

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2018 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 ☐ special extension (enter description)	☐ the DFVC program

Part II	Basic Plan Information —enter all requested information		
1a	Name of plan <u>HEXION INC. PENSION PLAN</u>	1b	Three-digit plan number (PN) ▶ <u>002</u>
		1c	Effective date of plan <u>12/01/2000</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>HEXION INC.</u> <u>180 E. BROAD STREET, 29TH FLOOR</u> <u>COLUMBUS, OH 43215</u>	2b	Employer Identification Number (EIN) <u>13-0511250</u>
		2c	Plan Sponsor's telephone number <u>614-225-4501</u>
		2d	Business code (see instructions) <u>325200</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.	10/11/2019	STEVEN PRUE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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	3b Administrator's EIN 3c Administrator's telephone number
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 8050
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 a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 720 6a(2) 634 6b 4154 6c 1277 6d 6065 6e 1488 6f 7553 6g 6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

1A 1C 1I 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
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

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

b General Schedules

- (1)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☐ 0 **A** (Insurance Information)
- (4)** ☒ **C** (Service Provider Information)
- (5)** ☒ **D** (DFE/Participating Plan Information)
- (6)** ☐ **G** (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 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 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 HEXION INC. PENSION PLAN	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF HEXION INC.	D Employer Identification Number (EIN) 13-0511250
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 01 Day 01 Year 2018			
2	Assets:			
a	Market value.....	2a	212821562	
b	Actuarial value	2b	202910260	
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	5846	128521862	128521862
b	For terminated vested participants	1507	37359070	37359070
c	For active participants	720	30493506	30493506
d	Total	8073	196374438	196374438
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	5.54 %	
6	Target normal cost	6	2800000	

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

SIGN HERE		
Signature of actuary		10/11/2019
REBECCA L. CHILCOTE, FSA, EA, MAAA		Date
Type or print name of actuary		17-07514
MERCER		Most recent enrollment number
Firm name		614-227-5519
325 JOHN H. MCCONNELL BLVD. SUITE 350 COLUMBUS, OH 43215		Telephone number (including area code)
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>13.09</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)		0
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>5.74</u> %		0
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		0
d Portion of (c) to be added to prefunding balance		
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	103.32%
15 Adjusted funding target attainment percentage	15	103.32%
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	107.83%
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
09/11/2019	1620000	0			
Totals ▶			18(b)	1620000	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	1478653

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	0	
22	Weighted average retirement age	22	62	
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	2800000
b	Excess assets, if applicable, but not greater than line 31a	31b	2800000
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
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	1478653
38	Present value of excess contributions for current year (see instructions)		
a	Total (excess, if any, of line 37 over line 36)	38a	1478653
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 C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		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 HEXION INC. PENSION PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 HEXION INC.	D Employer Identification Number (EIN) 13-0511250	

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
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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)

MERCER

13-2834414

(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 13	NONE	853508	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

SEI TRUST COMPANY

04-2452803

(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?
27 28 51	NONE	426010	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

THE 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?
21 62 63	NONE	216863	Yes ☒ No ☐	Yes ☒ No ☐	0	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)

SEYFARTH SHAW

36-2152202

(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?
29	NONE	64571	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

CROWE LLP

35-0921680

(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	NONE	23000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

DRINKER BIDDLE & REATH

23-1423089

(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?
29	NONE	13590	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
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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) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2018 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 <u>HEXION INC. PENSION PLAN</u>	B Three-digit plan number (PN) ►	<u>002</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>HEXION INC.</u>	D Employer Identification Number (EIN) <u>13-0511250</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>EB TEMP INVESTMENT FUND</u>		
b Name of sponsor of entity listed in (a): <u>THE BANK OF NEW YORK</u>		
c EIN-PN <u>25-6078093-000</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>1786536</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SEI STRUC CREDIT COLLECTIVE FUND</u>		
b Name of sponsor of entity listed in (a): <u>SEI</u>		
c EIN-PN <u>75-3251893-000</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>10629929</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SEI CORE PROPERTY COLLECTIVE INV TR</u>		
b Name of sponsor of entity listed in (a): <u>SEI</u>		
c EIN-PN <u>27-3224429-000</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>10650412</u>
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
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**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) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 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 HEXION INC. PENSION PLAN	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 HEXION INC.	D Employer Identification Number (EIN) 13-0511250	

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	0	1620000
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	21640	17784
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities	1c(2)	18666603	17638649
(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)	22890820	23066877
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	171242499	143778177
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)	0	0

		(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:		
(1)	Employer securities	1d(1)	
(2)	Employer real property	1d(2)	
e	Buildings and other property used in plan operation	1e	
f	Total assets (add all amounts in lines 1a through 1e)	1f	212821562 186121487
Liabilities			
g	Benefit claims payable	1g	
h	Operating payables	1h	
i	Acquisition indebtedness	1i	
j	Other liabilities	1j	409250 68962
k	Total liabilities (add all amounts in lines 1g through 1j)	1k	409250 68962
Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	212412312 186052525

Part II Income and Expense Statement

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

		(a) Amount	(b) Total
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers	2a(1)(A)	1620000
	(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)	1620000
b	Earnings on investments:		
(1)	Interest:		
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	76354
	(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)	76354
(2)	Dividends: (A) Preferred stock	2b(2)(A)	4446845
	(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)	4446845
(3)	Rents	2b(3)	
(4)	Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	6813351
	(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)	6813351
(5)	Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	-25511096
	(B) Other	2b(5)(B)	
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)	-25511096

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		6341825
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		-6212721

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	17592176	
(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)		17592176
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)	112761	
(2) Contract administrator fees.....	2i(2)	501620	
(3) Investment advisory and management fees.....	2i(3)	642873	
(4) Other	2i(4)	1297636	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		2554890
j Total expenses. Add all expense amounts in column (b) and enter total	2j		20147066

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-26359787
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: CROWE LLP

(2) EIN: 35-0921680

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		15000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

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 4168523. (See instructions.)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2018 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 <u>HEXION INC. PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>HEXION INC.</u>	D Employer Identification Number (EIN) <u>13-0511250</u>

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	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>13-5160382</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	<u>67</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
----------------	---

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: 34.0% Investment-Grade Debt: 54.0% High-Yield Debt: 8.0% Real Estate: 0.0% Other: 4.0%

- 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):

HEXION INC. PENSION PLAN
Columbus, Ohio

FINANCIAL STATEMENTS
December 31, 2018 and 2017

HEXION INC. PENSION PLAN
Columbus, Ohio

FINANCIAL STATEMENTS
December 31, 2018 and 2017

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INDEPENDENT AUDITOR'S REPORT

Plan Administrator
Hexion Inc. Pension Plan
Columbus, Ohio

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Hexion Inc. Pension Plan (Plan), which comprise the statements of net assets available for benefits and of accumulated plan benefits as of December 31, 2018 and 2017, and the related statements of changes in net assets available for benefits and of changes in accumulated plan benefits for the year ended December 31, 2018, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by The Bank of New York Mellon, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certification from the trustee as of December 31, 2018 and 2017 and for the year ended December 31, 2018 that the information provided to the plan administrator by the trustee is complete and accurate.

(Continued)

Disclaimer of Opinion

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

Other Matter

The supplemental Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2018 and Schedule H, Line 4j – Schedule of Reportable Transactions for the year ended December 31, 2018 are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for purposes of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedules.

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

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



Crowe LLP

Columbus, Ohio
October 9, 2019

HEXION INC. PENSION PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Investments, at fair value	\$ 184,483,703	\$ 212,799,922
Receivables		
Accrued income receivable	<u>17,784</u>	<u>21,640</u>
Total receivables	<u>17,784</u>	<u>21,640</u>
Total assets	<u>184,501,487</u>	<u>212,821,562</u>
 LIABILITIES		
Administrative fees payable	<u>68,962</u>	<u>409,250</u>
Total liabilities	<u>68,962</u>	<u>409,250</u>
 NET ASSETS AVAILABLE FOR BENEFITS	 <u>\$ 184,432,525</u>	 <u>\$ 212,412,312</u>

See accompanying notes to financial statements.

HEXION INC. PENSION PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the year ended December 31, 2018

Additions in net assets attributed to:	
Interest and dividend income	<u>\$ 4,523,199</u>
Total additions	4,523,199
Deductions from net assets attributed to:	
Benefits paid to participants	17,592,176
Net depreciation in fair value of investments	12,355,920
Administration expenses	<u>2,554,890</u>
Total deductions	<u>32,502,986</u>
Net decrease	(27,979,787)
Net assets available for benefits	
Beginning of year	<u>212,412,312</u>
End of year	<u>\$ 184,432,525</u>

See accompanying notes to financial statements.

HEXION INC. PENSION PLAN
STATEMENTS OF ACCUMULATED PLAN BENEFITS
December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Actuarial present value of accumulated benefits		
Vested benefits		
Participant currently receiving payments	\$ 118,434,134	\$ 121,644,838
Other vested participants	<u>58,027,713</u>	<u>60,155,145</u>
Total actuarial present value of accumulated benefits	<u>\$ 176,461,847</u>	<u>\$ 181,799,983</u>

See accompanying notes to financial statements.

HEXION INC. PENSION PLAN
STATEMENT OF CHANGES IN ACCUMULATED PLAN BENEFITS
For the year ended December 31, 2018

Increase/(decrease) during the year attributed to:	
Benefits accumulated and (gains) losses	\$ (1,853)
Benefits paid	(17,592,176)
Assumption changes (Note 3)	713,744
Increase due to decrease in discount period	<u>11,542,149</u>
Net decrease	(5,338,136)
Accumulated plan benefits:	
Actuarial present value of accumulated benefits at beginning of year	<u>181,799,983</u>
Actuarial present value of accumulated benefits at end of year	<u>\$ 176,461,847</u>

See accompanying notes to financial statements.

HEXION INC. PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

NOTE 1 - GENERAL DESCRIPTION OF PLAN

The following brief description of the Hexion, Inc. 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: Hexion, Inc., formerly known as Momentive Specialty Chemicals Inc., ("Hexion") was formed in 2005 from the merger of Resolution Performance Products, LLC ("RPP"), Borden Chemical, Inc. and Resolution Specialty Materials, Inc. (together, the "Legacy Companies" or "the Company"). Each Legacy company sponsored a defined benefit pension plan ("the Legacy Plans"). In conjunction with the merger, Hexion became the Plan sponsor for the Legacy Plans.

RPP adopted the Plan, as amended, on December 1, 2000. Effective December 31, 2009, the Borden Chemical, Inc. Employees Retirement Income Plan ("Borden ERIP") and the McWhorter Technologies, Inc. Hourly Employees' Pension Plan ("McWhorter Pension Plan") (collectively, "Merged Plans") were merged into the RPP Plan, which is now called the Hexion, Inc. Pension Plan. Effective January 15, 2015, the Plan was amended to change the name of the Plan from Momentive Specialty Chemicals Inc. Pension Plan to Hexion Inc. Pension Plan and to change the Plan Sponsor from Momentive Specialty Chemicals Inc. to Hexion Inc.

The Plan is a noncontributory pension plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"). The Plan is for the exclusive benefit of eligible employees of the Company. The rights and benefits, if any, of former employees are determined in accordance with provisions of the Plan, as amended, and in effect as of the date of the employee's termination.

The Company makes contributions to the Trust to fund the liability of the Plan. Benefits may be paid to participants in the form of annuity payments or, for eligible participants, as a lump sum payment. The contributions from the Company to the trust assets of the Plan meet the minimum funding required by law.

The Plan recognizes prior employment service with certain predecessor employers of the Legacy Companies, including Shell Chemical, Borden, Inc., Eastman Chemical and McWhorter Technologies Inc.

As of December 31, 2010, participation in, and benefit accruals under, the Plan had been frozen for all collectively bargained and non-bargained employees.

Eligibility: Prior to the Plan freeze, eligible employees became a plan participant immediately on their employment commencement date or upon achieving one year of continuous service with the Company, dependent upon eligibility provisions in place for the division in which they were hired.

Vesting: A participant is fully vested in his or her accrued benefit after being credited with five (5) years of vesting service or upon attainment of normal retirement age, whichever is earlier. Participants with benefits earned under the cash balance plan provisions of the Borden ERIP with an hour of service after December 31, 2007 become 100% vested after completing three years of service, with no partial vesting prior to that time.

Retirement Age: The Plan defines normal retirement age as 65; however early retirement provisions vary based on the Legacy Plan. Participants under the Legacy RPP Provisions may elect early retirement at the age of 50 with a total of 80 points with age and service combined. Participants under the Legacy McWhorter Pension Plan may elect early retirement, the terms of which vary at each geographical site, depending on the participant's age and years of service. Participants under the cash balance provisions of the Borden ERIP may take a lump sum withdrawal of their account following termination of employment, and non-cash balance participants may elect early retirement at age 55 with completion of 10 years of service.

(Continued)

HEXION INC. PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

NOTE 1 – GENERAL DESCRIPTION OF PLAN (Continued)

Retirement and Other Benefits: Normal monthly retirement benefits under the provisions of the RPP Plan are available to eligible participants generally calculated under a formula based on the participant's highest average final compensation in any three consecutive years within a ten year period (limited to the 401(a)(17) maximum compensation level) and number of years credited participation multiplied by a retirement income factor, as defined in the Plan, minus a social security offset. Benefits payable in the event of death, disability or early retirement are computed in a similar manner as defined in the Plan.

Normal monthly retirement benefits for former McWhorter Plan participants are available to eligible participants based on the Basic Pension Factor multiplied by the Participant's Pension Accrual Service, as defined in the Plan.

Non-bargaining participants under the ERIP provisions participate in a cash balance program. The frozen hypothetical cash balance is increased monthly for interest up through the month prior to the participant's benefit commencement date. The monthly rate applied is one twelfth of the applicable annual interest rate, as defined in the Plan, as published by the Federal Reserve. The minimum annual interest crediting rate is 300 basis points. The benefit for hourly and bargained participants is generally based on a pension multiplier times years of service.

Payment of Retirement Benefits: Unless a participant elects to receive an alternative form of payment, benefits are payable in the form of the qualified joint and survivor annuity for married participants and a single-life annuity for unmarried participants. Under the Plan, participants may defer commencement of their pension benefit until their Required Beginning Date, as defined in the IRS regulations. As of January 1, 2018, the Plan's adjusted funding attainment percentage was above 80%, and therefore, no restrictions on payment of benefits are currently in place.

Plan Expenses: The Company provides certain administrative services without charge to the Plan. In accordance with the Plan document, all other administrative expenses of the Plan are paid from the Plan assets.

Investment management fees and operating expenses charged to the Plan for investments in mutual funds are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses of these funds are reflected as a reduction of investment return for such investments.

Funding Policy: The Company will make contributions to the Plan as permitted or required by government laws and regulations. Participant contributions are not permitted under the Plan. The Company's contributions to the Plan for the year ended December 31, 2018 satisfied the minimum funding requirements prescribed by the ERISA, which were \$0.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The Plan's financial statements were prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of Estimates: The preparation of financial statements in conformity with U.S. GAAP requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures, and actual results could differ materially from those estimates. It is at least reasonably possible that a significant change may occur in the near term for the estimate of the actuarial present value of accumulated plan benefits.

(Continued)

HEXION INC. PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Risk and Uncertainties: The Plan's investments are exposed to various risks, such as interest rate, market, liquidity and credit risks. Due to the level of risk associated with certain investments and the sensitivity of certain fair value estimates to changes in valuation assumptions, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in these financial statements.

Contributions to the Plan are made, and the actuarial present value of accumulated plan benefits are reported, based on certain assumptions pertaining to interest rates, inflation rates, employee demographics and compensation. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions will occur in the near term, and due to uncertainties inherent in setting assumptions, the effect of such changes could be material to the actuarial present value of accumulated plan benefits or the statements of net assets available for benefits and statement of changes in net assets available for benefits.

Benefit Payment: Benefit payments are recorded when paid.

Investment Valuation and Income Recognition: The Plan's investments are stated at fair value. 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. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold, as well as held, during the year.

Fair value is defined as the price that would be received by the Plan for an asset or paid by the Plan to transfer a liability (an exit price) in an orderly transaction between market participants on the measurement date in the Plan's principal or most advantageous market for the asset or liability. Fair value measurements are determined by maximizing the use of observable inputs and minimizing the use of unobservable inputs. The hierarchy places the highest priority on unadjusted quoted market prices in active markets for identical assets or liabilities (level 1 measurements) and gives the lowest priority to unobservable inputs (level 3 measurements). The three levels of inputs within the fair value hierarchy are defined as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Plan has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect the Plan's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In some cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The following descriptions of the valuation methods and assumptions used by the Plan to estimate the fair values of investments apply to investments held directly by the Plan.

Mutual Funds: The fair values of mutual funds are determined by obtaining quoted prices on nationally recognized securities exchanges (level 1 inputs).

(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

U.S. Government Securities: Government securities are valued based upon recent bid prices or the average of recent bid and asked prices when available (level 2 inputs) and, if not available, they are valued through matrix pricing models developed by sources considered by management to be reliable. Matrix pricing, which is a mathematical technique commonly used to price debt securities that are not actively traded, values debt securities without relying exclusively on quoted prices for the specific securities, but rather by relying on the securities' relationship to other benchmark quoted securities (level 2 inputs).

Collective Trusts: Fair values of participation units of collective trusts are based upon the net asset values of the funds reported by the fund managers as of the Plan's financial statement dates and recent transaction prices.

The EB Temp Investment Fund provides for daily redemptions at reported net asset values per share, with no advance notice requirement.

The Plan may make redemptions from the SEI Structured Credit Collective Fund (SEI Structured CT) only as of the last business day of a calendar quarter (March 31, June 30, September 30, December 31), provided that 90 days advance written notification is given prior to redemption. If the Plan redeems its entire investment in the SEI Structured CT, ten percent of the value of such investment may be held in escrow until the completion of the fund's annual audit.

The Plan may make redemptions from the SEI Core Property Collective Investment Trust (SEI Core Property CT) only as of the last business day of a calendar quarter (March 31, June 30, September 30, December 31), provided that 95 days advance written notification is given prior to redemption. Restrictions may be limited to 25% of the net asset value of the investment on any given redemption date, in circumstances where the fund trustee believes that redemptions in excess may compromise the ongoing performance or operations of the fund. If the Plan redeems its entire investment in the SEI Core Property CT, ten percent of the value of such investment may be held in escrow until the completion of the fund's annual audit.

No unfunded commitments exist for any of the collective trust funds.

Guaranteed Investment Contracts: The fair values of guaranteed investment contracts have been estimated based on a discounted cash flow methodology, utilizing current rates of return available for similar contracts, with comparable credit risks and liquidity, as of the respective financial statement dates (level 3 inputs).

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate 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.

(Continued)

HEXION INC. PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments measured at fair value on a recurring basis are summarized below:

		Fair Value Measurements at December 31, 2018 Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	<u>Total</u>			
Mutual funds	\$ 143,774,116	\$ 143,774,116	\$ -	\$ -
Government Securities	17,638,649	-	17,638,649	-
Collective trust funds*	23,066,877	-	-	-
Guaranteed Investment Contracts	4,061	-	-	4,061
Total	\$ 184,483,703	\$ 143,774,116	\$ 17,638,649	\$ 4,061

		Fair Value Measurements at December 31, 2017 Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	<u>Total</u>			
Mutual funds	\$ 171,238,438	\$ 171,238,438	\$ -	\$ -
Government Securities	18,666,603	-	18,666,603	-
Collective trust funds*	22,890,820	-	-	-
Guaranteed Investment Contracts	4,061	-	-	4,061
Total	\$ 212,799,922	\$ 171,238,438	\$ 18,666,603	\$ 4,061

* Investments measured at fair value using net asset value per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the hierarchy tables for such investments are intended to permit the reconciliation of the fair value hierarchy to the investments at fair value line item presented in the statement of net assets available for benefits.

The table below presents a reconciliation of all investments measured at fair value on a recurring basis using significant unobservable inputs (level 3) for the year ended December 31, 2018, including the reporting classifications for the applicable gains and losses included in the 2018 statement of changes in net assets available for benefits.

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3) <u>Guaranteed investment contracts</u>
Balance, January 1, 2018	\$ 4,061
Total realized and unrealized gains or losses	
Included in change in net assets available for benefits:	
Unrealized (relating to assets held at year end)	-
Net appreciation in fair value investments	-
Balance, December 31, 2018	\$ 4,061

(Continued)

HEXION INC. PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

NOTE 3 – ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those future benefit payments that are attributable under the Plan's provisions to the services employees have rendered through the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died and (c) present employees or their beneficiaries. Benefits under the Plan are based on the current benefit levels and actual service. Benefits are payable under all circumstances (retirement, death and termination of employment) included to the extent that they are deemed attributable to employee services rendered up to the valuation date.

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

The significant actuarial assumptions underlying the actuarial valuations as of December 31, 2018 and 2017 are as follows:

Life expectancy of participants: 2018: Mercer modified RP-2007 no collar mortality table (which is RP-2014 no collar with post-2007 Society of Actuaries project factors removed) and the Mercer modified version of the MP-2018 scale.

2017: Mercer modified RP-2007 no collar mortality table (which is RP-2014 no collar with post-2007 Society of Actuaries project factors removed) and the Mercer modified version of the MP-2016 scale.

Assumed rate of return: 6.60% for December 31, 2018
6.70% for December 31, 2017

<u>Retirement experience:</u>	<u>Age</u>	<u>Retirement</u>
	55-56	10%
	57-61	6%
	62-63	10%
	64	15%
	65-69	30%
	70+	100%

Cash Balance interest credit rates: 2018: 3.04% for 2019-2023 and 4.00% for 2024 and beyond
2017: 3.04% for 2018-2022 and 3.35% for 2023 and beyond

The increase in the present value of accumulated plan benefits for assumption changes is principally due to the decrease of the assumed rate of return and the updating of the mortality assumptions.

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

(Continued)

NOTE 4 – INVESTMENTS – UNAUDITED INFORMATION

The Bank of New York Mellon, the trustee of the Plan, holds the Plan's investment assets and executes investment transactions therein, and substantially all information pertaining to the Plan's investments included in the financial statements has been certified as complete and accurate by them. This information has not been audited by independent accountants.

NOTE 5 – 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 of ERISA and its related regulations. In the event the Plan terminates, the net assets of the Plan will be allocated among the participants and beneficiaries of the Plan in the order provided by ERISA.

Certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation ("PBGC") if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations.

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 those benefits and may also depend on the financial condition of the Plan sponsor and the level of benefits guaranteed by the PBGC.

NOTE 6 – PARTIES-IN-INTEREST

Parties-in-interest are defined under Department of Labor regulations as any fiduciary of the Plan, any party rendering service to the Plan, the employer and certain others. Certain Plan investments were managed by The Bank of New York Mellon, the trustee of the Plan, therefore, these transactions qualify as party-in-interest investments. Certain Plan investments were issued by SEI Institutional Investments Trust, an affiliate of an investment manager for the Plan; therefore, these transactions qualify as party-in-interest investments. Fees paid by the Plan to parties-in-interest for investment management, actuarial, audit and consulting services totaled \$1,589,914 for the year ended December 31, 2018. Various administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan.

NOTE 7 – TAX STATUS OF PLAN

The Internal Revenue Service has determined and informed the Company by a letter dated November 4, 2016, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). The Plan has been amended since receiving the determination letter. However, the Plan administrator believes the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

HEXION INC. PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

NOTE 7 – TAX STATUS OF PLAN (Continued)

U.S. GAAP requires plan management to evaluate tax positions taken by the Plan. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2018 and 2017, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by the Department of Labor (“DOL”) or Internal Revenue Service (“IRS”). There are currently no IRS audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2015.

On July 31, 2015, the Company received notice from the DOL of a routine audit of the Plan to be conducted. The audit has not yet formally concluded.

NOTE 8 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2018 and 2017, to the Form 5500:

	<u>2018</u>	<u>2017</u>
Net assets available for benefits per the financial statements	\$ 184,432,525	\$ 212,412,312
Contributions applied to 2018 Plan year	<u>1,620,000</u>	<u>-</u>
Net assets per the Form 5500	<u>\$ 186,052,525</u>	<u>\$ 212,412,312</u>

The following is a reconciliation of the change in net assets available for benefits for the year ended December 31, 2018 per the financial statements to the net loss reported in the 2018 Form 5500:

Decrease in net assets available for benefits per the financial statements	\$ (27,979,787)
Contributions applied to 2018 Plan year	<u>1,620,000</u>
Net loss per the Form 5500	<u>\$ (26,359,787)</u>

NOTE 9 – SUBSEQUENT EVENTS

Plan management has evaluated subsequent events for recognition and disclosure through October 9, 2019, which is the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

HEXION INC. PENSION PLAN
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2018

Name of plan sponsor:	Hexion, Inc.
Employer identification number:	13-0511250
Three-digit plan number:	002

		(c) Description of Investment Including Maturity Date, Rate of Interest, Par or	(d)	(e) Current
(a)	(b) Identity of Issuer or Borrower	Maturity Value	Cost	Value
<u>Collective Trust Funds</u>				
*	Bank of New York Mellon	EB Temp Investment Fund	\$ 1,786,536	\$ 1,786,536
*	SEI Investments Company	SEI Core Property Collective Investment Trust	10,200,000	10,650,412
*	SEI Investments Company	SEI Structured Credit Collective Fund	<u>5,642,256</u>	<u>10,626,929</u>
			17,628,792	23,066,877
<u>Guaranteed Investment Contract</u>				
	Equitable Life Assurance		4,061	4,061
<u>Mutual Funds</u>				
*	SEI Investments Company	High Yield Bond Fund A	9,842,450	8,963,219
*	SEI Investments Company	U.S. Managed Volatility Fund	17,897,098	15,933,777
*	SEI Investments Company	World Equity Ex-Us	18,387,132	17,279,563
*	SEI Investments Company	Large Cap Index Fund	16,624,944	16,714,467
*	SEI Investments Company	Emerging Markets Debt Fund	7,697,277	7,125,701
*	SEI Investments Company	Long Duration Corporate Bond	15,948,989	15,295,223
*	SEI Investments Company	Small Cap Fund	5,695,400	4,611,084
*	SEI Investments Company	Emerging Markets Equity Fund	4,943,778	4,848,860
*	SEI Investments Company	Intermediate Duration Credit Fund	<u>54,969,495</u>	<u>53,002,222</u>
			152,006,563	143,774,116
<u>Governmental Securities</u>				
	US Treasury NT PRIN Strip	Par \$8,355,000, 0.0%, 8/15/2028	6,183,870	6,440,702
	US Treasury NT PRIN Strip	Par \$2,602,000, 0.0%, 5/15/2038	1,436,980	1,501,614
	US Treasury NT PRIN Strip	Par \$4,880,000, 0.0%, 2/15/2048	1,944,485	2,002,313
	US Treasury NT CPN Strip	Par \$2,284,000, 0.0%, 5/15/2025	1,843,423	1,931,716
	US Treasury NT CPN Strip	Par \$8,873,000, 0.0%, 11/15/2033	<u>5,501,437</u>	<u>5,762,304</u>
			16,910,195	17,638,649
Total Investments			<u>\$ 186,549,611</u>	<u>\$ 184,483,703</u>

* = Party-in-interest investment

See Independent Auditor's Report

HEXION INC. PENSION PLAN
SCHEDULE H, LINE 4j – SCHEDULE OF REPORTABLE TRANSACTIONS
For the year ended December 31, 2018

Name of plan sponsor:	<u>Hexion, Inc.</u>
Employer identification number:	<u>13-0511250</u>
Three-digit plan number:	<u>002</u>

(a) Identity of Party Involved	(b) Description of Assets	(c) Purchase Price	(d) Selling Price	(e) Lease Rental	(f) Expense Incurred with Transactions	(g) Cost of Assets	(h) Current Value of Asset on Transaction Date	(i) Net Gain (Loss)
Category (iii): A series of transactions with the same security in excess of 5% of the current value of Plan assets:								
Bank of New York Mellon	EB Temp Investment Fund	\$ 39,387,011 -	\$ - 43,021,720	\$ - -	\$ - -	\$ 39,387,011 43,021,721	\$ 39,387,011 43,021,721	\$ - -
SEI Investments	SEI US Managed Volatility Fund	8,930,512 -	- 6,711,270	- -	- -	8,930,512 6,394,177	8,930,512 6,711,270	- 317,093
SEI Investments	SEI World Equity Ex-US	5,811,396 -	- 7,025,840	- -	- -	5,811,396 5,872,865	5,811,396 7,025,840	- 1,152,975
SEI Investments	SEI Large Cap Index Fund	5,967,729 -	- 6,012,447	- -	- -	5,967,729 4,581,181	5,967,729 6,012,447	- 1,431,266
SEI Investments	SEI Core Property Collective Investment Trust	20,400,000 -	- 10,200,000	- -	- -	20,400,000 10,200,000	20,400,000 10,200,000	- -

See Independent Auditor's Report

**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
HEXION INC. PENSION PLAN**B** Three-digit
plan number (PN) ▶ 002**C** Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF

HEXION INC.

D Employer Identification Number (EIN)

13-0511250

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 01 Day 01 Year 2018**2** Assets:**a** Market value..... **2a** 212,821,562**b** Actuarial value..... **2b** 202,910,260**3** Funding target/participant count breakdown**a** For retired participants and beneficiaries receiving payment..... (1) Number of participants 5,846 (2) Vested Funding Target 128,521,862 (3) Total Funding Target 128,521,862**b** For terminated vested participants..... 1,507 37,359,070 37,359,070**c** For active participants..... 720 30,493,506 30,493,506**d** Total..... 8,073 196,374,438 196,374,438**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** 5.54%**6** Target normal cost..... **6** 2,800,000**Statement by Enrolled Actuary**

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

**SIGN
HERE**

Rebecca Chilcote RLC

Signature of actuary

REBECCA L. CHILCOTE, FSA, EA, MAAA

Type or print name of actuary

MERCER

Firm name

325 JOHN H. MCCONNELL BLVD.
SUITE 350
COLUMBUS OH 43215

Address of the firm

Date

1707514

Most recent enrollment number

614-227-5519

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 Remaining Balance	
		(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>13.09%</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).....		0
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>5.74%</u>		0
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.....		0
d	Portion of (c) to be added to prefunding balance.....		
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

14	Funding target attainment percentage	14	103.32%
15	Adjusted funding target attainment percentage.....	15	103.32%
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	107.83%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

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	
09/11/2019	1,620,000	0				
			Totals ►	18(b)	1,620,000	18(c) 0

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	1,478,653

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**

0

22 Weighted average retirement age**22**

62

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**

2,800,000

b Excess assets, if applicable, but not greater than line 31a**31b**

2,800,000

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

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**

1,478,653

38 Present value of excess contributions for current year (see instructions)**a** Total (excess, if any, of line 37 over line 36)**38a**

1,478,653

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, line 26 — Schedule of Active Participant Data

ATTAINED AGE	YEARS OF CREDITED SERVICE										TOTAL
	UNDER 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & UP	
Under 25											
25-29											
30-34			3	12							15
35-39			8	29	2						39
40-44			6	38	18	3					65
45-49			4	58	54	27	7				150
50-54			11	37	45	28	16	8			145
55-59			2	42	25	24	28	21	7		149
60-64			4	35	17	15	16	13	16	8	124
65-69				6	5	3	4	3	4	1	26
70 & up				1	2			1	1	2	7
Total			38	258	168	100	71	46	28	11	720

In each cell, the number shown is the count of active participants for each age/service combination. The count includes all active participants, both with frozen accrued benefits and frozen cash balance amounts.

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
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plan number (PN) ▶ 002**C** Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF

HEXION INC.

D Employer Identification Number (EIN)

13-0511250

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 01 Day 01 Year 2018**2** Assets:**a** Market value..... **2a** 212,821,562**b** Actuarial value..... **2b** 202,910,260**3** Funding target/participant count breakdown**a** For retired participants and beneficiaries receiving payment..... (1) Number of participants 5,846 (2) Vested Funding Target 128,521,862 (3) Total Funding Target 128,521,862**b** For terminated vested participants..... 1,507 37,359,070 37,359,070**c** For active participants..... 720 30,493,506 30,493,506**d** Total..... 8,073 196,374,438 196,374,438**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** 5.54%**6** Target normal cost..... **6** 2,800,000**Statement by Enrolled Actuary**

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

**SIGN
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Rebecca Chilcote RLC

Signature of actuary

REBECCA L. CHILCOTE, FSA, EA, MAAA

Type or print name of actuary

MERCER

Firm name

325 JOHN H. MCCONNELL BLVD.
SUITE 350
COLUMBUS OH 43215

Address of the firm

Date

1707514

Most recent enrollment number

614-227-5519

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 ☐

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Schedule SB (Form 5500) 2018
v. 171027

Part II Beginning of Year Carryover and Prefunding Balances

Part II Beginning of Year Carryover and Retaining 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>13.09%</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).....		0
	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>5.74%</u>		0
	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.....		0
	d Portion of (c) to be added to prefunding balance.....		
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	103.32%
15	Adjusted funding target attainment percentage.....	15	103.32%
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	107.83%
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:

15 Contributions made to the plan for the plan year by employer(s)					
(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
09/11/2019	1,620,000	0			
			Totals ▶	18(b)	18(c)
				1,620,000	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	1,478,653

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**

0

22 Weighted average retirement age**22**

62

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**

2,800,000

b Excess assets, if applicable, but not greater than line 31a**31b**

2,800,000

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

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**

1,478,653

38 Present value of excess contributions for current year (see instructions)**a** Total (excess, if any, of line 37 over line 36)**38a**

1,478,653

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, Part V — Statement of Actuarial Assumptions/Methods

ACTUARIAL ASSUMPTIONS

ECONOMIC ASSUMPTIONS AND SPONSOR ELECTIONS

Discount rates sponsor elections

- Segment rates or full yield curve

Segment

- Look-back months

0

Stabilized**Nonstabilized**

- First 5 years

3.92%

1.81%

- Next 15 years

5.52%

3.68%

- Over 20 years

6.29%

4.53%

Mortality sponsor elections

- Healthy participants

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

Cash balance plans

- Interest credit rate

3.04% for first five years from valuation date, 3.35% thereafter

- Whipsaw calculations

No

Other economic assumptions

- Salary increases

Not applicable

- Social Security wage base

Not applicable

- Inflation

Not applicable

- Expected investment return

6.70%

- Expenses

\$2.8 million added to current year normal cost

*Schedule SB, Part V — Statement of Actuarial Assumptions/Methods***RATIONALE FOR ECONOMIC ASSUMPTIONS**

- Discount rate – Prescribed by IRS and based on the Moving Ahead for Progress in the 21st Century Act (MAP-21) stabilized segment rates for minimum funding and benefit restrictions.
- Interest credit rate – The plan's interest crediting rate is the greater of the yield on one-year Treasury Constant Maturities (TCM) over a specific time period, or 3.04%. TCM rates are currently well below the minimum rate. We have assumed that after 5 years, the average yield on TCM will be 3.35%, based on Mercer Investment Consulting's Capital Market Outlook as of January 1, 2018.
- Expected investment return – This assumption is supported by Mercer's Historical Return Data (HiRD) tool using the plan's target asset allocation, and is deemed reasonable as it falls between 35th to 65th percentile range of an expected 20-year compound average geometric returns using that same investment mix.
- Expenses – Best estimate of trust payable expenses for the coming year, rounded to the nearest \$100,000.

DEMOGRAPHIC ASSUMPTIONS**Demographic assumptions – ERIP**

• Withdrawal	2003 Society of Actuaries Turnover (Mercer modified) 5-year select and ultimate rates, loaded by 145% for all ages See table of sample rates
• Disability incidence	1985 Pension Disability Table Class 1 (Unisex) for Salaried employees 1985 Pension Disability Table Class 3 (Unisex) for Hourly employees See table of sample rates
• Retirement age	See table of sample rates

Demographic assumptions – RPP

Withdrawal	2003 Society of Actuaries Turnover (Mercer modified) 5-year select and ultimate rates, loaded by 145% for all ages See table of sample rates
Disability incidence	1985 Pension Disability Table Class 1 (Unisex) See table of sample rates
Retirement age	See table of sample rates

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

Demographic assumptions – McWhorter			
Withdrawal	2003 Society of Actuaries Turnover (Mercer modified) 5-year select and ultimate rates, loaded by 145% for all ages See table of sample rates		
Disability incidence	Not applicable		
Retirement age	Age 60 for Chicago Heights and Forest Park locations, age 65 for all other participants		
Benefit commencement age for			
• Future vested deferred			
– ERIP	Age at termination.		
– Hexion (f/k/a Momentive and RPP)	Age 65.		
– McWhorter	Age 60 for Chicago Heights and Forest Park locations, age 65 for all other participants.		
• Current vested deferred			
– ERIP	Age 57 if currently younger than 57 and the greater of age 65 and current age if older than 57.		
– Hexion (f/k/a Momentive and RPP)	Age 65.		
– McWhorter	Age 60 for Chicago Heights and Forest Park locations, age 65 for all other participants.		
• Spouse assumptions	<u>Male participants</u>	<u>Female participants</u>	
– Percentage married	87.5%	75.0%	
– Spouse age difference	3 years younger	3 years older	
Form of payment — ERIP salaried and non-bargaining hourly	<u>Immediate Lump sum</u>	<u>Single life</u>	
• Active retirements	100%	0%	
• Future vested deferred	75%	25%	
• Future disabilities	100%	0%	
• Future deaths	100%	0%	

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

• Current vested deferred	75%	25%	
Form of payment — ERIP bargained hourly	<u>Single life</u>	<u>50% J&S</u>	<u>Lump Sum</u>
• Active retirements	100%	0%	0%
• Future vested deferred	50%	25%	25%
• Future disabilities	100%	0%	0%
• Future deaths	100%	0%	0%
• Current vested deferred	50%	25%	25%
Form of payment – Males: RPP (All participants but Shell)	<u>Single life</u>	<u>50% J&S</u>	
• Active retirements	12.5%	87.5%	
• Future vested deferred	12.5%	87.5%	
• Future disabilities	12.5%	87.5%	
• Future deaths	0%	100% J&S if eligible	
• Current vested deferred	12.5%	87.5%	
Form of payment – Females: RPP (All participants but Shell)	<u>Single life</u>	<u>50% J&S</u>	
• Active retirements	25%	75%	
• Future vested deferred	25%	75%	
• Future disabilities	25%	75%	
• Future deaths	0%	100% J&S if eligible	
• Current vested deferred	25%	75%	

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

Form of payment – RPP (Shell Alternate Pension Formula participants)	<u>Lump Sum</u>	
• Active retirements	100%	
• Future vested deferred	100%	
• Future disabilities	100%	
• Future deaths	100%	
• Current vested deferred	100%	
Form of payment –McWhorter	<u>Single life</u>	
• Active retirements	100%	
• Future vested deferred	100%	
• Future deaths	100%	
• Current vested deferred	100%	
Unpredictable contingent event assumptions	The RPP group has an early retirement eligibility provision which is considered an Unpredictable Contingent Event Benefit. However, because the likelihood of this event is small (as there is no known intent by the plan sponsor to initiate a transaction which would trigger this event) and the liability impact of such benefit is immaterial, the probability of such an event occurring is assumed to be 0% for valuation purposes.	

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

Table of Sample Rates

DISABILITY RATES				
ATTAINED AGE	ERIP SALARIED DISABILITY	ERIP HOURLY DISABILITY	RPP DISABILITY	MCWHORTER DISABILITY
25	0.04%	0.20%	0.04%	N/A
30	0.06%	0.30%	0.06%	N/A
35	0.10%	0.42%	0.10%	N/A
40	0.16%	0.59%	0.16%	N/A
45	0.26%	0.82%	0.26%	N/A
50	0.45%	1.22%	0.45%	N/A
55	0.85%	2.09%	0.85%	N/A
60	1.20%	3.10%	1.20%	N/A

WITHDRAWAL RATES						
ATTAINED AGE	SERVICE					
	0	1	2	3	4	5+
25	33.50%	29.15%	26.25%	23.35%	20.45%	14.79%
30	29.00%	24.65%	21.75%	18.85%	15.95%	10.30%
35	27.26%	22.91%	20.01%	17.11%	14.21%	8.70%
40	25.81%	21.46%	18.56%	15.66%	12.76%	7.98%
45	24.36%	20.01%	17.11%	14.21%	11.75%	7.25%
50	22.91%	18.56%	15.66%	13.34%	11.02%	6.53%
55	21.46%	17.26%	14.94%	12.62%	10.30%	5.80%
60	20.16%	16.53%	14.21%	11.89%	9.57%	5.08%

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

ATTAINED AGE	RETIREMENT RATES
55-56	10.00%
57-61	6.00%
62-63	10.00%
64	15.00%
65-69	30.00%
70+	100.00%

RATIONALE FOR DEMOGRAPHIC ASSUMPTIONS

- Mortality – Prescribed by IRS
- Other Demographic Assumptions – The current assumption is based upon analysis completed in 2015 using experience from 2010 through 2014 and the expectations that the future patterns and circumstances of the employer will not differ significantly from the period studied.
- Assumed lump sum commencement age for current terminated vested former ERIP salaried and non-bargaining hourly plan participants – The current assumption is based upon analysis completed in 2015 using experience from 2010 through 2014 and the expectations that the future patterns and circumstances of the employer will not differ significantly from the period studied.

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

ACTUARIAL METHODS

Asset Methods

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

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

Participant Methods

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

- **Participants included:** The plan sponsor provides us with data on all employees as of the valuation date.
- **Participants excluded:** No actuarial liability is included for non-vested participants who terminated prior to the valuation date.
- **Insurance contracts:** The plan does not have any insurance contracts.

*Schedule SB, Part V — Statement of Actuarial Assumptions/Methods***Minimum Funding Methods**

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

A detailed description of the calculation follows:

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

HEXION INC. PENSION PLAN
SCHEDULE H, LINE 4j – SCHEDULE OF REPORTABLE TRANSACTIONS
For the year ended December 31, 2018

Name of plan sponsor: Hexion, Inc.
Employer identification number: 13-0511250
Three-digit plan number: 002

(a) Identity of Party Involved	(b) <u>Description of Assets</u>	(c) <u>Purchase Price</u>	(d) <u>Selling Price</u>	(e) <u>Lease Rental</u>	(f) <u>Expense Incurred with Transactions</u>	(g) <u>Cost of Assets</u>	(h) <u>Current Value of Asset on Transaction Date</u>	(i) <u>Net Gain (Loss)</u>
Category (iii): A series of transactions with the same security in excess of 5% of the current value of Plan assets:								
Bank of New York Mellon	EB Temp Investment Fund	\$ 39,387,011	\$ 43,021,720	-	\$ -	\$ 39,387,011	\$ 43,021,721	\$ -
SEI Investments	SEI US Managed Volatility Fund	8,930,512	6,711,270	-	-	8,930,512	6,711,270	-
SEI Investments	SEI World Equity Ex-US	5,811,396	7,025,840	-	-	5,811,396	7,025,840	-
SEI Investments	SEI Large Cap Index Fund	5,967,729	6,012,447	-	-	5,967,729	6,012,447	1,152,975
SEI Investments	SEI Core Property Collective Investment Trust	20,400,000	10,200,000	-	-	20,400,000	10,200,000	-
		-	-	-	-	10,200,000	-	-
								317,093
								1,431,266

See Independent Auditor's Report

**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
HEXION INC. PENSION PLAN**B** Three-digit
plan number (PN) ▶ 002**C** Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF

HEXION INC.

D Employer Identification Number (EIN)

13-0511250

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 01 Day 01 Year 2018**2** Assets:**a** Market value..... **2a** 212,821,562**b** Actuarial value..... **2b** 202,910,260**3** Funding target/participant count breakdown**a** For retired participants and beneficiaries receiving payment..... (1) Number of participants 5,846 (2) Vested Funding Target 128,521,862 (3) Total Funding Target 128,521,862**b** For terminated vested participants..... 1,507 37,359,070 37,359,070**c** For active participants..... 720 30,493,506 30,493,506**d** Total..... 8,073 196,374,438 196,374,438**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** 5.54%**6** Target normal cost..... **6** 2,800,000**Statement by Enrolled Actuary**

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

**SIGN
HERE**

Rebecca Chilcote RLC

Signature of actuary

REBECCA L. CHILCOTE, FSA, EA, MAAA

Type or print name of actuary

MERCER

Firm name

325 JOHN H. MCCONNELL BLVD.
SUITE 350
COLUMBUS OH 43215

Address of the firm

Date

1707514

Most recent enrollment number

614-227-5519

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

Part II Beginning of Year Carryover and Retaining 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>13.09%</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).....		0
	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>5.74%</u>		0
	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.....		0
	d Portion of (c) to be added to prefunding balance.....		
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	103.32%
15	Adjusted funding target attainment percentage.....	15	103.32%
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	107.83%
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:

15 Contributions made to the plan for the plan year by employer(s)					
(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
09/11/2019	1,620,000	0			
			Totals ▶	18(b)	18(c)
				1,620,000	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	1,478,653

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**

0

22 Weighted average retirement age**22**

62

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**

2,800,000

b Excess assets, if applicable, but not greater than line 31a**31b**

2,800,000

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

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**

1,478,653

38 Present value of excess contributions for current year (see instructions)**a** Total (excess, if any, of line 37 over line 36)**38a**

1,478,653

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, line 22 — Description of Weighted Average Retirement Age

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 62.

(A) RETIREMENT AGE	(B) RETIREMENT PERCENT	(C) LX	(D) NUMBER OF EMPLOYEES EXPECTED TO RETIRE (B) x (C)	(E) (A) x (D)
55	10.00%	10,000	1,000	55,000
56	10.00%	9,000	900	50,400
57	6.00%	8,100	486	27,702
58	6.00%	7,614	457	26,506
59	6.00%	7,157	429	25,311
60	6.00%	6,728	404	24,240
61	6.00%	6,324	379	23,119
62	10.00%	5,948	595	36,890
63	10.00%	5,350	535	33,705
64	15.00%	4,815	722	46,208
65	30.00%	4,093	1,228	79,820
66	30.00%	2,865	860	56,760
67	30.00%	2,005	602	40,334
68	30.00%	1,403	421	28,628
69	30.00%	982	295	20,335
70	100.00%	687	687	48,090
TOTAL			10,000	623,068
AVERAGE				62.3

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

ACTUARIAL ASSUMPTIONS

ECONOMIC ASSUMPTIONS AND SPONSOR ELECTIONS

Discount rates sponsor elections

- Segment rates or full yield curve

Segment

- Look-back months

0

StabilizedNonstabilized

- First 5 years

3.92%

1.81%

- Next 15 years

5.52%

3.68%

- Over 20 years

6.29%

4.53%

Mortality sponsor elections

- Healthy participants

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

Cash balance plans

- Interest credit rate

3.04% for first five years from valuation date, 3.35% thereafter

- Whipsaw calculations

No

Other economic assumptions

- Salary increases

Not applicable

- Social Security wage base

Not applicable

- Inflation

Not applicable

- Expected investment return

6.70%

- Expenses

\$2.8 million added to current year normal cost

*Schedule SB, Part V — Statement of Actuarial Assumptions/Methods***RATIONALE FOR ECONOMIC ASSUMPTIONS**

- Discount rate – Prescribed by IRS and based on the Moving Ahead for Progress in the 21st Century Act (MAP-21) stabilized segment rates for minimum funding and benefit restrictions.
- Interest credit rate – The plan's interest crediting rate is the greater of the yield on one-year Treasury Constant Maturities (TCM) over a specific time period, or 3.04%. TCM rates are currently well below the minimum rate. We have assumed that after 5 years, the average yield on TCM will be 3.35%, based on Mercer Investment Consulting's Capital Market Outlook as of January 1, 2018.
- Expected investment return – This assumption is supported by Mercer's Historical Return Data (HiRD) tool using the plan's target asset allocation, and is deemed reasonable as it falls between 35th to 65th percentile range of an expected 20-year compound average geometric returns using that same investment mix.
- Expenses – Best estimate of trust payable expenses for the coming year, rounded to the nearest \$100,000.

DEMOGRAPHIC ASSUMPTIONS**Demographic assumptions – ERIP**

• Withdrawal	2003 Society of Actuaries Turnover (Mercer modified) 5-year select and ultimate rates, loaded by 145% for all ages See table of sample rates
• Disability incidence	1985 Pension Disability Table Class 1 (Unisex) for Salaried employees 1985 Pension Disability Table Class 3 (Unisex) for Hourly employees See table of sample rates
• Retirement age	See table of sample rates

Demographic assumptions – RPP

Withdrawal	2003 Society of Actuaries Turnover (Mercer modified) 5-year select and ultimate rates, loaded by 145% for all ages See table of sample rates
Disability incidence	1985 Pension Disability Table Class 1 (Unisex) See table of sample rates
Retirement age	See table of sample rates

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

Demographic assumptions – McWhorter			
Withdrawal	2003 Society of Actuaries Turnover (Mercer modified) 5-year select and ultimate rates, loaded by 145% for all ages See table of sample rates		
Disability incidence	Not applicable		
Retirement age	Age 60 for Chicago Heights and Forest Park locations, age 65 for all other participants		
Benefit commencement age for			
• Future vested deferred			
– ERIP	Age at termination.		
– Hexion (f/k/a Momentive and RPP)	Age 65.		
– McWhorter	Age 60 for Chicago Heights and Forest Park locations, age 65 for all other participants.		
• Current vested deferred			
– ERIP	Age 57 if currently younger than 57 and the greater of age 65 and current age if older than 57.		
– Hexion (f/k/a Momentive and RPP)	Age 65.		
– McWhorter	Age 60 for Chicago Heights and Forest Park locations, age 65 for all other participants.		
• Spouse assumptions	<u>Male participants</u>	<u>Female participants</u>	
– Percentage married	87.5%	75.0%	
– Spouse age difference	3 years younger	3 years older	
Form of payment — ERIP salaried and non-bargaining hourly	<u>Immediate Lump sum</u>	<u>Single life</u>	
• Active retirements	100%	0%	
• Future vested deferred	75%	25%	
• Future disabilities	100%	0%	
• Future deaths	100%	0%	

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

• Current vested deferred	75%	25%	
Form of payment — ERIP bargained hourly	<u>Single life</u>	<u>50% J&S</u>	<u>Lump Sum</u>
• Active retirements	100%	0%	0%
• Future vested deferred	50%	25%	25%
• Future disabilities	100%	0%	0%
• Future deaths	100%	0%	0%
• Current vested deferred	50%	25%	25%
Form of payment – Males: RPP (All participants but Shell)	<u>Single life</u>	<u>50% J&S</u>	
• Active retirements	12.5%	87.5%	
• Future vested deferred	12.5%	87.5%	
• Future disabilities	12.5%	87.5%	
• Future deaths	0%	100% J&S if eligible	
• Current vested deferred	12.5%	87.5%	
Form of payment – Females: RPP (All participants but Shell)	<u>Single life</u>	<u>50% J&S</u>	
• Active retirements	25%	75%	
• Future vested deferred	25%	75%	
• Future disabilities	25%	75%	
• Future deaths	0%	100% J&S if eligible	
• Current vested deferred	25%	75%	

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

Form of payment – RPP (Shell Alternate Pension Formula participants)	<u>Lump Sum</u>	
• Active retirements	100%	
• Future vested deferred	100%	
• Future disabilities	100%	
• Future deaths	100%	
• Current vested deferred	100%	
Form of payment –McWhorter	<u>Single life</u>	
• Active retirements	100%	
• Future vested deferred	100%	
• Future deaths	100%	
• Current vested deferred	100%	
Unpredictable contingent event assumptions	The RPP group has an early retirement eligibility provision which is considered an Unpredictable Contingent Event Benefit. However, because the likelihood of this event is small (as there is no known intent by the plan sponsor to initiate a transaction which would trigger this event) and the liability impact of such benefit is immaterial, the probability of such an event occurring is assumed to be 0% for valuation purposes.	

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

Table of Sample Rates

DISABILITY RATES				
ATTAINED AGE	ERIP SALARIED DISABILITY	ERIP HOURLY DISABILITY	RPP DISABILITY	MCWHORTER DISABILITY
25	0.04%	0.20%	0.04%	N/A
30	0.06%	0.30%	0.06%	N/A
35	0.10%	0.42%	0.10%	N/A
40	0.16%	0.59%	0.16%	N/A
45	0.26%	0.82%	0.26%	N/A
50	0.45%	1.22%	0.45%	N/A
55	0.85%	2.09%	0.85%	N/A
60	1.20%	3.10%	1.20%	N/A

WITHDRAWAL RATES						
ATTAINED AGE	SERVICE					
	0	1	2	3	4	5+
25	33.50%	29.15%	26.25%	23.35%	20.45%	14.79%
30	29.00%	24.65%	21.75%	18.85%	15.95%	10.30%
35	27.26%	22.91%	20.01%	17.11%	14.21%	8.70%
40	25.81%	21.46%	18.56%	15.66%	12.76%	7.98%
45	24.36%	20.01%	17.11%	14.21%	11.75%	7.25%
50	22.91%	18.56%	15.66%	13.34%	11.02%	6.53%
55	21.46%	17.26%	14.94%	12.62%	10.30%	5.80%
60	20.16%	16.53%	14.21%	11.89%	9.57%	5.08%

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

ATTAINED AGE	RETIREMENT RATES
55-56	10.00%
57-61	6.00%
62-63	10.00%
64	15.00%
65-69	30.00%
70+	100.00%

RATIONALE FOR DEMOGRAPHIC ASSUMPTIONS

- Mortality – Prescribed by IRS
- Other Demographic Assumptions – The current assumption is based upon analysis completed in 2015 using experience from 2010 through 2014 and the expectations that the future patterns and circumstances of the employer will not differ significantly from the period studied.
- Assumed lump sum commencement age for current terminated vested former ERIP salaried and non-bargaining hourly plan participants – The current assumption is based upon analysis completed in 2015 using experience from 2010 through 2014 and the expectations that the future patterns and circumstances of the employer will not differ significantly from the period studied.

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

ACTUARIAL METHODS

Asset Methods

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

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

Participant Methods

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

- **Participants included:** The plan sponsor provides us with data on all employees as of the valuation date.
- **Participants excluded:** No actuarial liability is included for non-vested participants who terminated prior to the valuation date.
- **Insurance contracts:** The plan does not have any insurance contracts.

*Schedule SB, Part V — Statement of Actuarial Assumptions/Methods***Minimum Funding Methods**

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

A detailed description of the calculation follows:

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

*Schedule SB, Part V — Summary of Plan Provisions***SUMMARY OF MAJOR PLAN PROVISIONS**

ERIP	
Effective date and plan year	Original plan: January 1, 2000 Plan year: January 1 through December 31
Status of the plan	Benefit accruals for Demopolis were frozen January 31, 2010 and were frozen for Diboll on December 31, 2010. The ERIP was merged into the RPP Plan effective December 31, 2009. The RPP Plan was then renamed Momentive Specialty Chemicals Inc. Pension Plan. Effective December 31, 2014, the plan was renamed Hexion Inc. Pension Plan.
Significant events that occurred during the year	None
DEFINITIONS	
• Participation	A regular full-time employee or part-time employee employed at a rate of 1,000 hours or more per year provided that he became a plan participant prior to an applicable freeze date. Plan participation commenced after one year of employment.
• Employee contributions	Effective January 1, 1989 contributions by plan participants were not permitted to the plan.
• Vesting service	Participants have a five year cliff vesting requirement if they have no hours after 2007; otherwise three year vesting applies. Vesting service is currently determined on an elapsed time basis (22+ weeks worked in a year).
• Credited service	Credited service is measured the same way as vesting service, with adjustments for year of hire and year of termination, with exceptions for certain acquisition groups.
• Compensation	The total amount paid to an employee prior to any reduction for tax deferred contributions or any contributions under the Borden, Inc. Total Family Protection Plan, but excluding reimbursements, other expense allowances, fringe benefits, moving expenses, welfare benefits, sign-on bonuses, stay bonuses, referral bonuses, recognition bonuses, and union ratification bonuses.

Schedule SB, Part V — Summary of Plan Provisions

- Accrued benefit

Salaried:

An account balance originally established on January 1, 1987 is maintained for each salaried or non-bargaining hourly participant. The account balance comprises of four amounts.

1. Any participant who was in the plan prior to this date, had an opening account balance calculated based on the participant's accrued benefit through December 31, 1986.
2. Employees who had attained age 45 with at least 5 years of service at January 1, 1997 received supplemental monthly pay credits of 1.5% of pay (3.0% over the Social Security wage base) per month from age 50 until December 31, 1996.
3. For each monthly period on and after January 1, 1998 each employee's account was credited with \$25, until the plan was frozen.
4. Interest is credited to the accounts on the last day of each month prior to benefit commencement. Participants continue to earn interest credits on their account balances after the plan freeze.

Non-Bargaining hourly:

An account balance originally established on January 1, 1988 is maintained for each salaried or non-bargaining hourly participant. The account balance comprises of four amounts.

1. Any participant who was in the plan prior to this date, had an opening account balance calculated based on the participant's accrued benefit through December 31, 1987.
2. Employees who had attained age 57 with at least 10 years of service at January 1, 1998 received supplemental monthly pay credits of \$50 per month from age 60 until December 31, 1990.
3. For each monthly period on and after January 1, 1998 each employee's account was credited with \$25 or \$40 depending on location, until the plan was frozen.
4. Interest is credited to the accounts on the last day of each month prior to benefit commencement. Participants continue to earn interest credits on their account balances after the plan freeze.

Bargained hourly:

The annual amount of pension payable at normal retirement date is a "Benefit Multiplier" multiplied by all years of credited service through the plan freeze. The benefit multipliers range from \$84 to \$264 depending on location.

Schedule SB, Part V — Summary of Plan Provisions

NORMAL RETIREMENT	
• Eligibility	<u>Salaried and non-bargaining hourly:</u> The first day following the member's 65th birthday. <u>Bargained hourly:</u> The first of the month following or coincident with the member's 65th birthday.
• Benefit	<u>Salaried and non-bargaining hourly:</u> The amount of retirement income available to an employee shall equal the cash balance amount as of the normal retirement date as described above. For certain participants who accrued benefits prior to January 1, 1987, other grandfathered rules may apply. <u>Bargained hourly:</u> The amount of retirement income available to an employee shall equal to the accrued benefit amount as described above. For certain participants who contributed to the plan back in the 1950s there may be additional benefits due.
EARLY RETIREMENT	
• Eligibility	<u>Salaried and non-bargaining hourly:</u> A participant who has attained age 55 may retire at any time after completing 10 years of service. <u>Bargained hourly:</u> The first of the month following or coincident with the date after which participant who has attained age 55 may retire at any time after completing 10 years of service (no service requirement for receipt of employee contributions).
• Benefit	<u>Salaried and non-bargaining hourly:</u> The amount of retirement income available to an employee shall equal the cash balance amount as of the early retirement date as described above. For certain participants who accrued benefits prior to January 1, 1987, other grandfathered rules may apply. <u>Bargained hourly:</u> The normal retirement benefit reduced by ½% for each month prior to early commencement, except for participants at location 282 where the reduction is ¼% per month early.

Schedule SB, Part V — Summary of Plan Provisions

LATE RETIREMENT	
Eligibility	<u>Salaried and non-bargaining hourly:</u> The first of the month following a participant's normal retirement date. The account balance will continue to accrue interest credits during this time. <u>Bargained hourly:</u> The first of the month following a participant's normal retirement date.
Benefit	<u>Salaried and non-bargaining hourly:</u> The amount of retirement income available to an employee shall equal the cash balance amount as of the late retirement date as described above. For certain participants who accrued benefits prior to January 1, 1987, other grandfathered rules may apply. <u>Bargained hourly:</u> The annual amount of pension payable is determined based on credited service as of the earlier of the late retirement date and the plan freeze date.
DEFERRED VESTED	
Eligibility	Terminated after three years of service
Benefit	<u>Salaried and non-bargaining hourly:</u> A participant whose employment terminates other than for retirement shall be entitled to receive his Account Balance. The balance may be received upon attainment of retirement eligibility. <u>Bargained hourly:</u> Upon termination prior to retirement but after vesting, an annual pension is payable to the employee commencing at normal retirement date equal to the accrued pension. A reduced amount can be paid as early as age 55. The early retirement benefit for deferred vested participants who are former ERIP participants (specifically Bargained Hourly) is equal to the normal retirement benefit reduced by $\frac{1}{2}\%$ for each month prior to early commencement, except for participants at location 282 where the reduction is $\frac{1}{4}\%$ per month early.

Schedule SB, Part V — Summary of Plan Provisions

DISABILITY	
Eligibility	<u>Salaried and non-bargaining hourly:</u> A participant who becomes totally and permanently disabled, and entitled to benefits under the Momentive Group Long Term Disability Insurance Plan, is treated as if he or she had continued in active service at his last pay rate. <u>Bargained hourly:</u> A participant who becomes totally and permanently disabled, and entitled to benefits under the Momentive Group Long Term Disability Insurance Plan, is treated as if he or she had continued in active service at his last pay rate.
Benefit	<u>Salaried and non-bargaining hourly:</u> The amount of income available to an employee with a disability and upon termination from active employment, shall equal the cash balance amount as of the commencement date as described above. <u>Bargained hourly:</u> The amount of income available to an employee with a disability shall equal the accrued benefit as of the commencement date as described above, with continuing accruals until the earlier of the benefit commencement and the plan freeze date.
DEATH	
Eligibility	If a participant dies after becoming entitled to a retirement benefit, but before retiring, his or her surviving beneficiary is entitled to a death benefit.
Benefit	A participant who dies shall be entitled to have his account balance (accrued benefit for bargained hourly group) paid to his beneficiary. Upon retirement, married employees are covered by an automatic 50% survivor option, unless they elect otherwise, with the employee's benefit reduced 10% to reflect this coverage. For retired participants as of July 1, 1984, the first \$5,000 of post-retirement death benefit will be paid from the pension plan.

Schedule SB, Part V — Summary of Plan Provisions

FORM OF BENEFITS	
Automatic form for unmarried participants	Single life annuity
Automatic form for married participants	Qualified joint and 50% survivor annuity
Optional form (certain forms are only available when the plan is not subject to benefit restrictions)	- Single life annuity - Single life increasing annuity - Life and ten years certain annuity - Life and fifteen years certain annuity - Joint and 50% survivor annuity - Joint and 50% survivor increasing annuity - Joint and 50% survivor level life annuity - Joint and 75% survivor annuity - Joint and 100% survivor annuity - Cash refund option - Lump sum
MISCELLANEOUS	
Interest crediting rate	The interest crediting rate defined under the plan for each calendar year is the average (rounded to the nearest .01%) of the weekly averages for the weeks ending in the month of November of the prior year, of the rate on Treasury Constant Maturities (1-Year) as published in the Federal Reserve Statistical Release, H.15(519), or its replacement publication, but no less than 3.04%.
Actuarial equivalence	For purposes of converting a Participant's Accrued Benefit to be paid in an increasing single life annuity, the following or applicable 417(e)(3)(B) assumptions described in this section, whichever produces the better benefit for the participant: - A Participant's increasing annuity shall equal the Participant's Account as of his Pension Commencement Date divided by the applicable annuity value, based on the Participant's age as of his or her Pension Commencement Date. - If the Pension Commencement Date is the first of the month of the Participant's 65th birthday, the applicable annuity value is 240. Otherwise, the applicable annuity value is 240 plus (or minus) 0.66-2/3 for each month that the Pension Commencement Date is before (or after) the first of the month of the Participant's 65th birthday.

Schedule SB, Part V — Summary of Plan Provisions

	For all purposes: • <u>Mortality</u>: The applicable mortality table specified under Code Section 417(e)(3)(B), modified as appropriate by the Secretary of Treasury, based on the mortality table specified for the Plan Year under Code Section 430(h)(3)(A) (without regard to subparagraph (C) or (D) of such Code Section). • <u>Interest Rate</u>: The applicable interest rate specified under Code Section 417(e)(3)(C) for the fifth month preceding the first day of the month in which the Pension Commencement Date occurs (resulting in a one month stability period), which shall be the adjusted first, second, and third segment rates applied under the minimum funding rules of Code Section 430(h)(2)(C) (derived from a corporate bond yield curve prescribed by the IRS which reflects the yields on investment grade corporate bonds with varying maturities), applying the applicable transition rules for Plan Years 2008 through 2011.
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2017, the limit was \$270,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2018, the limit is \$220,000.

Schedule SB, Part V — Summary of Plan Provisions

RPP	
Effective date and plan year	Original plan: January 1, 2000 Plan year: January 1 through December 31
Status of the plan	Benefit accruals for Norco were frozen on December 31, 2010. The ERIP and McWhorter plans were merged into the RPP Plan effective December 31, 2009. The RPP Plan was then renamed Momentive Specialty Chemicals Inc. Pension Plan. Effective December 31, 2014, the plan was renamed Hexion Inc. Pension Plan.
Significant events that occurred during the year	None
DEFINITIONS	
• Participation	All employees became eligible on their date of hire as long as they were employed prior to the participation freeze date.
• Vesting service	An employee receives one year of vesting service each calendar year which he or she is credited with one or more hour of service during each of three months. All employees that transferred from Shell Oil on December 1, 2000 received prior service for vesting purposes and were considered 100% vested in their benefit at that date.
• Credited service	An employee receives one month of credited service for each month during which he or she is credited with an hour of service. Only those employees who elected to transfer their Shell Oil Company Pension Plan accrued benefit to the RPP plan received prior service credit for benefit purposes.
• Pensionable earnings	W-2 earnings, including Incentive Compensation Payments (ICP), plus elective deferrals under IRC section 125 and 401(k), excluding overtime, other bonuses paid, and other compensation specifically excluded in the plan document.
• Final average earnings	Average of the highest 36 consecutive months of pensionable compensation from the last 120 months of employment.

Schedule SB, Part V — Summary of Plan Provisions

• Accrued benefit	An accrued monthly pension benefit is calculated for each participant based on the formula and elements described below. (1) Final average earnings (2) 1.6 * Credited service – Defined above (3) Social Security offset – 1.5 times projected credited service (to SSNRA)(maximum 33 1/3 years) times primary Social Security benefit determined at SSNRA times credited service divided by projected credited service. The monthly accrued benefit is 1 x. 2. – 3. at the date of determination. Additionally, former Shell employees may have a frozen accrued Alternate Pension Formula lump sum benefit.
NORMAL RETIREMENT	
• Eligibility	The first day of the month coincident with or next following the attainment of age 65.
• Benefit	Monthly pension benefit determined as of the normal retirement date, payable immediately.
EARLY RETIREMENT	
• Eligibility	A participant who has attained age 50 may retire at the first of the month following or coincident with the date he or she attains 80 points (age + service). In certain grandfathered cases, only 70 points are required for early commencement.
• Benefit	Monthly pension benefit determined as of early retirement date (prior to Social Security offset), reduced by 5% for each year that commencement of payment precedes age 60, payable immediately.
LATE RETIREMENT	
• Eligibility	The first of the month following a participant's normal retirement date.
• Benefit	Monthly pension benefit actuarially adjusted for the actual retirement date, payable immediately.
DEFERRED VESTED	
• Eligibility	A participant who terminates for reasons other than death or disability after completing 5 years of vesting service.

Schedule SB, Part V — Summary of Plan Provisions

- Benefit

Monthly pension benefit determined as of termination date, payable at normal retirement date. An employee with at least 80 points and who is at least age 50 at termination, may elect to commence benefits earlier than normal retirement date, with the monthly pension benefit reduced by 5% for each year that commencement of payment precedes age 60, payable immediately. An employee who is not retirement eligible at termination (either because not yet age 50, or does not have 80-points) can commence benefits upon the attainment of age 50 and 80 points where the monthly pension benefit is reduced by an actuarial reduction factor from age 65. See table below.

<i>If the Participant leaves before early retirement eligibility and later he/she has 80 Points and starts his benefit at age...</i>	<i>The Participant will receive this percentage of his/her regular (age 65) benefit (calculated after the SSO):</i>
50	20.8%
51	22.8%
52	25.1%
53	27.6%
54	30.4%
55	33.6%
56	37.1%
57	41.1%
58	45.5%
59	50.6%
60	56.3%
61	62.9%
62	70.3%
63	78.9%
64	88.7%
65 or older	100%

DISABILITY

- Eligibility

Any participant who completes 15 years of eligibility service and becomes totally and permanently disabled (as attested by two doctors, including one selected by Hexion)

Schedule SB, Part V — Summary of Plan Provisions

• Benefit	Monthly pension benefit based on the lesser of 25% of average final compensation and the monthly pension benefit based on the assumption the participant continued to work until age 65, with no reduction for early retirement.
DEATH	
• Eligibility	If a married participant dies after meeting one of the following conditions, the spouse will become entitled to a pre-retirement death benefit. (1) Participant has completed at least 5 years of vesting service but less than 15 years of eligibility service. (2) Participant has completed at least 15 years of eligibility service but is less than age 55 with 20 years of service and age 50 with 80 points. Participant is at least age 55 with 20 years of eligibility service or age 50 with 80-point eligibility.
• Benefit	Monthly benefit is determined by which of the eligibility requirements the participant meets described above. (1) 50% Joint & Survivor annuity (deferred) (2) Choice of either a deferred 50% Joint & Survivor annuity or the lesser of 12.5% of the average final compensation and the 50% Joint & Survivor annuity based on a projected accrued benefit to age 65 (3) 100% Joint and Survivor annuity (immediate)
FORM OF BENEFITS	
• Automatic form for unmarried participants	Single life annuity
• Automatic form for married participants	Qualified joint and 50% survivor annuity, actuarially equivalent to the single life annuity beginning in 2003. Prior to 2003, the joint and 50% survivor benefit was equal to the single life annuity without an actuarial adjustment.
• Optional forms	• Single life annuity • Joint and 1% survivor annuity • Joint and 50% survivor annuity • Joint and 75% survivor annuity • Joint and 100% survivor annuity • Lump sum (Only for prior Shell participants)

Schedule SB, Part V — Summary of Plan Provisions

MISCELLANEOUS	
Actuarial equivalence	For all purposes other than converting the APF Lump Sum Value to an APF Regular Pension, the definition below that produces the best benefit for the participant. Definition 2 is always used for the purpose of determining the present value of the Participant's Accrued Benefit to be paid as a single sum distribution for non-APF participants: Definition 1: <u>Mortality</u>: The 1979 George B. Buck mortality table for males and females, converted to a non-sex base by weighting (allowing for different weighting for participants and beneficiaries) for the average of the actual experience of all actuarial conversions of optional benefits that have been made under the Plan for the period 1978-1982, without regard to the particular type of benefit for which the conversion is being made. <u>Interest Rate</u>: An interest rate of eight percent (8%) compounded annually. Definition 2: <u>Mortality</u>: The applicable mortality table specified under Code Section 417(e)(3)(B), modified as appropriate by the Secretary of Treasury, based on the mortality table specified for the Plan Year under Code Section 430(h)(3)(A) (without regard to subparagraph (C) or (D) of such Code Section). <u>Interest Rate</u>: The applicable interest rate specified under Code Section 417(e)(3)(C) for the September preceding a Plan Year, which shall be the adjusted first, second, and third segment rates applied under the minimum funding rules of Code Section 430(h)(2)(C) (derived from a corporate bond yield curve prescribed by the IRS which reflects the yields on investment grade corporate bonds with varying maturities), applying the applicable transition rules for Plan Years 2008 through 2011. For purposes of converting the APF Lump Sum Value to an APF Regular Pension: <u>Mortality</u>: The mortality table set forth in Revenue Ruling 2001-62. <u>Interest Rate</u>: The annual interest rate on 30-year Treasury securities for the September preceding a Plan Year.
Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2018, the limit is \$220,000.

Schedule SB, Part V — Summary of Plan Provisions

MCWHORTER	
Effective date and plan year	Original plan: January 1, 1998 Plan year: January 1 through December 31
Status of the plan	Benefit accruals for Lynwood were frozen on December 31, 2010. The McWhorter plan was merged into the RPP Plan effective December 31, 2009. The RPP Plan was then renamed Momentive Specialty Chemicals Inc. Pension Plan. Effective December 31, 2014, the plan was renamed Hexion Inc. Pension Plan.
Significant events that occurred during the year	None
DEFINITIONS	
• Participation	All employees of McWhorter Technologies at participating locations who completed three months of service, provided that such employees became plan participants prior to an applicable freeze date.
• Vesting service	One year is earned for each year an employee completes 990 hours of service
• Credited service	A full year of benefit service is granted for each plan year in which the participant works 1,600 hours. If a participant works at least 400 hours, partial service is granted based on a ratio. No service is earned if the employee works less than 400 hours in a plan year.
• Accrued benefit	The accrued monthly pension benefit earned is equal to the number of years of credited service times the benefit factor shown below. This factor that depends on location. • Chicago Heights - \$15.00 per month. Benefits frozen as of December 31, 2000 • Portland - \$15.00 per month (cap of 40 years) • Philadelphia - \$18.50 per month. Benefits frozen as of December 31, 2000 • Carpentersville - \$18.50 per month. Benefits frozen as of December 31, 2000 • Forest Park - \$11.00 per month. Benefits frozen as of December 31, 2000 • Lynwood - \$27.00 per month as of June 14, 2009
NORMAL RETIREMENT	
• Eligibility	The first day of the month coincident with or next following the attainment of age 65.

Schedule SB, Part V — Summary of Plan Provisions

Benefit	Monthly pension benefit determined as of the normal retirement date, payable immediately.																																							
EARLY RETIREMENT																																								
Eligibility	Early retirement eligibility depends on the location. - Chicago Heights – Age 55 and 10 years of vesting service - Portland – Age 50 and 15 years of vesting service - Philadelphia – Age 60 and 10 years of vesting service - Carpentersville – Age 60 and 20 years of vesting service - Forest Park – Age 55 and 10 years of vesting service - Lynwood – Age 60 and 20 years of vesting service																																							
Benefit	Monthly pension benefit determined as of the early retirement date reduced by the following factors. - Chicago Heights – No reduction after age 60, 6% per year reduction prior to age 60 - Portland – actuarially reduced based on following rates<table><tr><th>Age</th><th>Factor</th><th>Age</th><th>Factor</th></tr><tr><td>50</td><td>28.27%</td><td>58</td><td>52.50%</td></tr><tr><td>51</td><td>30.38%</td><td>59</td><td>57.10%</td></tr><tr><td>52</td><td>32.70%</td><td>60</td><td>62.30%</td></tr><tr><td>53</td><td>35.24%</td><td>61</td><td>68.10%</td></tr><tr><td>54</td><td>38.04%</td><td>62</td><td>74.70%</td></tr><tr><td>55</td><td>41.12%</td><td>63</td><td>82.10%</td></tr><tr><td>56</td><td>44.50%</td><td>64</td><td>90.50%</td></tr><tr><td>57</td><td>48.30%</td><td>65</td><td>100.00%</td></tr></table> - Philadelphia – 7% reduction per year prior to normal retirement date - Carpentersville – 7% reduction per year prior to normal retirement date - Forest Park – No reduction after age 60, 6% per year reduction prior to age 60 - Lynwood – 7% reduction per year prior to normal retirement date				Age	Factor	Age	Factor	50	28.27%	58	52.50%	51	30.38%	59	57.10%	52	32.70%	60	62.30%	53	35.24%	61	68.10%	54	38.04%	62	74.70%	55	41.12%	63	82.10%	56	44.50%	64	90.50%	57	48.30%	65	100.00%
Age	Factor	Age	Factor																																					
50	28.27%	58	52.50%																																					
51	30.38%	59	57.10%																																					
52	32.70%	60	62.30%																																					
53	35.24%	61	68.10%																																					
54	38.04%	62	74.70%																																					
55	41.12%	63	82.10%																																					
56	44.50%	64	90.50%																																					
57	48.30%	65	100.00%																																					

Schedule SB, Part V — Summary of Plan Provisions

LATE RETIREMENT	
• Eligibility	The first of the month following a participant's normal retirement date.
• Benefit	Monthly pension benefit actuarially adjusted for the actual retirement date, payable immediately.
DEFERRED VESTED	
• Eligibility	A participant who terminates for reasons other than death after completing 5 years of vesting service.
• Benefit	Monthly pension benefit determined as of the early retirement date reduced by the following factors. • Chicago Heights – 7% reduction per year for the first 5 years prior to normal retirement date, 4% reduction per year for the next five years prior to normal retirement date • Portland – See early retirement benefit reduction • Philadelphia – See early retirement benefit reduction • Carpentersville – See early retirement benefit reduction • Forest Park – 7% reduction per year for the first 5 years prior to normal retirement date, 4% reduction per year for the next five years prior to normal retirement date • Lynwood – See early retirement benefit reduction
DEATH	
• Eligibility	Death while eligible for normal, early, late, or deferred vested retirement benefits, with a surviving spouse.
• Benefit	Accrued benefit actuarially adjusted to spouse's age
FORM OF BENEFITS	
• Automatic form for unmarried participants	Single life annuity
• Automatic form for married participants	Qualified joint and 50% survivor annuity
• Optional forms	• Single life annuity • Joint and 50% survivor annuity • Joint and 75% survivor annuity • Joint and 100% survivor annuity • 10 year certain and life annuity (applicable to Portland, Philadelphia and Carpentersville)

Schedule SB, Part V — Summary of Plan Provisions

MISCELLANEOUS	
Actuarial equivalence	For purposes of determining the present value of a Participant's Accrued Benefit to be paid as other form of distributions, the definition below that produces the best benefit for the participant: Definition 1: <u>Mortality</u>: The 1979 George B. Buck mortality table for males and females, converted to a non-sex base by weighting (allowing for different weighting for participants and beneficiaries) for the average of the actual experience of all actuarial conversions of optional benefits that have been made under the Plan for the period 1978-1982, without regard to the particular type of benefit for which the conversion is being made. <u>Interest Rate</u>: An interest rate of eight percent (8%) compounded annually. Definition 2: <u>Mortality</u>: The applicable mortality table specified under Code Section 417(e)(3)(B), modified as appropriate by the Secretary of Treasury, based on the mortality table specified for the Plan Year under Code Section 430(h)(3)(A) (without regard to subparagraph (C) or (D) of such Code Section). <u>Interest Rate</u>: The applicable interest rate specified under Code Section 417(e)(3)(C) for the September preceding a Plan Year, which shall be the adjusted first, second, and third segment rates applied under the minimum funding rules of Code Section 430(h)(2)(C) (derived from a corporate bond yield curve prescribed by the IRS which reflects the yields on investment grade corporate bonds with varying maturities), applying the applicable transition rules for Plan Years 2008 through 2011.
Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2018, the limit is \$220,000.

Schedule SB, Part V — Summary of Plan Provisions

Benefits Included or Excluded

Unless noted below, all benefits provided by the plan are included in this valuation:

- **Most recent plan amendments included:** Amendments adopted after the benefit information date are excluded from the valuation. The effective date of the last plan amendment (Amendment No. 2) included in this valuation is January 1, 2018.
- **Plan amendments excluded:** None
- **Late retirement increases:**
 - *Active participants:* The plan applies late retirement actuarial increases for all participants who defer retirement beyond their normal retirement date and this valuation includes those increases. Account balances continue to accrue interest past a participant's normal retirement date.
 - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued including the late retirement actuarial increase until age 70.5. Thereafter, a present value of payments accumulated between age 70.5 and the valuation date is calculated and assumed to be paid as of the valuation date.
- **Internal Revenue Code limitations:** The limitations of Internal Revenue Code Section 415(b) and 401(a)(17) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60% of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals. Plan Provisions Specific to Funding

Schedule SB, Part V — Summary of Plan Provisions

Additional Benefits Included or Excluded

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

PLAN PROVISION CHANGES SINCE PRIOR VALUATION

- Maximum compensation amounts and maximum benefit amounts under IRS rules were updated from 2017 to 2018.
- The actuarial equivalence basis has been changed for following plans:
 - **ERIP**
For purposes of converting a Participant's Accrued Benefit to be paid in an increasing single life annuity, changed from:
A Participant's increasing annuity shall equal the Participant's Account as of his Pension Commencement Date divided by the applicable annuity value, based on the Participant's age as of his or her Pension Commencement Date. If the Pension Commencement Date is the first of the month of the Participant's 65th birthday, the applicable annuity value is 240. Otherwise, the applicable annuity value is 240 plus (or minus) 0.66 2/3 for each month that the Pension Commencement Date is before (or after) the first of the month of the Participant's 65th birthday.
To the better of the above or:
Mortality: The applicable mortality table specified under Code Section 417(e)(3)(B), modified as appropriate by the Secretary of Treasury, based on the mortality table specified for the Plan Year under Code Section 430(h)(3)(A) (without regard to subparagraph (C) or (D) of such Code Section).
Interest Rate: The applicable interest rate specified under Code Section 417(e)(3)(C) for the fifth month preceding the first day of the month in which the Pension Commencement Date occurs (resulting in a one month stability period), which shall be the adjusted first, second, and third segment rates applied under the minimum funding rules of Code

Schedule SB, Part V — Summary of Plan Provisions

Section 430(h)(2)(C) (derived from a corporate bond yield curve prescribed by the IRS which reflects the yields on investment grade corporate bonds with varying maturities), applying the applicable transition rules for Plan Years 2008 through 2011.

— **RPP**

For all purposes other than determining the present value of a Participant's Accrued Benefit to be paid in a single sum distribution or converting the APF Lump Sum Value to an APF Regular Pension, changed from:

Mortality: The 1979 George B. Buck mortality table for males and females, converted to a non-sex base by weighting (allowing for different weighting for participants and beneficiaries) for the average of the actual experience of all actuarial conversions of optional benefits that have been made under the Plan for the period 1978-1982, without regard to the particular type of benefit for which the conversion is being made has been updated to the applicable mortality table specified under Code Section 417(e)(3)(B), modified as appropriate by the Secretary of Treasury, based on the mortality table specified for the Plan Year under Code Section 430(h)(3)(A) (without regard to subparagraph (C) or (D) of such Code Section).

Interest Rate: An interest rate of eight percent (8%) compounded annually. has been updated to the applicable interest rate specified under Code Section 417(e)(3)(C) for the September preceding a Plan Year, which shall be the adjusted first, second, and third segment rates applied under the minimum funding rules of Code Section 430(h)(2)(C) (derived from a corporate bond yield curve prescribed by the IRS which reflects the yields on investment grade corporate bonds with varying maturities), applying the applicable transition rules for Plan Years 2008 through 2011.

To the better of the above or:

Mortality: The applicable mortality table specified under Code Section 417(e)(3)(B), modified as appropriate by the Secretary of Treasury, based on the mortality table specified for the Plan Year under Code Section 430(h)(3)(A) (without regard to subparagraph (C) or (D) of such Code Section).

Interest Rate: The applicable interest rate specified under Code Section 417(e)(3)(C) for the fifth month preceding the first day of the month in which the Pension Commencement Date occurs (resulting in a one month stability period), which shall be the adjusted first, second, and third segment rates applied under the minimum funding rules of Code Section 430(h)(2)(C) (derived from a corporate bond yield curve prescribed by the IRS which reflects the yields on investment grade corporate bonds with varying maturities), applying the applicable transition rules for Plan Years 2008 through 2011.

Schedule SB, Part V — Summary of Plan Provisions— **MCWHORTER**

For all purposes other than determining the present value of a Participant's Accrued Benefit to be paid in a single sum distribution, changed from:

Mortality: The 1971 Group Annuity Mortality Table with ages set back 6 years for beneficiaries. has been updated to the applicable mortality table specified under Code Section 417(e)(3)(B), modified as appropriate by the Secretary of Treasury, based on the mortality table specified for the Plan Year under Code Section 430(h)(3)(A) (without regard to subparagraph (C) or (D) of such Code Section).

Interest Rate: An interest rate of seven percent (8%) has been updated to the applicable interest rate specified under Code Section 417(e)(3)(C) for the November preceding a Plan Year, which shall be the adjusted first, second, and third segment rates applied under the minimum funding rules of Code Section 430(h)(2)(C) (derived from a corporate bond yield curve prescribed by the IRS which reflects the yields on investment grade corporate bonds with varying maturities), applying the applicable transition rules for Plan Years 2008 through 2011.

To the better of the above or:

Mortality: The applicable mortality table specified under Code Section 417(e)(3)(B), modified as appropriate by the Secretary of Treasury, based on the mortality table specified for the Plan Year under Code Section 430(h)(3)(A) (without regard to subparagraph (C) or (D) of such Code Section).

Interest Rate: The applicable interest rate specified under Code Section 417(e)(3)(C) for the fifth month preceding the first day of the month in which the Pension Commencement Date occurs (resulting in a one month stability period), which shall be the adjusted first, second, and third segment rates applied under the minimum funding rules of Code Section 430(h)(2)(C) (derived from a corporate bond yield curve prescribed by the IRS which reflects the yields on investment grade corporate bonds with varying maturities), applying the applicable transition rules for Plan Years 2008 through 2011.

Schedule SB, line 24 — Change in Actuarial Assumptions

- Interest discounts and mortality rates were updated from 2017 to 2018 in accordance with plan sponsor elections.
- The cash balance interest crediting rate was updated from 3.04% for the first five years and 4.00% thereafter to 3.04% for the first five years and 3.35% thereafter.

Schedule SB, line 26 — Schedule of Active Participant Data

ATTAINED AGE	YEARS OF CREDITED SERVICE										TOTAL
	UNDER 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & UP	
Under 25											
25-29											
30-34			3	12							15
35-39			8	29	2						39
40-44			6	38	18	3					65
45-49			4	58	54	27	7				150
50-54			11	37	45	28	16	8			145
55-59			2	42	25	24	28	21	7		149
60-64			4	35	17	15	16	13	16	8	124
65-69				6	5	3	4	3	4	1	26
70 & up				1	2			1	1	2	7
Total			38	258	168	100	71	46	28	11	720

In each cell, the number shown is the count of active participants for each age/service combination. The count includes all active participants, both with frozen accrued benefits and frozen cash balance amounts.

INDEPENDENT AUDITOR'S REPORT

Plan Administrator
Hexion Inc. Pension Plan
Columbus, Ohio

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Hexion Inc. Pension Plan (Plan), which comprise the statements of net assets available for benefits and of accumulated plan benefits as of December 31, 2018 and 2017, and the related statements of changes in net assets available for benefits and of changes in accumulated plan benefits for the year ended December 31, 2018, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by The Bank of New York Mellon, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certification from the trustee as of December 31, 2018 and 2017 and for the year ended December 31, 2018 that the information provided to the plan administrator by the trustee is complete and accurate.

(Continued)

Disclaimer of Opinion

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

Other Matter

The supplemental Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2018 and Schedule H, Line 4j – Schedule of Reportable Transactions for the year ended December 31, 2018 are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for purposes of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedules.

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

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



Crowe LLP

Columbus, Ohio
October 9, 2019

**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 HEXION INC. PENSION PLAN	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF HEXION INC.	D Employer Identification Number (EIN) 13-0511250
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	212,821,562	
b Actuarial value.....	2b	202,910,260	
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.....	5,846	128,521,862	128,521,862
b For terminated vested participants.....	1,507	37,359,070	37,359,070
c For active participants.....	720	30,493,506	30,493,506
d Total.....	8,073	196,374,438	196,374,438
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	5.54%	
6 Target normal cost.....	6	2,800,000	

Statement by Enrolled Actuary

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

**SIGN
HERE***Rebecca Chilcote RLC*

Signature of actuary

REBECCA L. CHILCOTE, FSA, EA, MAAA

Type or print name of actuary

MERCER

Firm name

325 JOHN H. MCCONNELL BLVD.
SUITE 350
COLUMBUS OH 43215

Address of the firm

Date

1707514

Most recent enrollment number

614-227-5519

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

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>13.09%</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).....		0
	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>5.74%</u>		0
	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.....		0
	d Portion of (c) to be added to prefunding balance.....		
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	103.32%
15	Adjusted funding target attainment percentage.....	15	103.32%
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	107.83%
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:

18 Contributions made to the plan for the plan year by employer(s) and employee(s)					
(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
09/11/2019	1,620,000	0			
			Totals ▶	18(b)	1,620,000 18(c)

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	1,478,653

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**

0

22 Weighted average retirement age**22**

62

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**

2,800,000

b Excess assets, if applicable, but not greater than line 31a**31b**

2,800,000

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

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**

1,478,653

38 Present value of excess contributions for current year (see instructions)**a** Total (excess, if any, of line 37 over line 36)**38a**

1,478,653

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, line 22 — Description of Weighted Average Retirement Age

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 62.

(A) RETIREMENT AGE	(B) RETIREMENT PERCENT	(C) LX	(D) NUMBER OF EMPLOYEES EXPECTED TO RETIRE (B) x (C)	(E) (A) x (D)
55	10.00%	10,000	1,000	55,000
56	10.00%	9,000	900	50,400
57	6.00%	8,100	486	27,702
58	6.00%	7,614	457	26,506
59	6.00%	7,157	429	25,311
60	6.00%	6,728	404	24,240
61	6.00%	6,324	379	23,119
62	10.00%	5,948	595	36,890
63	10.00%	5,350	535	33,705
64	15.00%	4,815	722	46,208
65	30.00%	4,093	1,228	79,820
66	30.00%	2,865	860	56,760
67	30.00%	2,005	602	40,334
68	30.00%	1,403	421	28,628
69	30.00%	982	295	20,335
70	100.00%	687	687	48,090
TOTAL			10,000	623,068
AVERAGE				62.3

**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
HEXION INC. PENSION PLAN**B** Three-digit
plan number (PN) ▶ 002**C** Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF

HEXION INC.

D Employer Identification Number (EIN)

13-0511250

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 01 Day 01 Year 2018**2** Assets:**a** Market value..... **2a** 212,821,562**b** Actuarial value..... **2b** 202,910,260**3** Funding target/participant count breakdown**a** For retired participants and beneficiaries receiving payment..... (1) Number of participants 5,846 (2) Vested Funding Target 128,521,862 (3) Total Funding Target 128,521,862**b** For terminated vested participants..... 1,507 37,359,070 37,359,070**c** For active participants..... 720 30,493,506 30,493,506**d** Total..... 8,073 196,374,438 196,374,438**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** 5.54%**6** Target normal cost..... **6** 2,800,000**Statement by Enrolled Actuary**

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

**SIGN
HERE**

Rebecca Chilcote RLC

Signature of actuary

REBECCA L. CHILCOTE, FSA, EA, MAAA

Type or print name of actuary

MERCER

Firm name

325 JOHN H. MCCONNELL BLVD.
SUITE 350
COLUMBUS OH 43215

Address of the firm

Date

1707514

Most recent enrollment number

614-227-5519

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

(b) Prefunding balance

(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**

0

22 Weighted average retirement age**22**

62

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**

2,800,000

b Excess assets, if applicable, but not greater than line 31a**31b**

2,800,000

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

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**

1,478,653

38 Present value of excess contributions for current year (see instructions)**a** Total (excess, if any, of line 37 over line 36)**38a**

1,478,653

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, Part V — Summary of Plan Provisions***SUMMARY OF MAJOR PLAN PROVISIONS**

ERIP	
Effective date and plan year	Original plan: January 1, 2000 Plan year: January 1 through December 31
Status of the plan	Benefit accruals for Demopolis were frozen January 31, 2010 and were frozen for Diboll on December 31, 2010. The ERIP was merged into the RPP Plan effective December 31, 2009. The RPP Plan was then renamed Momentive Specialty Chemicals Inc. Pension Plan. Effective December 31, 2014, the plan was renamed Hexion Inc. Pension Plan.
Significant events that occurred during the year	None
DEFINITIONS	
• Participation	A regular full-time employee or part-time employee employed at a rate of 1,000 hours or more per year provided that he became a plan participant prior to an applicable freeze date. Plan participation commenced after one year of employment.
• Employee contributions	Effective January 1, 1989 contributions by plan participants were not permitted to the plan.
• Vesting service	Participants have a five year cliff vesting requirement if they have no hours after 2007; otherwise three year vesting applies. Vesting service is currently determined on an elapsed time basis (22+ weeks worked in a year).
• Credited service	Credited service is measured the same way as vesting service, with adjustments for year of hire and year of termination, with exceptions for certain acquisition groups.
• Compensation	The total amount paid to an employee prior to any reduction for tax deferred contributions or any contributions under the Borden, Inc. Total Family Protection Plan, but excluding reimbursements, other expense allowances, fringe benefits, moving expenses, welfare benefits, sign-on bonuses, stay bonuses, referral bonuses, recognition bonuses, and union ratification bonuses.

Schedule SB, Part V — Summary of Plan Provisions

- Accrued benefit

Salaried:

An account balance originally established on January 1, 1987 is maintained for each salaried or non-bargaining hourly participant. The account balance comprises of four amounts.

1. Any participant who was in the plan prior to this date, had an opening account balance calculated based on the participant's accrued benefit through December 31, 1986.
2. Employees who had attained age 45 with at least 5 years of service at January 1, 1997 received supplemental monthly pay credits of 1.5% of pay (3.0% over the Social Security wage base) per month from age 50 until December 31, 1996.
3. For each monthly period on and after January 1, 1998 each employee's account was credited with \$25, until the plan was frozen.
4. Interest is credited to the accounts on the last day of each month prior to benefit commencement. Participants continue to earn interest credits on their account balances after the plan freeze.

Non-Bargaining hourly:

An account balance originally established on January 1, 1988 is maintained for each salaried or non-bargaining hourly participant. The account balance comprises of four amounts.

1. Any participant who was in the plan prior to this date, had an opening account balance calculated based on the participant's accrued benefit through December 31, 1987.
2. Employees who had attained age 57 with at least 10 years of service at January 1, 1998 received supplemental monthly pay credits of \$50 per month from age 60 until December 31, 1990.
3. For each monthly period on and after January 1, 1998 each employee's account was credited with \$25 or \$40 depending on location, until the plan was frozen.
4. Interest is credited to the accounts on the last day of each month prior to benefit commencement. Participants continue to earn interest credits on their account balances after the plan freeze.

Bargained hourly:

The annual amount of pension payable at normal retirement date is a "Benefit Multiplier" multiplied by all years of credited service through the plan freeze. The benefit multipliers range from \$84 to \$264 depending on location.

Schedule SB, Part V — Summary of Plan Provisions

NORMAL RETIREMENT	
• Eligibility	<u>Salaried and non-bargaining hourly:</u> The first day following the member's 65th birthday. <u>Bargained hourly:</u> The first of the month following or coincident with the member's 65th birthday.
• Benefit	<u>Salaried and non-bargaining hourly:</u> The amount of retirement income available to an employee shall equal the cash balance amount as of the normal retirement date as described above. For certain participants who accrued benefits prior to January 1, 1987, other grandfathered rules may apply. <u>Bargained hourly:</u> The amount of retirement income available to an employee shall equal to the accrued benefit amount as described above. For certain participants who contributed to the plan back in the 1950s there may be additional benefits due.
EARLY RETIREMENT	
• Eligibility	<u>Salaried and non-bargaining hourly:</u> A participant who has attained age 55 may retire at any time after completing 10 years of service. <u>Bargained hourly:</u> The first of the month following or coincident with the date after which participant who has attained age 55 may retire at any time after completing 10 years of service (no service requirement for receipt of employee contributions).
• Benefit	<u>Salaried and non-bargaining hourly:</u> The amount of retirement income available to an employee shall equal the cash balance amount as of the early retirement date as described above. For certain participants who accrued benefits prior to January 1, 1987, other grandfathered rules may apply. <u>Bargained hourly:</u> The normal retirement benefit reduced by $\frac{1}{2}\%$ for each month prior to early commencement, except for participants at location 282 where the reduction is $\frac{1}{4}\%$ per month early.

Schedule SB, Part V — Summary of Plan Provisions

LATE RETIREMENT	
Eligibility	<u>Salaried and non-bargaining hourly:</u> The first of the month following a participant's normal retirement date. The account balance will continue to accrue interest credits during this time. <u>Bargained hourly:</u> The first of the month following a participant's normal retirement date.
Benefit	<u>Salaried and non-bargaining hourly:</u> The amount of retirement income available to an employee shall equal the cash balance amount as of the late retirement date as described above. For certain participants who accrued benefits prior to January 1, 1987, other grandfathered rules may apply. <u>Bargained hourly:</u> The annual amount of pension payable is determined based on credited service as of the earlier of the late retirement date and the plan freeze date.
DEFERRED VESTED	
Eligibility	Terminated after three years of service
Benefit	<u>Salaried and non-bargaining hourly:</u> A participant whose employment terminates other than for retirement shall be entitled to receive his Account Balance. The balance may be received upon attainment of retirement eligibility. <u>Bargained hourly:</u> Upon termination prior to retirement but after vesting, an annual pension is payable to the employee commencing at normal retirement date equal to the accrued pension. A reduced amount can be paid as early as age 55. The early retirement benefit for deferred vested participants who are former ERIP participants (specifically Bargained Hourly) is equal to the normal retirement benefit reduced by $\frac{1}{2}\%$ for each month prior to early commencement, except for participants at location 282 where the reduction is $\frac{1}{4}\%$ per month early.

Schedule SB, Part V — Summary of Plan Provisions

DISABILITY	
Eligibility	<u>Salaried and non-bargaining hourly:</u> A participant who becomes totally and permanently disabled, and entitled to benefits under the Momentive Group Long Term Disability Insurance Plan, is treated as if he or she had continued in active service at his last pay rate. <u>Bargained hourly:</u> A participant who becomes totally and permanently disabled, and entitled to benefits under the Momentive Group Long Term Disability Insurance Plan, is treated as if he or she had continued in active service at his last pay rate.
Benefit	<u>Salaried and non-bargaining hourly:</u> The amount of income available to an employee with a disability and upon termination from active employment, shall equal the cash balance amount as of the commencement date as described above. <u>Bargained hourly:</u> The amount of income available to an employee with a disability shall equal the accrued benefit as of the commencement date as described above, with continuing accruals until the earlier of the benefit commencement and the plan freeze date.
DEATH	
Eligibility	If a participant dies after becoming entitled to a retirement benefit, but before retiring, his or her surviving beneficiary is entitled to a death benefit.
Benefit	A participant who dies shall be entitled to have his account balance (accrued benefit for bargained hourly group) paid to his beneficiary. Upon retirement, married employees are covered by an automatic 50% survivor option, unless they elect otherwise, with the employee's benefit reduced 10% to reflect this coverage. For retired participants as of July 1, 1984, the first \$5,000 of post-retirement death benefit will be paid from the pension plan.

Schedule SB, Part V — Summary of Plan Provisions

FORM OF BENEFITS	
Automatic form for unmarried participants	Single life annuity
Automatic form for married participants	Qualified joint and 50% survivor annuity
Optional form (certain forms are only available when the plan is not subject to benefit restrictions)	- Single life annuity - Single life increasing annuity - Life and ten years certain annuity - Life and fifteen years certain annuity - Joint and 50% survivor annuity - Joint and 50% survivor increasing annuity - Joint and 50% survivor level life annuity - Joint and 75% survivor annuity - Joint and 100% survivor annuity - Cash refund option - Lump sum
MISCELLANEOUS	
Interest crediting rate	The interest crediting rate defined under the plan for each calendar year is the average (rounded to the nearest .01%) of the weekly averages for the weeks ending in the month of November of the prior year, of the rate on Treasury Constant Maturities (1-Year) as published in the Federal Reserve Statistical Release, H.15(519), or its replacement publication, but no less than 3.04%.
Actuarial equivalence	For purposes of converting a Participant's Accrued Benefit to be paid in an increasing single life annuity, the following or applicable 417(e)(3)(B) assumptions described in this section, whichever produces the better benefit for the participant: - A Participant's increasing annuity shall equal the Participant's Account as of his Pension Commencement Date divided by the applicable annuity value, based on the Participant's age as of his or her Pension Commencement Date. - If the Pension Commencement Date is the first of the month of the Participant's 65th birthday, the applicable annuity value is 240. Otherwise, the applicable annuity value is 240 plus (or minus) 0.66-2/3 for each month that the Pension Commencement Date is before (or after) the first of the month of the Participant's 65th birthday.

Schedule SB, Part V — Summary of Plan Provisions

	For all purposes: • <u>Mortality</u>: The applicable mortality table specified under Code Section 417(e)(3)(B), modified as appropriate by the Secretary of Treasury, based on the mortality table specified for the Plan Year under Code Section 430(h)(3)(A) (without regard to subparagraph (C) or (D) of such Code Section). • <u>Interest Rate</u>: The applicable interest rate specified under Code Section 417(e)(3)(C) for the fifth month preceding the first day of the month in which the Pension Commencement Date occurs (resulting in a one month stability period), which shall be the adjusted first, second, and third segment rates applied under the minimum funding rules of Code Section 430(h)(2)(C) (derived from a corporate bond yield curve prescribed by the IRS which reflects the yields on investment grade corporate bonds with varying maturities), applying the applicable transition rules for Plan Years 2008 through 2011.
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2017, the limit was \$270,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2018, the limit is \$220,000.

Schedule SB, Part V — Summary of Plan Provisions

RPP	
Effective date and plan year	Original plan: January 1, 2000 Plan year: January 1 through December 31
Status of the plan	Benefit accruals for Norco were frozen on December 31, 2010. The ERIP and McWhorter plans were merged into the RPP Plan effective December 31, 2009. The RPP Plan was then renamed Momentive Specialty Chemicals Inc. Pension Plan. Effective December 31, 2014, the plan was renamed Hexion Inc. Pension Plan.
Significant events that occurred during the year	None
DEFINITIONS	
• Participation	All employees became eligible on their date of hire as long as they were employed prior to the participation freeze date.
• Vesting service	An employee receives one year of vesting service each calendar year which he or she is credited with one or more hour of service during each of three months. All employees that transferred from Shell Oil on December 1, 2000 received prior service for vesting purposes and were considered 100% vested in their benefit at that date.
• Credited service	An employee receives one month of credited service for each month during which he or she is credited with an hour of service. Only those employees who elected to transfer their Shell Oil Company Pension Plan accrued benefit to the RPP plan received prior service credit for benefit purposes.
• Pensionable earnings	W-2 earnings, including Incentive Compensation Payments (ICP), plus elective deferrals under IRC section 125 and 401(k), excluding overtime, other bonuses paid, and other compensation specifically excluded in the plan document.
• Final average earnings	Average of the highest 36 consecutive months of pensionable compensation from the last 120 months of employment.

Schedule SB, Part V — Summary of Plan Provisions

Accrued benefit	An accrued monthly pension benefit is calculated for each participant based on the formula and elements described below. (1) Final average earnings (2) 1.6 * Credited service – Defined above (3) Social Security offset – 1.5 times projected credited service (to SSNRA)(maximum 33 1/3 years) times primary Social Security benefit determined at SSNRA times credited service divided by projected credited service. The monthly accrued benefit is 1 x. 2. – 3. at the date of determination. Additionally, former Shell employees may have a frozen accrued Alternate Pension Formula lump sum benefit.
NORMAL RETIREMENT	
Eligibility	The first day of the month coincident with or next following the attainment of age 65.
Benefit	Monthly pension benefit determined as of the normal retirement date, payable immediately.
EARLY RETIREMENT	
Eligibility	A participant who has attained age 50 may retire at the first of the month following or coincident with the date he or she attains 80 points (age + service). In certain grandfathered cases, only 70 points are required for early commencement.
Benefit	Monthly pension benefit determined as of early retirement date (prior to Social Security offset), reduced by 5% for each year that commencement of payment precedes age 60, payable immediately.
LATE RETIREMENT	
Eligibility	The first of the month following a participant's normal retirement date.
Benefit	Monthly pension benefit actuarially adjusted for the actual retirement date, payable immediately.
DEFERRED VESTED	
Eligibility	A participant who terminates for reasons other than death or disability after completing 5 years of vesting service.

Schedule SB, Part V — Summary of Plan Provisions

- Benefit

Monthly pension benefit determined as of termination date, payable at normal retirement date. An employee with at least 80 points and who is at least age 50 at termination, may elect to commence benefits earlier than normal retirement date, with the monthly pension benefit reduced by 5% for each year that commencement of payment precedes age 60, payable immediately. An employee who is not retirement eligible at termination (either because not yet age 50, or does not have 80-points) can commence benefits upon the attainment of age 50 and 80 points where the monthly pension benefit is reduced by an actuarial reduction factor from age 65. See table below.

<i>If the Participant leaves before early retirement eligibility and later he/she has 80 Points and starts his benefit at age...</i>	<i>The Participant will receive this percentage of his/her regular (age 65) benefit (calculated after the SSO):</i>
50	20.8%
51	22.8%
52	25.1%
53	27.6%
54	30.4%
55	33.6%
56	37.1%
57	41.1%
58	45.5%
59	50.6%
60	56.3%
61	62.9%
62	70.3%
63	78.9%
64	88.7%
65 or older	100%

DISABILITY

- Eligibility

Any participant who completes 15 years of eligibility service and becomes totally and permanently disabled (as attested by two doctors, including one selected by Hexion)

Schedule SB, Part V — Summary of Plan Provisions

• Benefit	Monthly pension benefit based on the lesser of 25% of average final compensation and the monthly pension benefit based on the assumption the participant continued to work until age 65, with no reduction for early retirement.
DEATH	
• Eligibility	If a married participant dies after meeting one of the following conditions, the spouse will become entitled to a pre-retirement death benefit. (1) Participant has completed at least 5 years of vesting service but less than 15 years of eligibility service. (2) Participant has completed at least 15 years of eligibility service but is less than age 55 with 20 years of service and age 50 with 80 points. Participant is at least age 55 with 20 years of eligibility service or age 50 with 80-point eligibility.
• Benefit	Monthly benefit is determined by which of the eligibility requirements the participant meets described above. (1) 50% Joint & Survivor annuity (deferred) (2) Choice of either a deferred 50% Joint & Survivor annuity or the lesser of 12.5% of the average final compensation and the 50% Joint & Survivor annuity based on a projected accrued benefit to age 65 (3) 100% Joint and Survivor annuity (immediate)
FORM OF BENEFITS	
• Automatic form for unmarried participants	Single life annuity
• Automatic form for married participants	Qualified joint and 50% survivor annuity, actuarially equivalent to the single life annuity beginning in 2003. Prior to 2003, the joint and 50% survivor benefit was equal to the single life annuity without an actuarial adjustment.
• Optional forms	• Single life annuity • Joint and 1% survivor annuity • Joint and 50% survivor annuity • Joint and 75% survivor annuity • Joint and 100% survivor annuity • Lump sum (Only for prior Shell participants)

Schedule SB, Part V — Summary of Plan Provisions

MISCELLANEOUS	
Actuarial equivalence	For all purposes other than converting the APF Lump Sum Value to an APF Regular Pension, the definition below that produces the best benefit for the participant. Definition 2 is always used for the purpose of determining the present value of the Participant's Accrued Benefit to be paid as a single sum distribution for non-APF participants: Definition 1: <u>Mortality</u>: The 1979 George B. Buck mortality table for males and females, converted to a non-sex base by weighting (allowing for different weighting for participants and beneficiaries) for the average of the actual experience of all actuarial conversions of optional benefits that have been made under the Plan for the period 1978-1982, without regard to the particular type of benefit for which the conversion is being made. <u>Interest Rate</u>: An interest rate of eight percent (8%) compounded annually. Definition 2: <u>Mortality</u>: The applicable mortality table specified under Code Section 417(e)(3)(B), modified as appropriate by the Secretary of Treasury, based on the mortality table specified for the Plan Year under Code Section 430(h)(3)(A) (without regard to subparagraph (C) or (D) of such Code Section). <u>Interest Rate</u>: The applicable interest rate specified under Code Section 417(e)(3)(C) for the September preceding a Plan Year, which shall be the adjusted first, second, and third segment rates applied under the minimum funding rules of Code Section 430(h)(2)(C) (derived from a corporate bond yield curve prescribed by the IRS which reflects the yields on investment grade corporate bonds with varying maturities), applying the applicable transition rules for Plan Years 2008 through 2011. For purposes of converting the APF Lump Sum Value to an APF Regular Pension: <u>Mortality</u>: The mortality table set forth in Revenue Ruling 2001-62. <u>Interest Rate</u>: The annual interest rate on 30-year Treasury securities for the September preceding a Plan Year.
Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2018, the limit is \$220,000.

Schedule SB, Part V — Summary of Plan Provisions

MCWHORTER	
Effective date and plan year	Original plan: January 1, 1998 Plan year: January 1 through December 31
Status of the plan	Benefit accruals for Lynwood were frozen on December 31, 2010. The McWhorter plan was merged into the RPP Plan effective December 31, 2009. The RPP Plan was then renamed Momentive Specialty Chemicals Inc. Pension Plan. Effective December 31, 2014, the plan was renamed Hexion Inc. Pension Plan.
Significant events that occurred during the year	None
DEFINITIONS	
• Participation	All employees of McWhorter Technologies at participating locations who completed three months of service, provided that such employees became plan participants prior to an applicable freeze date.
• Vesting service	One year is earned for each year an employee completes 990 hours of service
• Credited service	A full year of benefit service is granted for each plan year in which the participant works 1,600 hours. If a participant works at least 400 hours, partial service is granted based on a ratio. No service is earned if the employee works less than 400 hours in a plan year.
• Accrued benefit	The accrued monthly pension benefit earned is equal to the number of years of credited service times the benefit factor shown below. This factor that depends on location. • Chicago Heights - \$15.00 per month. Benefits frozen as of December 31, 2000 • Portland - \$15.00 per month (cap of 40 years) • Philadelphia - \$18.50 per month. Benefits frozen as of December 31, 2000 • Carpentersville - \$18.50 per month. Benefits frozen as of December 31, 2000 • Forest Park - \$11.00 per month. Benefits frozen as of December 31, 2000 • Lynwood - \$27.00 per month as of June 14, 2009
NORMAL RETIREMENT	
• Eligibility	The first day of the month coincident with or next following the attainment of age 65.

Schedule SB, Part V — Summary of Plan Provisions

Benefit	Monthly pension benefit determined as of the normal retirement date, payable immediately.																																							
EARLY RETIREMENT																																								
Eligibility	Early retirement eligibility depends on the location. - Chicago Heights – Age 55 and 10 years of vesting service - Portland – Age 50 and 15 years of vesting service - Philadelphia – Age 60 and 10 years of vesting service - Carpentersville – Age 60 and 20 years of vesting service - Forest Park – Age 55 and 10 years of vesting service - Lynwood – Age 60 and 20 years of vesting service																																							
Benefit	Monthly pension benefit determined as of the early retirement date reduced by the following factors. - Chicago Heights – No reduction after age 60, 6% per year reduction prior to age 60 - Portland – actuarially reduced based on following rates<table><tr><th>Age</th><th>Factor</th><th>Age</th><th>Factor</th></tr><tr><td>50</td><td>28.27%</td><td>58</td><td>52.50%</td></tr><tr><td>51</td><td>30.38%</td><td>59</td><td>57.10%</td></tr><tr><td>52</td><td>32.70%</td><td>60</td><td>62.30%</td></tr><tr><td>53</td><td>35.24%</td><td>61</td><td>68.10%</td></tr><tr><td>54</td><td>38.04%</td><td>62</td><td>74.70%</td></tr><tr><td>55</td><td>41.12%</td><td>63</td><td>82.10%</td></tr><tr><td>56</td><td>44.50%</td><td>64</td><td>90.50%</td></tr><tr><td>57</td><td>48.30%</td><td>65</td><td>100.00%</td></tr></table> - Philadelphia – 7% reduction per year prior to normal retirement date - Carpentersville – 7% reduction per year prior to normal retirement date - Forest Park – No reduction after age 60, 6% per year reduction prior to age 60 - Lynwood – 7% reduction per year prior to normal retirement date				Age	Factor	Age	Factor	50	28.27%	58	52.50%	51	30.38%	59	57.10%	52	32.70%	60	62.30%	53	35.24%	61	68.10%	54	38.04%	62	74.70%	55	41.12%	63	82.10%	56	44.50%	64	90.50%	57	48.30%	65	100.00%
Age	Factor	Age	Factor																																					
50	28.27%	58	52.50%																																					
51	30.38%	59	57.10%																																					
52	32.70%	60	62.30%																																					
53	35.24%	61	68.10%																																					
54	38.04%	62	74.70%																																					
55	41.12%	63	82.10%																																					
56	44.50%	64	90.50%																																					
57	48.30%	65	100.00%																																					

Schedule SB, Part V — Summary of Plan Provisions

LATE RETIREMENT	
• Eligibility	The first of the month following a participant's normal retirement date.
• Benefit	Monthly pension benefit actuarially adjusted for the actual retirement date, payable immediately.
DEFERRED VESTED	
• Eligibility	A participant who terminates for reasons other than death after completing 5 years of vesting service.
• Benefit	Monthly pension benefit determined as of the early retirement date reduced by the following factors. • Chicago Heights – 7% reduction per year for the first 5 years prior to normal retirement date, 4% reduction per year for the next five years prior to normal retirement date • Portland – See early retirement benefit reduction • Philadelphia – See early retirement benefit reduction • Carpentersville – See early retirement benefit reduction • Forest Park – 7% reduction per year for the first 5 years prior to normal retirement date, 4% reduction per year for the next five years prior to normal retirement date • Lynwood – See early retirement benefit reduction
DEATH	
• Eligibility	Death while eligible for normal, early, late, or deferred vested retirement benefits, with a surviving spouse.
• Benefit	Accrued benefit actuarially adjusted to spouse's age
FORM OF BENEFITS	
• Automatic form for unmarried participants	Single life annuity
• Automatic form for married participants	Qualified joint and 50% survivor annuity
• Optional forms	• Single life annuity • Joint and 50% survivor annuity • Joint and 75% survivor annuity • Joint and 100% survivor annuity • 10 year certain and life annuity (applicable to Portland, Philadelphia and Carpentersville)

Schedule SB, Part V — Summary of Plan Provisions

MISCELLANEOUS	
Actuarial equivalence	For purposes of determining the present value of a Participant's Accrued Benefit to be paid as other form of distributions, the definition below that produces the best benefit for the participant: Definition 1: <u>Mortality</u>: The 1979 George B. Buck mortality table for males and females, converted to a non-sex base by weighting (allowing for different weighting for participants and beneficiaries) for the average of the actual experience of all actuarial conversions of optional benefits that have been made under the Plan for the period 1978-1982, without regard to the particular type of benefit for which the conversion is being made. <u>Interest Rate</u>: An interest rate of eight percent (8%) compounded annually. Definition 2: <u>Mortality</u>: The applicable mortality table specified under Code Section 417(e)(3)(B), modified as appropriate by the Secretary of Treasury, based on the mortality table specified for the Plan Year under Code Section 430(h)(3)(A) (without regard to subparagraph (C) or (D) of such Code Section). <u>Interest Rate</u>: The applicable interest rate specified under Code Section 417(e)(3)(C) for the September preceding a Plan Year, which shall be the adjusted first, second, and third segment rates applied under the minimum funding rules of Code Section 430(h)(2)(C) (derived from a corporate bond yield curve prescribed by the IRS which reflects the yields on investment grade corporate bonds with varying maturities), applying the applicable transition rules for Plan Years 2008 through 2011.
Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2018, the limit is \$220,000.

Schedule SB, Part V — Summary of Plan Provisions

Benefits Included or Excluded

Unless noted below, all benefits provided by the plan are included in this valuation:

- **Most recent plan amendments included:** Amendments adopted after the benefit information date are excluded from the valuation. The effective date of the last plan amendment (Amendment No. 2) included in this valuation is January 1, 2018.
- **Plan amendments excluded:** None
- **Late retirement increases:**
 - *Active participants:* The plan applies late retirement actuarial increases for all participants who defer retirement beyond their normal retirement date and this valuation includes those increases. Account balances continue to accrue interest past a participant's normal retirement date.
 - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued including the late retirement actuarial increase until age 70.5. Thereafter, a present value of payments accumulated between age 70.5 and the valuation date is calculated and assumed to be paid as of the valuation date.
- **Internal Revenue Code limitations:** The limitations of Internal Revenue Code Section 415(b) and 401(a)(17) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60% of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals. Plan Provisions Specific to Funding

Schedule SB, Part V — Summary of Plan Provisions

Additional Benefits Included or Excluded

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

PLAN PROVISION CHANGES SINCE PRIOR VALUATION

- Maximum compensation amounts and maximum benefit amounts under IRS rules were updated from 2017 to 2018.
- The actuarial equivalence basis has been changed for following plans:
 - **ERIP**
For purposes of converting a Participant's Accrued Benefit to be paid in an increasing single life annuity, changed from:
A Participant's increasing annuity shall equal the Participant's Account as of his Pension Commencement Date divided by the applicable annuity value, based on the Participant's age as of his or her Pension Commencement Date. If the Pension Commencement Date is the first of the month of the Participant's 65th birthday, the applicable annuity value is 240. Otherwise, the applicable annuity value is 240 plus (or minus) 0.66 2/3 for each month that the Pension Commencement Date is before (or after) the first of the month of the Participant's 65th birthday.
To the better of the above or:
Mortality: The applicable mortality table specified under Code Section 417(e)(3)(B), modified as appropriate by the Secretary of Treasury, based on the mortality table specified for the Plan Year under Code Section 430(h)(3)(A) (without regard to subparagraph (C) or (D) of such Code Section).
Interest Rate: The applicable interest rate specified under Code Section 417(e)(3)(C) for the fifth month preceding the first day of the month in which the Pension Commencement Date occurs (resulting in a one month stability period), which shall be the adjusted first, second, and third segment rates applied under the minimum funding rules of Code

Schedule SB, Part V — Summary of Plan Provisions

Section 430(h)(2)(C) (derived from a corporate bond yield curve prescribed by the IRS which reflects the yields on investment grade corporate bonds with varying maturities), applying the applicable transition rules for Plan Years 2008 through 2011.

— **RPP**

For all purposes other than determining the present value of a Participant's Accrued Benefit to be paid in a single sum distribution or converting the APF Lump Sum Value to an APF Regular Pension, changed from:

Mortality: The 1979 George B. Buck mortality table for males and females, converted to a non-sex base by weighting (allowing for different weighting for participants and beneficiaries) for the average of the actual experience of all actuarial conversions of optional benefits that have been made under the Plan for the period 1978-1982, without regard to the particular type of benefit for which the conversion is being made has been updated to the applicable mortality table specified under Code Section 417(e)(3)(B), modified as appropriate by the Secretary of Treasury, based on the mortality table specified for the Plan Year under Code Section 430(h)(3)(A) (without regard to subparagraph (C) or (D) of such Code Section).

Interest Rate: An interest rate of eight percent (8%) compounded annually. has been updated to the applicable interest rate specified under Code Section 417(e)(3)(C) for the September preceding a Plan Year, which shall be the adjusted first, second, and third segment rates applied under the minimum funding rules of Code Section 430(h)(2)(C) (derived from a corporate bond yield curve prescribed by the IRS which reflects the yields on investment grade corporate bonds with varying maturities), applying the applicable transition rules for Plan Years 2008 through 2011.

To the better of the above or:

Mortality: The applicable mortality table specified under Code Section 417(e)(3)(B), modified as appropriate by the Secretary of Treasury, based on the mortality table specified for the Plan Year under Code Section 430(h)(3)(A) (without regard to subparagraph (C) or (D) of such Code Section).

Interest Rate: The applicable interest rate specified under Code Section 417(e)(3)(C) for the fifth month preceding the first day of the month in which the Pension Commencement Date occurs (resulting in a one month stability period), which shall be the adjusted first, second, and third segment rates applied under the minimum funding rules of Code Section 430(h)(2)(C) (derived from a corporate bond yield curve prescribed by the IRS which reflects the yields on investment grade corporate bonds with varying maturities), applying the applicable transition rules for Plan Years 2008 through 2011.

*Schedule SB, Part V — Summary of Plan Provisions***— MCWHORTER**

For all purposes other than determining the present value of a Participant's Accrued Benefit to be paid in a single sum distribution, changed from:

Mortality: The 1971 Group Annuity Mortality Table with ages set back 6 years for beneficiaries. has been updated to the applicable mortality table specified under Code Section 417(e)(3)(B), modified as appropriate by the Secretary of Treasury, based on the mortality table specified for the Plan Year under Code Section 430(h)(3)(A) (without regard to subparagraph (C) or (D) of such Code Section).

Interest Rate: An interest rate of seven percent (8%) has been updated to the applicable interest rate specified under Code Section 417(e)(3)(C) for the November preceding a Plan Year, which shall be the adjusted first, second, and third segment rates applied under the minimum funding rules of Code Section 430(h)(2)(C) (derived from a corporate bond yield curve prescribed by the IRS which reflects the yields on investment grade corporate bonds with varying maturities), applying the applicable transition rules for Plan Years 2008 through 2011.

To the better of the above or:

Mortality: The applicable mortality table specified under Code Section 417(e)(3)(B), modified as appropriate by the Secretary of Treasury, based on the mortality table specified for the Plan Year under Code Section 430(h)(3)(A) (without regard to subparagraph (C) or (D) of such Code Section).

Interest Rate: The applicable interest rate specified under Code Section 417(e)(3)(C) for the fifth month preceding the first day of the month in which the Pension Commencement Date occurs (resulting in a one month stability period), which shall be the adjusted first, second, and third segment rates applied under the minimum funding rules of Code Section 430(h)(2)(C) (derived from a corporate bond yield curve prescribed by the IRS which reflects the yields on investment grade corporate bonds with varying maturities), applying the applicable transition rules for Plan Years 2008 through 2011.

HEXION INC. PENSION PLAN
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2018

Name of plan sponsor:	Hexion, Inc.
Employer identification number:	13-0511250
Three-digit plan number:	002

		(c) Description of Investment Including Maturity Date, Rate of Interest, Par or	(d)	(e) Current
(a)	(b) Identity of Issuer or Borrower	Maturity Value	Cost	Value
<u>Collective Trust Funds</u>				
*	Bank of New York Mellon	EB Temp Investment Fund	\$ 1,786,536	\$ 1,786,536
*	SEI Investments Company	SEI Core Property Collective Investment Trust	10,200,000	10,650,412
*	SEI Investments Company	SEI Structured Credit Collective Fund	<u>5,642,256</u>	<u>10,626,929</u>
			17,628,792	23,066,877
<u>Guaranteed Investment Contract</u>				
	Equitable Life Assurance		4,061	4,061
<u>Mutual Funds</u>				
*	SEI Investments Company	High Yield Bond Fund A	9,842,450	8,963,219
*	SEI Investments Company	U.S. Managed Volatility Fund	17,897,098	15,933,777
*	SEI Investments Company	World Equity Ex-Us	18,387,132	17,279,563
*	SEI Investments Company	Large Cap Index Fund	16,624,944	16,714,467
*	SEI Investments Company	Emerging Markets Debt Fund	7,697,277	7,125,701
*	SEI Investments Company	Long Duration Corporate Bond	15,948,989	15,295,223
*	SEI Investments Company	Small Cap Fund	5,695,400	4,611,084
*	SEI Investments Company	Emerging Markets Equity Fund	4,943,778	4,848,860
*	SEI Investments Company	Intermediate Duration Credit Fund	<u>54,969,495</u>	<u>53,002,222</u>
			152,006,563	143,774,116
<u>Governmental Securities</u>				
	US Treasury NT PRIN Strip	Par \$8,355,000, 0.0%, 8/15/2028	6,183,870	6,440,702
	US Treasury NT PRIN Strip	Par \$2,602,000, 0.0%, 5/15/2038	1,436,980	1,501,614
	US Treasury NT PRIN Strip	Par \$4,880,000, 0.0%, 2/15/2048	1,944,485	2,002,313
	US Treasury NT CPN Strip	Par \$2,284,000, 0.0%, 5/15/2025	1,843,423	1,931,716
	US Treasury NT CPN Strip	Par \$8,873,000, 0.0%, 11/15/2033	<u>5,501,437</u>	<u>5,762,304</u>
			16,910,195	17,638,649
Total Investments			<u>\$ 186,549,611</u>	<u>\$ 184,483,703</u>

* = Party-in-interest investment

See Independent Auditor's Report

**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
HEXION INC. PENSION PLAN**B** Three-digit
plan number (PN) ▶ 002**C** Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF

HEXION INC.

D Employer Identification Number (EIN)

13-0511250

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 01 Day 01 Year 2018**2** Assets:**a** Market value..... **2a** 212,821,562**b** Actuarial value..... **2b** 202,910,260**3** Funding target/participant count breakdown**a** For retired participants and beneficiaries receiving payment..... (1) Number of participants 5,846 (2) Vested Funding Target 128,521,862 (3) Total Funding Target 128,521,862**b** For terminated vested participants..... 1,507 37,359,070 37,359,070**c** For active participants..... 720 30,493,506 30,493,506**d** Total..... 8,073 196,374,438 196,374,438**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** 5.54%**6** Target normal cost..... **6** 2,800,000**Statement by Enrolled Actuary**

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

**SIGN
HERE**

Rebecca Chilcote RLC

Signature of actuary

REBECCA L. CHILCOTE, FSA, EA, MAAA

Type or print name of actuary

MERCER

Firm name

325 JOHN H. MCCONNELL BLVD.
SUITE 350
COLUMBUS OH 43215

Address of the firm

Date

1707514

Most recent enrollment number

614-227-5519

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 Remaining Balance		(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>13.09%</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).....		0
	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>5.74%</u>		0
	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.....		0
	d Portion of (c) to be added to prefunding balance.....		
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

14	Funding target attainment percentage	14	103.32%
15	Adjusted funding target attainment percentage.....	15	103.32%
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	107.83%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

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	
09/11/2019	1,620,000	0				
			Totals ►	18(b)	1,620,000	18(c) 0

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	1,478,653

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**

0

22 Weighted average retirement age**22**

62

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**

2,800,000

b Excess assets, if applicable, but not greater than line 31a**31b**

2,800,000

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

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**

1,478,653

38 Present value of excess contributions for current year (see instructions)**a** Total (excess, if any, of line 37 over line 36)**38a**

1,478,653

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, line 24 — Change in Actuarial Assumptions

- Interest discounts and mortality rates were updated from 2017 to 2018 in accordance with plan sponsor elections.
- The cash balance interest crediting rate was updated from 3.04% for the first five years and 4.00% thereafter to 3.04% for the first five years and 3.35% thereafter.