	112,192	125,437		
55-59	0	1	17	109	82	236	181	139	138	213	117	172	18
				93,834	99,795	98,026	99,574	108,176	112,034	105,138	114,581	109,586	
60-64	0	1	13	49	34	138	98	84	93	124	69	200	171
				105,808	95,667	93,715	96,907	98,993	94,405	97,323	98,981	105,655	69,417
65-69	0	0	2	16	13	34	34	23	29	24	15	30	113
						103,217	78,423	90,285	101,149	85,121		90,328	77,393
70 & over	0	0	2	7	5	6	8	1	4	3	2	2	17
Average: Age		45.4											
Service		12.2											
Census data as of January 1, 2018													

¹ Age and service for purposes of determining category are based on exact (not rounded) values.

Plan Name: Koch Industries Employees' Pension Plan
 EIN / PN: 48-0484227/001
 Plan Sponsor: Koch Industries, Inc.
 Valuation Date: January 1, 2018

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Statement of Actuarial Assumptions/Methods

Economic Assumptions

Interest rate basis:

Applicable month	September
Interest rate basis	Segment Rates from Fifth Month Preceding Valuation Date

Interest rates:

	Reflecting Corridors	Not Reflecting Corridors
First segment rate	3.92%	1.75%
Second segment rate	5.52%	3.76%
Third segment rate	6.29%	4.66%
Effective interest rate	5.89%	4.26%

Annual rates of increase:

Salaries	Age graded salary scale. Rates varying by age as follows:
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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 2018, an amount of \$4,210,000 was included in the target normal cost.

Plan Name:	Koch Industries Employees' Pension Plan
EIN / PN:	48-0484227/001
Plan Sponsor:	Koch Industries, Inc.
Valuation Date	January 1, 2018

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 2033 using Scale AA) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2025 using Scale AA).

Disabled Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, projected to 2033 using Scale AA and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2025 using Scale AA).

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

Number leaving during the year		
	Years of Service	
Age	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

Plan Name: Koch Industries Employees' Pension Plan
 EIN / PN: 48-0484227/001
 Plan Sponsor: Koch Industries, Inc.
 Valuation Date: January 1, 2018

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 2017 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.

Plan Name:	Koch Industries Employees' Pension Plan
EIN / PN:	48-0484227/001
Plan Sponsor:	Koch Industries, Inc.
Valuation Date	January 1, 2018

SCHEDULE SB ATTACHMENTS

**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
EIN / PN: 48-0484227/001
Plan Sponsor: Koch Industries, Inc.
Valuation Date: January 1, 2018

SCHEDULE SB ATTACHMENTS

Methods

Valuation date	First day of plan year
Funding target	Present value of accrued benefits as required by regulations under IRC §430.
Target normal cost	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.
Actuarial value of assets	<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>
Benefits not valued	<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, 2018

SCHEDULE SB ATTACHMENTS

Sources of Data and Other Information

The plan sponsor, through its third party administrator, furnished participant data as of 1/1/2018. Information on assets, contributions and plan provisions was supplied by the plan sponsor. Data and other information were reviewed for reasonableness and consistency, but no audit was performed. Based on discussions with the plan sponsor, assumptions or estimates were made when data were not available, and the data was adjusted to reflect any significant events that occurred between the date the data was collected and the measurement date.

We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

Assumptions Rationale - Significant Economic Assumptions

Discount rate	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.
Lump Sum conversion rate	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.
Rates of increase in compensation	Assumed increases were chosen by the plan sponsor and represent an estimate of future experience.

Assumptions Rationale - Significant Demographic Assumptions

Healthy mortality	Assumptions used for funding purposes are as prescribed by IRC §430(h). Note that the plan sponsor has decided, as allowed by regulation §1.430(h)(3)-1, to delay until the 2019 plan year updating the required mortality table to reflect the RP-2014 study and subsequent Society of Actuaries studies.
Disabled mortality	Assumptions used for funding purposes are as prescribed by IRC §430(h). Note that the plan sponsor has decided, as allowed by regulation §1.430(h)(3)-1, to delay until the 2019 plan year updating the required mortality table to reflect the RP-2014 study and subsequent Society of Actuaries studies.
Termination	Termination rates were based on an experience study conducted in 2016, with annual consideration of whether any conditions have

Plan Name:	Koch Industries Employees' Pension Plan
EIN / PN:	48-0484227/001
Plan Sponsor:	Koch Industries, Inc.
Valuation Date	January 1, 2018

SCHEDULE SB ATTACHMENTS

changed that would be expected to produce different results in the future.

Plan Name:	Koch Industries Employees' Pension Plan
EIN / PN:	48-0484227/001
Plan Sponsor:	Koch Industries, Inc.
Valuation Date	January 1, 2018

SCHEDULE SB ATTACHMENTS

Retirement	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.
Form of payment	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

Funding methods	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.
------------------------	--

Changes in Assumptions and Methods

Change in assumptions since prior valuation	<p>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.</p> <p>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.</p>
Change in methods since prior valuation	None.

Plan Name:	Koch Industries Employees' Pension Plan
EIN / PN:	48-0484227/001
Plan Sponsor:	Koch Industries, Inc.
Valuation Date	January 1, 2018

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ File as an attachment to Form 5500 or 5500-SF.

OMB No. 1210-0110

2018**This Form is Open to Public
Inspection**

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

▶ Round off amounts to nearest dollar.

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

A Name of plan 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 or 5500-SF KOCH INDUSTRIES, INC.		D Employer Identification Number (EIN) 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

1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2018</u>			
2 Assets:			
a Market value.....		2a	1,556,999,471
b Actuarial value.....		2b	1,557,528,529
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment.....	2,464	190,947,014	190,947,014
b For terminated vested participants.....	4,335	217,867,782	217,867,782
c For active participants.....	10,993	744,032,197	777,995,699
d Total.....	17,792	1,152,846,993	1,186,810,495
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐			
a Funding target disregarding prescribed at-risk assumptions.....		4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....		4b	
5 Effective interest rate.....		5	5.89%
6 Target normal cost.....		6	74,591,785

Statement by Enrolled Actuary

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

**SIGN
HERE**

MRM Michael R. Mace

Signature of actuary

Michael R. Mace

Type or print name of actuary

Willis Towers Watson US LLC

Firm name

101 S Hanley Road
Suite 900
St. Louis MO

63105-3437

Address of the firm

9/18/19

Date

1706591

Most recent enrollment number

314-719-5900

Telephone number (including area code)

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

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

Schedule SB (Form 5500) 2018
v. 171027

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	0	0
10 Interest on line 9 using prior year's actual return of <u>8.75%</u>	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		271,446,957
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.07%</u>		16,476,831
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		287,923,788
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding Percentages

14 Funding target attainment percentage	14	131.23%
15 Adjusted funding target attainment percentage	15	131.23%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	122.67%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

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

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ▶			18(b)	0	18(c)
					0

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

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

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ 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

21 Discount rate:				
a Segment rates:	1st segment: 3.92 %	2nd segment: 5.52 %	3rd segment: 6.29 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 63
23 Mortality table(s) (see instructions)	Prior regulation:	☐ Prescribed - combined	☒ Prescribed - separate	☐ Substitute
	Current regulation:	☐ Prescribed - combined	☐ Prescribed - separate	☐ Substitute

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	74,591,785	
b Excess assets, if applicable, but not greater than line 31a	31b	74,591,785	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)....	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

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

41 If an election was made to use PRA 2010 funding relief for this plan:				
a Schedule elected	☐ 2 plus 7 years	☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008	☐ 2009	☐ 2010	☐ 2011

SCHEDULE SB ATTACHMENTS

Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	Koch Industries, Inc.
EIN/PN	48-0484227/001
Plan Name	Koch Industries Employees' Pension Plan
Valuation Date	January 1, 2018
Enrolled Actuary	Michael R. Mace
Enrollment Number	17-06591

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

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

Plan Name:	Koch Industries Employees' Pension Plan
EIN / PN:	48-0484227/001
Plan Sponsor:	Koch Industries, Inc.
Valuation Date	January 1, 2018

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22 Description of Weighted Average Retirement Age as of January 1, 2018

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, 2018

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Statement of Actuarial Assumptions/Methods

Economic Assumptions

Interest rate basis:

Applicable month	September
Interest rate basis	Segment Rates from Fifth Month Preceding Valuation Date

Interest rates:

	Reflecting Corridors	Not Reflecting Corridors
First segment rate	3.92%	1.75%
Second segment rate	5.52%	3.76%
Third segment rate	6.29%	4.66%
Effective interest rate	5.89%	4.26%

Annual rates of increase:

Salaries Age graded salary scale. 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 2018, an amount of \$4,210,000 was included in the target normal cost.

Plan Name:	Koch Industries Employees' Pension Plan
EIN / PN:	48-0484227/001
Plan Sponsor:	Koch Industries, Inc.
Valuation Date	January 1, 2018

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 2033 using Scale AA) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2025 using Scale AA).

Disabled Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, projected to 2033 using Scale AA and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2025 using Scale AA).

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

Number leaving during the year		
	Years of Service	
Age	0-4	5+
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45-49	160	60
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Number becoming disabled during the year		
Age	Male	Female
39 or less	0.14	0.16
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Plan Name: Koch Industries Employees' Pension Plan
 EIN / PN: 48-0484227/001
 Plan Sponsor: Koch Industries, Inc.
 Valuation Date: January 1, 2018

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 2017 pensionable pay increased with the salary increase assumption.

At-risk assumptions

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Plan Name:	Koch Industries Employees' Pension Plan
EIN / PN:	48-0484227/001
Plan Sponsor:	Koch Industries, Inc.
Valuation Date	January 1, 2018

SCHEDULE SB ATTACHMENTS

**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
EIN / PN: 48-0484227/001
Plan Sponsor: Koch Industries, Inc.
Valuation Date: January 1, 2018

SCHEDULE SB ATTACHMENTS

Methods

Valuation date	First day of plan year
Funding target	Present value of accrued benefits as required by regulations under IRC §430.
Target normal cost	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.
Actuarial value of assets	<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>
Benefits not valued	<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, 2018

SCHEDULE SB ATTACHMENTS

Sources of Data and Other Information

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Rates of increase in compensation	Assumed increases were chosen by the plan sponsor and represent an estimate of future experience.

Assumptions Rationale - Significant Demographic Assumptions

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Termination	Termination rates were based on an experience study conducted in 2016, with annual consideration of whether any conditions have

Plan Name:	Koch Industries Employees' Pension Plan
EIN / PN:	48-0484227/001
Plan Sponsor:	Koch Industries, Inc.
Valuation Date	January 1, 2018

SCHEDULE SB ATTACHMENTS

changed that would be expected to produce different results in the future.

Plan Name:	Koch Industries Employees' Pension Plan
EIN / PN:	48-0484227/001
Plan Sponsor:	Koch Industries, Inc.
Valuation Date	January 1, 2018

SCHEDULE SB ATTACHMENTS

Retirement	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.
Form of payment	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

Funding methods	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.
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Changes in Assumptions and Methods

Change in assumptions since prior valuation	<p>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.</p> <p>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.</p>
Change in methods since prior valuation	None.

Plan Name:	Koch Industries Employees' Pension Plan
EIN / PN:	48-0484227/001
Plan Sponsor:	Koch Industries, Inc.
Valuation Date	January 1, 2018

SCHEDULE SB ATTACHMENTS

Summary of 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 A) 1.25% of average annual compensation multiplied by years of benefit service after acquisition, or 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.		
Benefit	Age	Cont Svc	Age + Memb Svc Description
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
Plan Name:	Koch Industries Employees' Pension Plan		
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SCHEDULE SB ATTACHMENTS

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

None.

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Schedule SB, Line 26 Schedule of Active Participant Data as of January 1, 2018

Attained Age	Attained Years of Credited Service ¹												
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over
Under 25	0	1	35	104	19	9	0	0	0	0	0	0	0
			52,134	65,812									
25-29	0	0	90	330	293	393	6	0	0	0	0	0	0
			65,507	69,752	77,325	85,990							
30-34	0	3	86	273	262	613	155	0	0	0	0	0	0
			72,705	78,854	85,021	89,708	100,277						
35-39	0	0	56	191	201	575	300	64	5	0	0	0	0
			78,180	87,882	88,372	95,662	101,386	109,236					
40-44	0	0	39	181	146	395	293	160	101	0	0	0	0
			87,778	94,538	95,989	98,001	110,142	108,054	109,019				
45-49	0	1	37	161	105	355	286	138	173	126	6	0	0
			104,165	94,698	96,283	96,504	104,759	103,706	121,689	110,432			
50-54	0	0	20	103	99	264	231	142	168	236	76	0	0
			87,939	107,994	91,197	105,049	110,860	108,582	121,113	112,192	125,437		
55-59	0	1	17	109	82	236	181	139	138	213	117	172	18
				93,834	99,795	98,026	99,574	108,176	112,034	105,138	114,581	109,586	
60-64	0	1	13	49	34	138	98	84	93	124	69	200	171
				105,808	95,667	93,715	96,907	98,993	94,405	97,323	98,981	105,655	69,417
65-69	0	0	2	16	13	34	34	23	29	24	15	30	113
						103,217	78,423	90,285	101,149	85,121		90,328	77,393
70 & over	0	0	2	7	5	6	8	1	4	3	2	2	17
Average: Age		45.4											
Service		12.2											
Census data as of January 1, 2018													

¹ Age and service for purposes of determining category are based on exact (not rounded) values.

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Schedule SB, Line 22 Description of Weighted Average Retirement Age as of January 1, 2018

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

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

Changes in Benefits Valued Since Prior Year

None.

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