

CP Kelco Services ApS

Ved Banen 16

4623 Lille Skensved, Denmark

CVR-No. 25 31 57 07

Annual Report

For the year ended December 31, 2015

16th fiscal year

Adopted at the Annual General Meeting of shareholders on May 23, 2016.



Michael Hør Bertelsen
Chairman

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INFORMATION ABOUT THE COMPANY

CP Kelco Services ApS
C/o CP Kelco ApS
Ved Banen 16
DK 4623 Lille Skensved

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Executive Board:

Donald George Rubright
Philip Martin Patterson Jr.

Parent Company:

CP Kelco ApS
CVR No. 21 21 02 85

Ultimate Parent Company:

CP Kelco Services ApS is part of the Annual Report of J.M. Huber Corporation, New Jersey, USA.
A copy of the Group's Annual Report can be requested by contacting CP Kelco ApS.

Auditors:**KPMG**

Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø

MANAGEMENT'S REVIEW

Presentation of the Company

The activity of the Company is to provide service the companies of the CP Kelco Group.

Business review

The net income (profit) for the year amounted to DKK thousand 1,272 compared to DKK thousand 3,369 in 2014.

Management consider the profit for the year satisfying.

Total assets on December 31, 2015 were DKK thousand 14,360 compared to DKK thousand 19,857 in 2014. Shareholders' Equity on December 31, 2015 was DKK thousand 4,592 compared to DKK thousand 10,320 in 2014.

Subsequent events

No events, which have a significant impact on the assessment of the Annual Report, have occurred after the balance sheet date.

Outlook

The Company expects a profit for 2016 before dividend from associates.

STATEMENT BY THE EXECUTIVE BOARD

The Executive Board have today discussed and approved the annual report of CP Kelco Services ApS for the financial year January 1 – December 31, 2015.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at December 31, 2015 and of the results of the Company's operations for the financial year January 1 – December 31, 2015.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the year's result of the Company's operations and financial position.

We recommend that the Annual Report be approved at the annual general meeting.

Lille Skensved, May 11, 2016.

Executive Board:



Donald George Rubright



Philip Martin Patterson Jr.

Independent auditors' report

To the shareholders of CP Kelco Services ApS

Independent auditors' report on the financial statements

We have audited the financial statements of CP Kelco Services ApS for the financial year January 1 - December 31, 2015. The financial statements comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at December 31, 2015 and of the results of its operations for the financial year January 1 – December 31, 2015 in accordance with the Danish Financial Statements Act.

Emphasis of matter regarding other matters

The company's accounting records and underlying documentation are partly being kept outside Denmark which does not comply with the Danish Bookkeeping Act.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, May 11, 2016

KPMG

Statsautoriseret Revisionspartnerselskab

CVR-no. 25 57 81 98



Benny Lyng Sørensen

State Authorized Public Accountant



Niels Vendelbo

State Authorized Public Accountant

ACCOUNTING POLICIES

General

The Annual Report of CP Kelco Services ApS has been presented in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises including below mentioned accounting policies governing medium class C reporting entities.

The company has elected to follow the provisions for class C entities regarding assets held under finance leases.

The accounting policies are consistent with those of last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the value of the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement as earned. Equally, costs incurred to generate the year's earnings are recognised, including depreciation, amortisation, impairment losses and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

Foreign currency translation

Transactions in foreign currencies during the year are translated at the exchange rate ruling at the transaction date.

In the balance sheet receivables, payables and other items in foreign currencies are translated at the rates of exchange as at the balance sheet date.

Realized as well as unrealized exchange rate adjustments are included in the income statement as financial income and expenses.

Revenue

Revenue from services is recognised in the income statement concurrently with delivery of services.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Other operating costs

Other operating costs comprise items secondary to the Company's activities, including loss on the disposal of property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Financial income and expenses comprise interest income and interest expense, costs relating to finance leases, payables and transactions in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Dividends from equity investments in subsidiaries are recognised in the income statement in the financial year when the dividends are declared.

Taxation

CP Kelco Services ApS is comprised by the Danish regulations regarding compulsory jointly taxation of J.M. Huber Group's Danish subsidiaries. The subsidiaries are jointly taxed for the period, the parent company has the controlling influence.

The company's ultimate Danish Parent CP Kelco ApS is administration company for the jointly taxation and settle all payments of corporate taxes with the tax authorities.

The current Danish corporation tax is allocated between the jointly taxed Danish companies in proportion to their taxable income (full absorption with refunds for tax losses). The jointly taxed companies are taxed under the on-account tax scheme.

Tax for the year comprises joint taxation contribution and changes in deferred tax for the year – including change in tax rate. The tax expense relating to the profit/loss for the year is recognized in the income statement.

Liabilities and receivables joint taxation contribution is recognized in the balance sheet as corporate tax payable or corporate tax receivable.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets are recognized at the expected value of their utilization; as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallize as current tax. The change in deferred tax as a result of changes in tax rates is recognized in the income statement.

Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

The depreciable amount, which is calculated as cost less any residual values after the end of the useful life, is depreciated on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3-5 years
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Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

Leases

On initial recognition, leases relating to fixed assets where the Company has substantially all the risks and rewards incident to ownership (finance leases) are recognised in the balance sheet at cost, corresponding to the lower of fair value and the net present value of future lease payments. In calculating the net present value the discount factor is the interest rate implicit in the lease or a rate that approximates this rate. Assets held under finance leases are depreciated as the Company's other fixed assets.

The capitalised residual obligation is recognised in the balance sheet as a liability and the interest element of the lease payments is recognised in the income statement over the term of the lease.

All other leases are treated as operating leases. Payments relating to operating and other leases are recognised in the income statement over the term of the lease. The Company's total liabilities relating to operating and other leases are disclosed under contingencies, etc.

Participating interests in affiliated companies

Investments in affiliated companies are measured at cost. Where the recoverable amount is lower than cost, investments are written down to this lower value.

Cost is reduced by received dividend that exceeds the accumulated earnings after the acquisition date.

Impairment of non-current assets

The carrying amount of equipment as well as investments in group entities is subject to an annual assessment for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

Receivables

Receivables are valued at par value less provisions for losses based on an individual assessment.

Prepayments

Prepayments comprise prepayments of costs relating to subsequent financial years.

Liabilities

Trade payables and payables to group entities are recognised at cost and subsequently measured at amortised cost.

Other liabilities are measured at net realisable value.

INCOME STATEMENT for the year ended December 31.

	Note	2015 DKK'000	2014 DKK'000
Revenue	1	29,239	28,328
Other operating costs		-12,248	-11,785
Staff costs	2	<u>-14,624</u>	<u>-13,592</u>
Operating Profit		2,367	2,951
Income from participating interest in affiliated companies		0	1,420
Financial income	3	2	21
Financial expenses	4	<u>-669</u>	<u>-373</u>
Profit before tax		1,700	4,019
Taxes	5	<u>-428</u>	<u>-650</u>
Profit for the year		<u>1,272</u>	<u>3,369</u>

Appropriation of income	DKK'000
Profit for the year	1,272
Retained earnings, prior year	<u>2,320</u>
Available for distribution	<u>3,592</u>
Proposed distributed as follows:	
Proposed dividend	1,200
Retained earnings	<u>2,392</u>
	<u>3,592</u>

BALANCE SHEET at December 31

	Note	2015 DKK'000	2014 DKK'000
ASSETS			
FIXED ASSETS			
Property, plant and equipment			
Fixtures and fittings, tools and equipment	6	<u>1,553</u>	<u>2,368</u>
Total Property, plant and equipment		<u>1,553</u>	<u>2,368</u>
Financial fixed assets			
Participating interest in affiliated companies	7	991	991
Deferred tax asset		<u>13</u>	<u>0</u>
Total financial fixed assets		<u>1,004</u>	<u>991</u>
TOTAL NON-CURRENT ASSETS		<u>2,557</u>	<u>3,359</u>
CURRENT ASSETS			
Receivables			
Receivables from Group companies		9,736	15,242
Other receivables		580	572
Prepayments		<u>1,084</u>	<u>503</u>
Total receivables		<u>11,400</u>	<u>16,317</u>
Cash and cash equivalents		<u>403</u>	<u>181</u>
TOTAL CURRENT ASSETS		<u>11,803</u>	<u>16,498</u>
TOTAL ASSETS		<u>14,360</u>	<u>19,857</u>

BALANCE SHEET at December 31

	Note	2015 DKK'000	2014 DKK'000
LIABILITIES			
SHAREHOLDERS' EQUITY			
Capital stock	8	1,000	1,000
Retained earnings		2,392	2,320
Proposed dividend		<u>1,200</u>	<u>7,000</u>
TOTAL SHAREHOLDERS' EQUITY		<u>4,592</u>	<u>10,320</u>
Provisions			
Deferred tax payable		<u>0</u>	<u>34</u>
Total Provisions		<u>0</u>	<u>34</u>
Non-current liabilities			
Capitalised lease obligations	9	<u>0</u>	<u>143</u>
Total Non-current liabilities		<u>0</u>	<u>143</u>
Current liabilities			
Trade payables		156	245
Repayment of non-current liabilities	9	70	148
Intra Group payables		1,723	930
Corporate tax payable		476	612
Other payables		<u>7,343</u>	<u>7,425</u>
Total current liabilities		<u>9,768</u>	<u>9,360</u>
TOTAL LONG-TERM AND CURRENT LIABILITIES		<u>9,768</u>	<u>9,503</u>
TOTAL LIABILITIES		<u>14,360</u>	<u>19,857</u>
Contingent liabilities	10		
Related Parties	11		

STATEMENT OF CHANGES IN EQUITY

	2015 DKK'000
Capital stock	
Balance at January 1 and December 31	<u>1,000</u>
Retained earnings	
Balance at January 1	2,320
Profit for the year	1,272
Proposal of dividend for the year	<u>1,200</u>
Balance at December 31	<u>2,392</u>
Proposal of dividend	
Balance at January 1	7,000
Paid out dividend	7,000
Proposal of dividend for the year	<u>1,200</u>
Balance at December 31	<u>1,200</u>
Total Equity	<u><u>4,592</u></u>

NOTES AND DISCLOSURES

Note 1. Net sales

The Company performs services for companies within the CP Kelco Group.

	2015 DKK'000	2014 DKK'000
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Note 2. Staff costs

Specification of staff costs, included in operating costs:

Payroll costs	13,984	12,054
Pensions	176	1,464
Other social security costs	<u>464</u>	<u>74</u>
	<u>14,624</u>	<u>13,592</u>
 Average number of employees	 <u>24</u>	 <u>23</u>

No remuneration was paid to Executive Board.

The company has paid management fee to group related companies which also cover remuneration to intra-group members of the Executive Board.

Note 3. Financial income

Interest received from group companies	<u>2</u>	<u>21</u>
	<u>2</u>	<u>21</u>

NOTES AND DISCLOSURES

	2015 DKK'000	2014 DKK'000
Note 4. Financial expenses		
Foreign currency adjustments	-624	-322
Other financial expenses	<u>-45</u>	<u>-51</u>
	<u>-669</u>	<u>-373</u>
Note 5. Taxes		
Tax on profit for the year	-476	-612
Adjustment of deferred tax for the year	<u>48</u>	<u>-38</u>
	<u>-428</u>	<u>-650</u>

NOTES AND DISCLOSURES**Note 6. Property, Plant and equipment**

	Fixtures and Equipment
Cost at January 1	4,005
Additions for the year	133
Disposals for the year	<u>408</u>
Cost at December 31	<u>3,730</u>
Depreciation at January 1	1,637
Depreciation for the year	880
Reversed depreciation of disposals	<u>340</u>
Depreciation at December 31	<u>2,177</u>
Carrying amount at December 31	<u>1,553</u>
Carrying amount of financial leased assets	<u>64</u>

NOTES AND DISCLOSURES

	2015 DKK'000	2014 DKK'000
Note 7. Participating interests in affiliated companies		
The investment for the year in participating interests in affiliated companies can be specified as follows:		
Cost at January 1	<u>991</u>	<u>991</u>
Cost at December 31	<u>991</u>	<u>991</u>
Carrying amount December 31	<u>991</u>	<u>991</u>
Received dividend	<u>0</u>	<u>1,420</u>

Participating interests in affiliated companies comprise 35% ownership of CP Kelco Germany GmbH, Germany. The equity as per December 31, 2014 was EUR thousand 4,233 and net income 2014 amounted to EUR thousand 699.

Note 8. Share capital

The contributed capital, DKK thousand 1.000, is 100% owned by the Parent Company.

The share capital consists of 1.000 A-shares of DKK 1000 each.

There have been no movements on the share capital during the last 4 years.

NOTES AND DISCLOSURES

Note 9. Non-current liabilities other than provisions

	<i>Total 1/1 2015</i>	<i>Total 31/12 2015</i>	<i>Repayment next year</i>	<i>Long-term portion</i>	<i>Outstanding after 5 years</i>
Lease obligations	<u>291</u>	<u>70</u>	<u>70</u>	<u>0</u>	<u>0</u>

Note 10. Contingent liabilities

	2015 DKK'000	2014 DKK'000
Commitments under a rental agreement amounts	<u>6,050</u>	<u>3,794</u>
Leasing commitments cars	<u>560</u>	<u>385</u>
	<u>6,610</u>	<u>4,179</u>

The Company is jointly taxed with other Danish companies in the J.M. Huber group. As a wholly owned subsidiary of J.M. Huber Corporation, the Company is unlimited and solidarity liable with the other companies in the joint taxation regarding Danish withholding taxes on dividends, interest and royalties in the joint taxation. Payable withholding taxes in the joint taxation are as of December 31, 2015 DKK 0 million. Any subsequent corrections of the taxable income in the joint taxation or withholding taxes could lead to the Company's liability being higher.

Note 11. Related Parties

The Company's majority shareholder is CP Kelco ApS, Lille Skensved, Denmark, and its ultimate Parent is J.M. Huber Corporation, New Jersey, USA.

The company's related Parties with considerable influence include registered management and hereto related family members. Related Parties include also companies, in which the persons mentioned have considerable interests.

Related Parties further include affiliated companies in the J.M.Huber Group.