

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2014

Commission file number 1-32737

KOPPERS HOLDINGS INC.

(Exact name of registrant as specified in its charter)

Pennsylvania
(State of incorporation)

20-1878963
(IRS Employer Identification No.)

436 Seventh Avenue
Pittsburgh, Pennsylvania 15219
(Address of principal executive offices)

(412) 227-2001
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, par value \$0.01 per share
Title of Each Class

New York Stock Exchange
Name of Exchange on which registered

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act: Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of Common Stock held by non-affiliates of the registrant, based on the closing sales price of the Common Stock on the New York Stock Exchange on June 30, 2014 was \$765.3 million (affiliates, for this purpose, have been deemed to be Directors and executive officers of Koppers Holdings Inc.).

As of January 31, 2015, 20,495,011 shares of Common Stock of the registrant were issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement for the 2015 Annual Meeting of Shareholders are incorporated by reference into Part III of this Annual Report on Form 10-K.

Table of Contents

TABLE OF CONTENTS

<i>Item</i>		<i>Page</i>
<u>Part I</u>		
1.	Business	6
1A.	Risk Factors	11
1B.	Unresolved Staff Comments	24
2.	Properties	24
3.	Legal Proceedings	25
4.	Mine Safety Disclosures	25
<u>Part II</u>		
5.	Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	27
6.	Selected Financial Data	28
7.	Management's Discussion and Analysis of Financial Condition and Results of Operations	29
7A.	Quantitative and Qualitative Disclosures About Market Risk	41
8.	Financial Statements and Supplementary Data	43
9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	88
9A.	Controls and Procedures	88
9B.	Other Information	89
<u>Part III</u>		
10.	Directors, Executive Officers and Corporate Governance	90
11.	Executive Compensation	90
12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	90
13.	Certain Relationships and Related Transactions, and Director Independence	90
14.	Principal Accountant Fees and Services	90
<u>Part IV</u>		
15.	Exhibits and Financial Statement Schedules	91
Signatures		
Signatures		98

FORWARD-LOOKING INFORMATION

This report and the documents incorporated herein by reference contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 and may include, but are not limited to, statements about sales levels, restructuring, profitability and anticipated expenses and cash outflows. All forward-looking statements involve risks and uncertainties. All statements contained herein that are not clearly historical in nature are forward-looking, and words such as “believe”, “anticipate”, “expect”, “estimate”, “may”, “will”, “should”, “continue”, “plans”, “intends”, “likely” or other similar words or phrases are generally intended to identify forward-looking statements. Any forward-looking statement contained herein, in press releases, written statements or other documents filed with the SEC, or in our communications with and discussions with investors and analysts in the normal course of business through meetings, phone calls and conference calls are subject to known and unknown risks, uncertainties and contingencies. Many of these risks, uncertainties and contingencies are beyond our control, and may cause actual results, performance or achievements to differ materially from anticipated results, performance or achievements. Factors that might affect such forward-looking statements include, among other things:

- ┆ Koppers may not be able to successfully integrate the wood preservatives business and/or the railroad services business of Osmose Holdings, Inc. or such integration may take longer to accomplish than expected;
- ┆ the expected cost savings and any synergies from the Osmose acquisition may not be fully realized within the expected timeframes;
- ┆ disruption from the Osmose acquisition may make it more difficult to maintain relationships with clients, associates, or suppliers;
- ┆ impact of changes in commodity prices, such as oil and copper, on product margins;
- ┆ general economic and business conditions;
- ┆ demand for Koppers goods and services;
- ┆ competitive conditions in the industries in which we operate;
- ┆ interest rate and foreign currency rate fluctuations;
- ┆ potential difficulties in protecting intellectual property;
- ┆ the ratings on our debt and our ability to repay or refinance our outstanding indebtedness as it matures;
- ┆ our ability to operate within the limitations of our debt covenants;
- ┆ interest rate fluctuations and other changes in borrowing costs;
- ┆ other capital market conditions, including foreign currency rate fluctuations;
- ┆ availability of and fluctuations in the prices of key raw materials, including coal tar, timber and scrap copper;
- ┆ economic and political conditions in international markets, including governmental changes and restrictions on the ability to transfer capital across countries;
- ┆ potential impairment of our goodwill and/or long-lived assets;
- ┆ parties who are obligated to indemnify us for legal and environmental liabilities fail to perform under their legal obligations;
- ┆ changes in laws, including increased tax rates, regulations or accounting standards, third-party relations and approvals, and decisions of courts, regulators and governmental bodies;
- ┆ the effects of competition, including locations of competitors and operating and market competition;
- ┆ unfavorable resolution of litigation against us;
- ┆ the other factors set forth under “Risk Factors”.

We caution you that the foregoing list of important factors may not contain all of the material factors that are important to you. In addition, in light of these risks and uncertainties, the matters referred to in the forward looking statements contained in this report and the documents incorporated by reference herein may not in fact occur. We undertake no obligation to publicly update or revise any forward looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

PART I

ITEM 1. BUSINESS

General

In this report, unless otherwise noted or the context otherwise requires, (i) the term “Koppers”, “Koppers Holdings”, the “Company”, “we” or “us” refers to Koppers Holdings Inc. and its consolidated subsidiaries, (ii) the term “KH” refers to Koppers Holdings Inc. and not any of its subsidiaries and (iii) the term “KI” refers to Koppers Inc. and not any of its subsidiaries. Koppers Inc. is a wholly-owned subsidiary of Koppers Holdings Inc. Koppers Holdings Inc. has substantially no operations independent of Koppers Inc. and its subsidiaries. The use of these terms is not intended to imply that Koppers Holdings and Koppers Inc. are not separate and distinct legal entities from each other and from their respective subsidiaries.

Koppers Holdings Inc. was incorporated in November 2004 as a holding company for Koppers Inc. We are a leading integrated global provider of carbon compounds, chemicals and treated wood products and services. Our products and services are used in a variety of niche applications in a diverse range of end-markets, including the aluminum, railroad, specialty chemical, utility, rubber, concrete, steel, residential lumber and agriculture industries. We serve our customers through a comprehensive global manufacturing and distribution network, with manufacturing facilities located in North America, South America, Australasia, China and Europe.

Acquisitions

Koppers Ashcroft—On January 20, 2014, we acquired the crosstie treating business and related manufacturing facility of Tolko Industries Ltd. located in Ashcroft, British Columbia, Canada. The purchase price was \$29.8 million and was funded primarily by available cash. This business is now part of our Railroad and Utility Products and Services (“RUPS”) segment.

Osmose—On August 15, 2014, KI completed the acquisition of the wood preservation and the railroad services businesses (the “Osmose Entities”) of Osmose Holdings, Inc. The aggregate cash purchase price for the Osmose Entities was \$494.1 million. Revenues for the Osmose Entities in 2013 were approximately \$390 million.

The majority of the wood preservation business is now known as Koppers Performance Chemicals. We believe that Koppers Performance Chemicals is the global leader in developing, manufacturing and marketing wood preservation chemicals and wood treatment technologies. The business has operations and sales in North America, South America, Europe, and Australasia, and accounted for approximately \$350 million of the revenue for the Osmose Entities in 2013. This business serves a diverse range of end-markets including infrastructure, residential and commercial construction, and agriculture. The wood preservation business includes approximately \$16 million of revenue related to a wood treating facility located in Houston, Texas that is now part of our RUPS segment.

The railroad services business is now known as Koppers Railroad Structures. We believe that Koppers Railroad Structures is a leading provider of railroad infrastructure services, including bridge inspection, engineering, maintenance and repair, and construction services for the Class I and shortline railroads in North America. The business accounted for approximately \$40 million of the revenue for the Osmose Entities in 2013 and is now a part of our RUPS segment.

Business Segments and Products

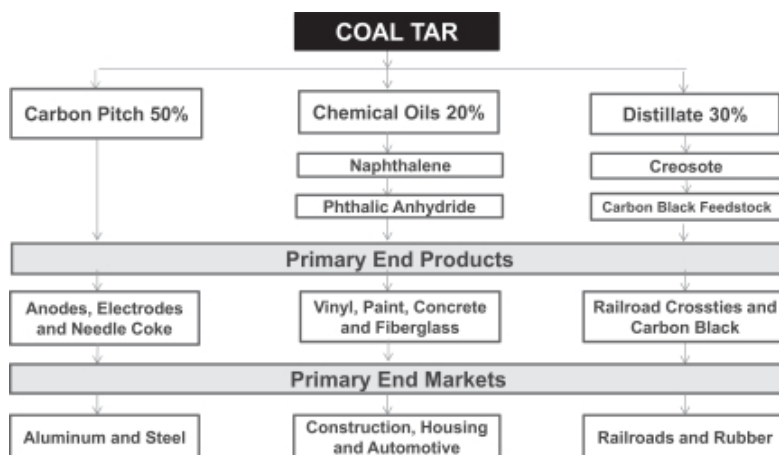
We operate three principal business segments: Carbon Materials and Chemicals, Railroad and Utility Products and Services, and Performance Chemicals.

Our operations are, to a substantial extent, vertically integrated. Through our Carbon Materials and Chemicals business, we process coal tar into a variety of products, including carbon pitch, creosote, carbon black feedstock, naphthalene and phthalic anhydride, which are intermediate materials necessary in the production of aluminum, the pressure treatment of wood, the production of carbon black for the rubber industry, the production of high-strength concrete, and the production of plasticizers and specialty chemicals, respectively. The majority of the creosote we produce in North America is sold internally to our Railroad and Utility Products and Services business for treating railroad crossties. We believe our three business segments command leading market positions. Through our Carbon Materials and Chemicals business, we believe we are the largest global supplier of carbon pitch to the aluminum industry. Through our Railroad and Utility Products and Services business, we believe that we are the largest supplier of railroad crossties to the North American railroads. Through our Performance Chemicals business, we

believe that we are the global leader in developing, manufacturing and marketing wood preservation chemicals and wood treatment technologies for use in pressure treating lumber for residential, industrial and agricultural applications.

Carbon Materials and Chemicals

Carbon pitch, naphthalene, and creosote are produced through the distillation of coal tar, a by-product generated through the processing of coal into coke for use in steel and iron manufacturing. Coal tar distillation involves the conversion of coal tar into a variety of intermediate chemical products in processes beginning with distillation. During the distillation process, heat and vacuum are utilized to separate coal tar into three primary components: carbon pitch (approximately 50 percent), chemical oils (approximately 20 percent) and creosote (approximately 30 percent). The diagram below shows the streams derived from coal tar distillation:



Our Carbon Materials and Chemicals business (“CMC”) manufactures the following principal products:

- carbon pitch, a critical raw material used in the production of aluminum and steel;
- naphthalene, used for the production of phthalic anhydride and as a surfactant in the production of concrete;
- phthalic anhydride, used in the production of plasticizers, polyester resins and alkyd paints; and
- creosote, used in the treatment of wood or as a feedstock in the production of carbon black, respectively.

Carbon Pitch

Carbon pitch is a critical raw material used in the production of aluminum and for the production of steel in electric arc furnaces. Approximately one ton of carbon pitch is required for every 10 tons of aluminum produced and there are currently no known viable substitutes for carbon pitch in the aluminum production process. Over 90 percent of our carbon pitch is sold to the aluminum industry, typically under long-term contracts ranging from three to five years. Many of these long-term contracts have provisions for periodic pricing reviews. We have been a leading supplier of carbon pitch to the aluminum industry for over 20 years, and we believe we are the largest producer of carbon pitch for the aluminum industry. Competitive factors in the carbon pitch market include price, quality, service and security of supply. We believe we have a competitive advantage based on our global presence and long-term raw material supply contracts.

In the United States, these supply contracts generally have terms ranging from two to 25 years, and most provide options for renewal. Pricing under these contracts is generally either formula-based, with adjustments on an annual or semi-annual basis, or fixed for the duration of the contract. Our primary European supply contracts either have a remaining term of approximately five years or have a remaining term of five years and thereafter extend indefinitely unless terminated by one year advance notice. These contracts contain formula-based pricing, which is reviewed or adjusted on a monthly, quarterly or annual basis. Our primary Australian supply contracts have terms ranging from five to ten years and contain formula-based pricing which is adjusted on an annual or semi-annual basis. Finally, in China, we have raw material contracts in place with each of our

[Table of Contents](#)

respective joint venture partners. These contracts are coterminous with the applicable joint venture arrangement and provide for formula-based pricing adjusted on a monthly or quarterly basis.

Naphthalene and Phthalic Anhydride

Chemical oils are further processed to produce naphthalene, which we sell into the industrial sulfonate market for use as dispersants or in the concrete additive and gypsum board markets. Additional end-uses include oil field additives, agricultural emulsifiers, synthetic tanning agents and dyestuffs. In the United States, we also use naphthalene as a feedstock in the manufacture of phthalic anhydride. The primary markets for phthalic anhydride are in the production of plasticizers, unsaturated polyester resins and alkyd resins. We believe our ability to utilize our internally produced naphthalene gives us a more stable supply and generally lower-cost feedstock for the production of phthalic anhydride compared to our competitors.

Creosote and Carbon Black Feedstock

In the United States and Canada, creosote is used as a commercial wood treatment chemical to preserve railroad crossties and lumber, utility poles and piling. The majority of our domestically produced creosote is sold to our Railroad and Utility Products and Services business. In Australia, China and Europe, creosote is sold primarily into the carbon black market for use as a feedstock in the production of carbon black. In Europe and China creosote is also sold to wood treaters. Our wood treating plants in North America purchase substantially all of their creosote from our tar distillation plants. We believe we are the only major competitor in this market that is integrated in this fashion. The remainder of our creosote is sold to railroads and other wood treaters.

Other Products

Other products include the sale of refined tars, benzole and specialty chemicals.

Our CMC business manufactures its primary products and sells them directly to our global customer base under long-term contracts or through purchase orders negotiated by our regional sales personnel and coordinated through our global marketing group in the United States. We believe we have a strategic advantage over our competitors based on our ability to access coal tar from many global suppliers. Our nine coal tar distillation facilities including joint ventures and five carbon materials terminals give us the ability to offer customers multiple sourcing and a consistent supply of high quality products.

Railroad and Utility Products and Services

Our Railroad and Utility Products and Services business ("RUPS") sells treated and untreated wood products, rail joint bars and services primarily to the railroad markets in the United States and Canada and the utility market in Australia. We also produce concrete crossties, a complementary product to our wood treatment business, through a joint venture in the United States. We also operate a railroad services business that conducts engineering, design, repair and inspection services for railroad bridges, serving the same customer base as our railroad crossties business.

Railroad products and services include procuring and treating items such as crossties, switch ties and various types of lumber used for railroad bridges and crossings. Railroad products also include manufacturing and selling rail joint bars, which are steel bars used to join rails together for railroads. Utility products include transmission and distribution poles for electric and telephone utilities. The RUPS business operates 14 wood treating plants and one rail joint bar manufacturing facility located throughout the United States, Canada and Australia. Our network of plants is strategically located near timber supplies to enable us to access raw materials and service customers effectively. In addition, our crosstie treating plants are typically adjacent to our railroad customers' track lines.

Our RUPS business manufactures its primary products and sells them directly to our customers through long-term contracts and purchase orders negotiated by our regional sales personnel and coordinated through our marketing group at corporate headquarters.

Hardwoods, such as oak and other species, are the major raw materials in wood crossties. Hardwood prices, which account for more than 50 percent of a finished crosstie's cost, fluctuate with the demand from other hardwood lumber markets, such as oak flooring, pallets and other specialty lumber products. For example, we have been impacted in our ability to acquire hardwood due to the demand for crane mats associated with the oil and gas industry. Weather conditions can be a factor in the supply of raw material, as unusually wet or inclement conditions may make it difficult to harvest timber.

In the United States, hardwood lumber is procured by us from hundreds of small sawmills throughout the northeastern, midwestern and southern areas of the country. The crossties are shipped via rail car or trucked directly to one of our crosstie treating plants, all of which are on line with a major railroad. The crossties are either air-stacked for a period of six to nine months or artificially dried by a process called boultonizing. Once dried, the crossties are pressure treated with creosote, a product of our CMC business. A substantial portion of our crossties are treated with borate, which is purchased from outside suppliers, in combination with creosote.

We believe we are the largest supplier of railroad crossties in North America. We have one principal competitor, Stella-Jones Inc., and several smaller regional competitors in the North American market. Competitive factors in the railroad crosstie market include price, quality, location, service and security of supply. We believe we have a competitive advantage due to our national network of treating plants and direct access to our major customers' rail lines, which provide for security of supply and logistics advantages for our customers. We believe our Australian utility pole business is the largest producer of utility poles for the electrical communications utilities in Australia.

Our RUPS business' largest customer base is the North American Class I railroad market, which buys approximately 74 percent of all crossties produced in the United States and Canada. We also have relationships with many of the approximately 550 short-line and regional rail lines. This also forms the customer base for our rail joint bar products. The railroad crosstie market is a mature market with approximately 24 million replacement crossties (both wood and non-wood) purchased during 2014. We currently supply all seven of the North American Class I railroads and have contracts with all of them.

Demand for railroad crossties may decline during winter months due to inclement weather conditions which make it difficult to install railroad crossties. As a result, operating results may vary from quarter to quarter depending on the severity of weather conditions and other variables affecting our products.

Utility poles are produced mainly from hardwoods of the eucalyptus species in Australia. Most of these poles are purchased from large timber owners and individual landowners and shipped to one of our pole-peeling facilities. In Australia, in addition to utility poles, we market smaller poles to the agricultural landscape and vineyard markets. We treat poles with a variety of preservatives, including pentachlorophenol and copper chrome arsenates.

Performance Chemicals

Our Performance Chemicals business ("PC") sells preservatives for residential and agricultural treated lumber that includes decking and fencing. This business supplies nine of the ten largest lumber treating companies in the U.S. and three of the four largest lumber treating companies in Canada. The primary products for this business are copper-based wood preservatives including micronized copper quaternary and micronized copper azole ("MicroPro"), alkaline copper quaternary, and chromated copper arsenate.

The products produced and sold by our PC business are sold primarily to wood treaters that use our products to produce treated lumber for decking, fencing, vineyards and various other applications. We have a research and development center located in Griffin, Georgia, with smaller research and development facilities located in the United Kingdom and New Zealand. Our PC business has been awarded patents on many of its products including MicroPro, which currently enjoys the leading market share in the North American residential treated lumber market.

We believe we are the largest global producer of wood preservation chemicals for use in treating lumber. Our PC business has operations in the United States, Europe, Canada, Australia and New Zealand. Additionally, there are sales offices in several countries including Brazil and Chile, which we believe will facilitate our ability to grow our railroad crosstie business in Latin America. Our key competitors in wood preservation chemicals include Lonza Wood Protection and Viance Treated Wood Solutions.

Equity Investments

KSA Limited Partnership, located in Portsmouth, Ohio, produces concrete crossties, a complementary product to our wood treatment crosstie business. We own 50 percent of KSA, with the other 50 percent owned by subsidiaries of Heidelberg Cement AG. KSA Limited Partnership also provides concrete turnouts for rail traffic switching and used crosstie rehabilitation.

Tangshan Koppers Kailuan Carbon Chemical Company ("TKK") is a coal tar distillation facility located in China in the Hebei Province near the Jingtang Port. We hold a 30 percent investment in TKK.

[Table of Contents](#)

Research and Development

Research activities related to our Carbon Materials and Chemicals business are directed toward new product development regarding alternate uses for coal tar and technical service efforts to promote the use of creosote and vacuum-distilled carbon pitch.

Research activities related to Performance Chemicals are conducted in Griffin, Georgia, Marlow, United Kingdom and Auckland, New Zealand. Intellectual property relating to our wood preservative business is very important to us. In particular, our patent portfolio relating to wood preservative compositions, and wood treatments, including methods of treating wood with wood preservative compositions comprising micronized-metal particles, is a source of competitive advantage for this business. The earliest expiration date for patents relating to micronized wood preservative compositions is April 9, 2024.

Expenditures for research and development were \$3.1 million, \$2.4 million and \$2.3 million, for the years ended December 31, 2014, 2013 and 2012, respectively.

Technology and Licensing

In 1988, we acquired the “Koppers” trademark from Koppers Company, Inc. The association of the name with the chemical, building, wood preservation and coke industries is beneficial to our company, as it represents long-standing, high quality products. Trademarks relating to our wood preservation business, such as “MicroPro”, “Protim” and “Solignum” are important in this segment of our business, and as long as we continue to use the name “Koppers” and the trademarks associated with our wood preservation business and comply with applicable registration requirements, our right to use the name “Koppers” and the other trademarks should continue without expiration. The expiration of other trademark rights is not expected to materially affect our business.

Backlog

Generally, Koppers does not manufacture its products against a backlog of orders. Inventory and production levels are typically driven by expectations of future demand based on contractual obligations.

Seasonality

Demand for certain products may decline during winter months due to weather conditions. As a result, operating results may vary from quarter to quarter depending on the severity of weather conditions and other variables affecting our products.

Segment Information

Please see Note 9, “Segment Information,” under Item 8 of this Form 10-K for financial information relating to business segments and geographic areas. See also “Item 1A. Risk Factors – Risks Related to Our Business – Demand for our products is cyclical and we may experience prolonged depressed market conditions for our products.”

Non-U.S. Operations

Koppers has a significant investment in non-U.S. operations. Therefore, we are subject to certain risks that are inherent to foreign operations, including complying with applicable laws relating to foreign practices, the laws of foreign countries in which we operate, political and economic conditions in international markets and fluctuations in foreign exchange rates.

Environmental Matters

Our operations and properties are subject to extensive federal, state, local and foreign environmental laws and regulations relating to protection of the environment and human health and safety, including those concerning the treatment, storage and disposal of wastes, the investigation and remediation of contaminated soil and groundwater, the discharge of effluents into waterways, the emission of substances into the air, as well as various health and safety matters. Environmental laws and regulations are subject to frequent amendment and have historically become more stringent over time. We have incurred and

could incur in the future significant costs as the result of our failure to comply with, and liabilities under, environmental laws and regulations, including cleanup costs, civil and criminal penalties, injunctive relief and denial or loss of, or imposition of significant restrictions on, environmental permits. In addition, we have been and could in the future be subject to suit by private parties in connection with alleged violations of, or liabilities under, environmental laws and regulations. See “Item 1A. Risk Factors – Risks Related to Our Business – We are subject to extensive environmental laws and regulations and may incur significant costs as a result of continued compliance with, violations of or liabilities under environmental laws and regulations” and Note 20 of the Notes to Consolidated Financial Statements, “Commitments and Contingent Liabilities.”

Employees and Employee Relations

As of December 31, 2014, we had 773 salaried employees and 1,369 non-salaried employees. Listed below is a breakdown of employees by our businesses, including administration.

<i>Business</i>	<i>Salaried</i>	<i>Non-Salaried</i>	<i>Total</i>
Carbon Materials and Chemicals	356	409	765
Railroad and Utility Products and Services	168	571	739
Performance Chemicals	146	387	533
Administration	103	2	105
Total Employees	773	1,369	2,142

Internet Access

Our Internet address is www.koppers.com. Our recent filings on Form 10-K, 10-Q and 8-K and any amendments to those documents can be accessed without charge on our website under Investor Relations – SEC Filings. The contents of our internet site are not incorporated by reference into this document.

ITEM 1A. RISK FACTORS

You should carefully consider the risks described below before investing in our publicly traded securities. Our business is subject to the risks that affect many other companies, such as competition, technological obsolescence, labor relations, general economic conditions, geopolitical events and international operations.

Risks Related to Our Business

Fluctuations in the price, quality and availability of our primary raw materials could reduce our profitability.

Our operations depend on an adequate supply of quality raw materials being available on a timely basis. The loss of a key source of supply or a delay in shipments could cause a significant increase in our operating expenses. For example, our operations are highly dependent on a relatively small number of freight transportation services. We are also dependent on specialized ocean-going transport vessels that we lease to deliver raw materials to our facilities and finished goods to our customers. Interruptions in such freight services could impair our ability to receive raw materials and ship finished products in a timely manner. We are also exposed to price and quality risks associated with raw material purchases. Such risks include the following:

- i The primary raw material used by our CMC business is coal tar, a by-product of furnace coke production. A shortage in the supply of domestic coal tar or a reduction in the quality of coal tar could require us to increase coal tar and carbon pitch imports, as well as the use of petroleum substitutes to meet future carbon pitch demand. This could cause a significant increase in our operating expenses and we may be unable to pass some or all of these costs on to our customers.
- i In certain circumstances coal tar may also be used as an alternative to fuel. In the past, increases in energy prices have resulted in higher coal tar costs which we have attempted to pass through to our customers. If these increased costs cannot be passed through to our customers, it could result in margin reductions for our coal tar-based products.
- i Our price realizations and profit margins for phthalic anhydride have historically fluctuated with the price of orthoxylene and its relationship to our cost to produce naphthalene; however, during periods of excess supplies of phthalic anhydride, margins may be reduced despite high levels for orthoxylene prices.

[Table of Contents](#)

- ┆ Our price realizations and profit margins for phthalic anhydride, naphthalene and carbon black feedstock have historically fluctuated with the market price of crude oil, market prices for chemicals derived from crude oil, such as orthoxylene or market indices derived from crude oil. In addition, the market price of phthalic anhydride, naphthalene and carbon black feedstock may be negatively impacted from decreasing market prices for crude oil. Our business was negatively affected by the decreasing market price of oil experienced in the fourth quarter of 2014 and continuing into the following year.
- ┆ The availability and cost of softwood and hardwood lumber are critical elements in our production of pole products and railroad crossties, respectively, for our RUPS business. Historically, the supply and cost of hardwood for railroad crossties have been subject to availability and price pressures. We may not be able to obtain wood raw materials at economical prices in the future.
- ┆ The availability of scrap copper is a critical element in our production of copper-based wood preservation chemicals for our PC business. Our purchase price for scrap copper is based upon spot prices in the copper market, which are subject to sudden changes. We may not be able to obtain scrap copper at prices that match underlying pricing commitments to our customers.

If the costs of raw materials increase significantly and we are unable to offset the increased costs with higher selling prices, our profitability will decline.

We face risks related to our substantial indebtedness.

Our substantial leverage could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry, expose us to interest rate risk associated with our variable rate debt and prevent us from meeting our obligations under our senior secured credit facilities, as described in Note 16 of the Notes to Consolidated Financial Statements, (the "Senior Secured Credit Facilities"). As of December 31, 2014, we have total outstanding debt of \$850.5 million (of which \$553.5 million is subject to variable interest rates and \$297.0 million is subject to fixed interest rates), and an additional approximately \$113.5 million of unused borrowing capacity under our revolving credit facility. Our high degree of leverage could have important consequences to us, including:

- ┆ making it more difficult for us to make payments on our debt;
- ┆ increasing our vulnerability to general economic and industry conditions;
- ┆ requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on our debt, thereby reducing our ability to use our cash flow to fund our operations, capital expenditures, and future business opportunities;
- ┆ exposing us to the risk of increased interest rates as certain of our borrowings under our Senior Secured Credit Facilities are at variable rates;
- ┆ restricting us from making strategic acquisitions or causing us to make non-strategic divestitures;
- ┆ limiting our ability to obtain additional financing for working capital, capital expenditures, product development, debt service requirements, acquisitions, and general corporate or other purposes; and
- ┆ limiting our ability to adjust to changing market conditions and placing us at a competitive disadvantage compared to our competitors who may be less highly leveraged.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future, subject to the restrictions contained in our Senior Secured Credit Facilities and the indentures governing the notes. If new indebtedness is added to our current debt levels, the related risks that we now face could intensify.

Our debt agreements contain restrictions that limit our flexibility in operating our business.

Our Senior Secured Credit Facilities and the indenture governing the Koppers Inc. 7 ⁷/₈% Senior Notes due 2019 (the "Senior Notes") notes contain various covenants that limit our ability to engage in specified types of transactions. These covenants limit our ability and the ability of our restricted subsidiaries to, among other things:

- ┆ incur additional debt;
- ┆ pay dividends or distributions on our capital stock or repurchase our capital stock;

- issue stock of subsidiaries;
- make certain investments;
- create liens on our assets to secure debt;
- enter into transactions with affiliates;
- merge or consolidate with another company; and
- sell or otherwise transfer assets.

In addition, under the Senior Secured Credit Facilities, we are required to meet specified financial ratios in order to undertake certain actions, and we are required to maintain a specified minimum fixed charge coverage ratio and a maximum total secured leverage ratio. Our ability to meet those tests can be affected by events beyond our control, and we cannot assure you that we will meet them. A breach of any of these covenants could result in a default under our Senior Secured Credit Facilities. Upon the occurrence of an event of default under our Senior Secured Credit Facilities, the lenders could elect to declare all amounts outstanding under our Senior Secured Credit Facilities to be immediately due and payable and terminate all commitments to extend further credit. If we were unable to repay those amounts, the lenders under our Senior Secured Credit Facilities could proceed against the collateral granted to them to secure such indebtedness. We have pledged substantially all of our assets as collateral under our Senior Secured Credit Facilities. If the lenders under our Senior Secured Credit Facilities accelerate the repayment of borrowings, we cannot assure you that we will have sufficient assets to repay our Senior Secured Credit Facilities, as well as our unsecured indebtedness.

Conditions in the global economy and global capital markets may adversely affect our results of operations, financial condition and cash flows.

The U.S. and global economy and capital markets have experienced significant uncertainties and volatility in the past few years. Our business and operating results for the last five years were significantly affected by these global economic issues. Many of our customers have experienced deterioration of their business during the latest business cycle. They may experience cash flow shortages and may have difficulty obtaining financing. As a result, our customers may delay or cancel plans to purchase our products and may not be able to fulfill their payment obligations to us in a timely fashion. Our suppliers may be experiencing similar conditions which could impact their ability to supply us with raw materials and otherwise fulfill their obligations to us. If global economic conditions deteriorate significantly, there could be a material adverse effect to our results of operations, financial condition and cash flows.

In addition, we rely on our \$792.5 million Senior Secured Credit Facilities with a consortium of banks to provide us with liquidity to meet our working capital needs. At December 31, 2014, we had \$113.5 million of available borrowing capacity under this arrangement. Our ability to fund our liquidity needs and working capital requirements could be impacted in the event that disruptions in the credit markets result in the banks being unable to lend to us under our credit agreement.

Global economic issues could prevent us from accurately forecasting demand for our products, which could have a material effect on our results of operations and our financial condition.

Adverse global economic issues, market instability and volatile commodity price fluctuations make it increasingly difficult for us, our customers and our suppliers to accurately forecast future product demands and sales prices, which could cause us to procure raw materials in excess of end-product demand. This could cause a material increase to our inventory carrying costs and, in the event of falling market prices for our end products, result in significant charges to write-down inventory to market prices.

Intellectual property rights are important to our business. If our patents are declared invalid or our trade secrets become known to our competitors, our ability to compete may be adversely affected.

Proprietary protection of our processes, apparatuses and other technology is important to our business, particularly in our Performance Chemicals business. Consequently, we may have to rely on judicial enforcement of our patents and other proprietary rights, which is generally a time consuming and expensive process. While a presumption of validity exists with respect to patents issued to us in the U.S., there can be no assurance that any of our patents will not be challenged, invalidated, circumvented or rendered unenforceable. Furthermore, if any pending patent application filed by us does not result in an issued patent, or if patents are issued to us, but such patents do not provide meaningful protection of our intellectual property, or if

[Table of Contents](#)

patents issued to us expire, then our ability to compete may be adversely affected. Additionally, our competitors or other third parties may obtain patents that restrict or preclude our ability to lawfully produce or sell our products in a competitive manner, which could have a material adverse effect on our business, cash flow and financial condition. The growth of our business also depends on our ability to develop new intellectual property rights, including patents, and the successful implementation of innovation initiatives. There can be no assurance that our efforts to do so will be successful and the failure to do so could negatively impact our results of operations.

We also rely upon unpatented proprietary know-how and continuing technological innovation and other trade secrets to develop and maintain our competitive position, particularly in our Performance Chemicals business. While it is our policy to enter into confidentiality agreements with our employees and third parties to protect our intellectual property, these confidentiality agreements may be breached or may not provide meaningful protection for our trade secrets or proprietary know-how, and adequate remedies may not be available in the event of an unauthorized use or disclosure of our trade secrets and know-how. In addition, others could obtain knowledge of our trade secrets through independent development or other access by legal means. The failure of our patents or confidentiality agreements to protect our processes, apparatuses, technology, trade secrets or proprietary know-how could have a material adverse effect on our business, cash flow and financial condition.

We may be required to recognize impairment charges for our long-lived assets.

At December 31, 2014, the net carrying value of long-lived assets (property, plant and equipment, goodwill, other intangible assets and equity investments) totaled approximately \$719.6 million. In accordance with generally accepted accounting principles, we periodically assess these assets to determine if they are impaired. In 2014, we recognized impairment charges of \$4.7 million for a coal tar distillation plant located in China. In 2013, we recognized impairment charges of \$11.9 million for three coal tar distillation plants located in the Netherlands, China and the United States. Significant negative industry or economic trends, disruptions to our business, unexpected significant changes or planned changes in use of the assets, divestitures and market capitalization declines may result in impairments to goodwill and other long-lived assets. Future impairment charges could significantly affect our results of operations in the periods recognized. Impairment charges would also reduce our shareholders' equity and could affect compliance with the covenants in our debt agreements.

We may not be able to compete successfully in any or all of the industry segments in which we operate.

The markets in which we operate are highly competitive, and this competition could harm our business, results of operations, cash flow and financial condition. If we are unable to respond successfully to changing competitive conditions, the demand for our products could be affected. We believe that the most significant competitive factor for our products is selling price. Some of our competitors have greater financial resources and larger capitalization than we do and, as a result, they may be better positioned to compete in a declining market.

Demand for our products is cyclical and we may experience prolonged depressed market conditions for our products.

Our products are sold primarily into markets which historically have been cyclical, such as the aluminum, specialty chemical and wood preservation markets.

- i The principal consumers of our carbon pitch are primary aluminum smelters. Although the aluminum industry has experienced growth on a long-term basis, there may be cyclical periods of weak demand which could result in decreased primary aluminum production. Our pitch sales have historically declined during such cyclical periods of weak global demand for aluminum.
- i The principal use of our phthalic anhydride is in the manufacture of plasticizers and flexible vinyl, which are used mainly in the housing and automobile industries. Therefore, a decline in remodeling and construction or global automobile production could reduce the demand for phthalic anhydride.
- i The principal use of our wood preservation chemicals is in the manufacture of treated lumber, which is used mainly for residential applications, such as wood decking, and also industrial applications, such as the treating of railroad crossties and utility poles. Therefore, a decline in remodeling and construction could reduce demand for wood preservation chemicals for residential applications and a decline in the capital spending requirements for railroads and utility companies could reduce demand for wood preservation chemicals for industrial applications.

We are dependent on major customers for a significant portion of our net sales, and the loss of one or more of our major customers could result in a significant reduction in our profitability as a whole or the profitability of a particular product.

Although no one customer accounts for more than 10 percent of our net sales, for the year ended December 31, 2014, our top ten customers accounted for approximately 37 percent of our net sales. The loss of a significant customer could have a material adverse effect on our business, cash flow and financial condition.

Our products may be rendered obsolete or less attractive by changes in regulatory, legislative or industry requirements.

Changes in regulatory, legislative or industry requirements may render certain of our products obsolete or less attractive. Our ability to anticipate changes in these requirements, especially changes in regulatory standards, will be a significant factor in our ability to remain competitive. We may not be able to comply in the future with new regulatory, legislative and/or industrial standards that may be necessary for us to remain competitive and certain of our products may, as a result, become obsolete or less attractive to our customers.

The development of new technologies or changes in our customers' products could reduce the demand for our products.

Our products are used for a variety of applications by our customers. Changes in our customers' products or processes may enable our customers to reduce consumption of the products we produce or make our products unnecessary. Customers may also find alternative materials or processes that no longer require our products.

Hazards associated with chemical manufacturing may cause suspensions or interruptions of our operations.

Due to the nature of our business, we are exposed to the hazards associated with chemical manufacturing and the related use, storage and transportation of raw materials, products and wastes in our manufacturing facilities and our distribution centers, such as fires, explosions and accidents that could lead to a suspension or interruption of operations. Any disruption could reduce the productivity and profitability of a particular manufacturing facility or of our company as a whole. Other hazards include the following:

- piping and storage tank leaks and ruptures;
- mechanical failure;
- exposure to hazardous substances; and
- chemical spills and other discharges or releases of toxic or hazardous wastes, substances or gases.

These hazards, among others, may cause personal injury and loss of life, damage to property and contamination of the environment, which could lead to government fines or work stoppage injunctions, cleanup costs and lawsuits by injured persons. While we are unable to predict the outcome of such matters, if determined adversely to us, we may not have adequate insurance to cover related costs or liabilities and, if not, we may not have sufficient cash flow to pay for such costs or liabilities. Such outcomes could harm our customer goodwill and reduce our profitability and could have a material adverse effect on our business, financial condition, cash flow and results from operations.

We are subject to extensive environmental laws and regulations and may incur significant costs as a result of continued compliance with, violations of or liabilities under environmental laws and regulations.

Like other companies involved in environmentally sensitive businesses, our operations and properties are subject to extensive federal, state, local and foreign environmental laws and regulations, including those concerning the following, among other things:

- the treatment, storage and disposal of wastes;
- the investigation and remediation of contaminated soil and groundwater;
- the discharge of effluents into waterways;

Table of Contents

- the emission of substances into the air;
- the marketing, sale, use and registration of our chemical products, such as creosote and MicroPro®;
- the European Union's regulation under the Registration Evaluation Authorization and Restriction of Chemicals, which requires manufacturers or importers of substances manufactured or imported into the EU in quantities of one tonne per year or more to register with a central European Chemicals Agency; and
- other matters relating to environmental protection and various health and safety matters.

We have incurred, and expect to continue to incur, significant costs to comply with environmental laws and regulations and as a result of remedial obligations. We could incur significant costs, including cleanup costs, fines, civil and criminal sanctions and claims by third parties for property damage and personal injury, as a result of violations of or liabilities under environmental laws and regulations. We accrue for environmental liabilities when a determination can be made that they are probable and reasonably estimable. Total environmental reserves at December 31, 2014 were \$7.8 million, which include provisions primarily for environmental fines and remediation. In addition, we incur significant annual operating expenses related to environmental matters and significant capital expenditures related to environmental control facilities. Contamination has been identified and is being investigated and remediated at many of our sites by us or other parties. We believe that we will have continuing significant expenditures associated with compliance with environmental laws and regulations and, to the extent not covered by insurance or available recoveries under third-party indemnification arrangements, for present and future remediation efforts at plant sites and third-party waste sites and other liabilities associated with environmental matters. There can be no assurance that these expenditures will not exceed current estimates and will not have a material adverse effect on our business, financial condition, cash flow and results of operations.

Actual costs and liabilities to us may exceed forecasted amounts. Moreover, currently unknown environmental issues, such as the discovery of additional contamination or the imposition of additional sampling or cleanup obligations with respect to our sites or third party sites, may result in significant additional costs, and potentially significant expenditures could be required in order to comply with future changes to environmental laws and regulations or the interpretation or enforcement thereof. We also are involved in various litigation and proceedings relating to environmental matters and toxic tort claims.

Future climate change regulation could result in increased operating costs and reduced demand for our products.

Although the United States has not ratified the Kyoto Protocol, a number of federal laws related to "greenhouse gas," or "GHG," emissions have been considered by Congress. Additionally, various federal, state and regional regulations and initiatives have been enacted or are being considered.

Member States of the European Union each have an overall cap on emissions which are approved by the European Commission and implement the EU Emissions Trading Directive as a commitment to the Kyoto Protocol. Under this Directive, organizations apply to the Member State for an allowance of GHG emissions. These allowances are tradable so as to enable companies that manage to reduce their GHG emissions to sell their excess allowances to companies that are not reaching their emissions objectives. Failure to purchase sufficient allowances will require the purchase of allowances at a current market price.

Any laws or regulations that may be adopted to restrict or reduce emissions of GHGs could cause an increase to our raw material costs, could require us to incur increased operating costs and could have an adverse effect on demand for our products.

Beazer East and Beazer Limited may not continue to meet their obligations to indemnify us.

Under the terms of the asset purchase agreement between us and Koppers Company, Inc. (now known as Beazer East, Inc.) upon the formation of KI in 1988, subject to certain limitations, Beazer East and Beazer Limited assumed the liability for and indemnified us against, among other things, certain clean-up liabilities for contamination occurring prior to the purchase date at sites acquired from Beazer East and certain third-party claims arising from such contamination (the "Indemnity"). Beazer East and Beazer Limited (which are indirect subsidiaries of Heidelberg Cement AG) may not continue to meet their obligations. In addition, Beazer East could in the future choose to challenge its obligations under the Indemnity or our satisfaction of the conditions to indemnification imposed on us thereunder. The government and other third parties may have the right under applicable environmental laws to seek relief directly from us for any and all such costs and liabilities. In July 2004, we entered into an agreement with Beazer East to amend the December 29, 1988 asset purchase agreement to provide, among other

things, for the continued tender of pre-closing environmental liabilities to Beazer East under the Indemnity through July 2019. As consideration for the agreement, we, among other things, paid Beazer East \$7.0 million and agreed to share toxic tort litigation defense costs arising from sites acquired from Beazer East. Qualified expenditures under the Indemnity are not subject to a monetary limit.

The Indemnity provides for the resolution of issues between KI and Beazer East by an arbitrator on an expedited basis upon the request of either party. The arbitrator could be asked, among other things, to make a determination regarding the allocation of environmental responsibilities between KI and Beazer East. Arbitration decisions under the Indemnity are final and binding on the parties. Periodically, issues have arisen between KI and Beazer East and/or other indemnitors that have been resolved without arbitration. From time to time, KI and Beazer East have engaged in discussions that involve, among other things, the allocation of environmental costs related to certain operating and closed facilities.

Without reimbursement under the Indemnity, the obligation to pay the costs and assume the liabilities relating to these matters would have a significant impact on our net income. Furthermore, without reimbursement, we could be required to record a contingent liability on our balance sheet with respect to environmental matters covered by the Indemnity, which could result in our having significant negative net worth. Finally, the Indemnity does not afford us indemnification against environmental costs and liabilities attributable to acts or omissions occurring after the closing of the acquisition of assets from Beazer East under the asset purchase agreement, nor is the Indemnity applicable to liabilities arising in connection with other acquisitions by us after that closing.

The insurance that we maintain may not fully cover all potential exposures.

We maintain property, casualty, general liability, workers' compensation, pollution legal liability and other insurance, but such insurance may not cover all risks associated with the hazards of our business and is subject to limitations, including deductibles and maximum liabilities covered. We may incur losses beyond the limits, or outside the coverage, of our insurance policies, including liabilities for environmental compliance and remediation. In addition, from time to time, various types of insurance for companies in our industry have not been available on commercially acceptable terms or, in some cases, have not been available at all. In the future, we may not be able to obtain coverage at current levels, and our premiums may increase significantly on coverage that we maintain.

Adverse weather conditions may reduce our operating results.

Our quarterly operating results fluctuate due to a variety of factors that are outside our control, including inclement weather conditions, which in the past have caused a decline in our operating results. For example, adverse weather conditions have at times negatively impacted our supply chain as wet conditions impacted logging operations, reducing our ability to procure crossties. In addition, adverse weather conditions have had a negative impact on our customers in our pavement sealer and wood preservation businesses, resulting in a negative impact on our sales of these products. Moreover, demand for many of our products declines during periods of inclement weather.

We are subject to risks inherent in foreign operations, including additional legal regulation, changes in social, political and economic conditions.

We have operations in the United States, Australia, China, the United Kingdom, New Zealand, South America, Canada and Denmark, among others, and sell our products in many foreign countries. For the year ended December 31, 2014 on a pro forma basis, net sales from products sold by our foreign subsidiaries accounted for approximately 40 percent of our total net sales.

Doing business on a global basis requires us to comply with the laws and regulations of the U.S. government and various international jurisdictions. These regulations place restrictions on our operations, trade practices and partners and investment decisions. In particular, our international operations are subject to U.S. and foreign anti-corruption laws and regulations, such as the Foreign Corrupt Practices Act, and economic sanction programs administered by the U.S. Treasury Department's Office of Foreign Assets Control. Violations of these laws and regulations may result in civil or criminal penalties, including fines.

In addition, as a global business, we are also exposed to market risks relating to fluctuations in interest rates and foreign currency exchange rates. Our international revenues could be reduced by currency fluctuations or devaluations. Changes in

[Table of Contents](#)

currency exchange rates could lower our reported revenues and could require us to reduce our prices to remain competitive in foreign markets, which could also reduce our profitability. We have not historically hedged our financial statement exposure and, as a result, we could incur unanticipated losses. We are also subject to potentially increasing transportation and shipping costs associated with international operations. Furthermore, we are also exposed to risks associated with changes in the laws and policies governing foreign investments in countries where we have operations as well as, to a lesser extent, changes in U.S. laws and regulations relating to foreign trade and investment.

Our strategy to selectively pursue complementary acquisitions may present unforeseen integration obstacles or costs.

Our business strategy includes the potential acquisition of businesses and entering into joint ventures and other business combinations that we expect would complement and expand our existing products and the markets where we sell our products. We may not be able to successfully identify suitable acquisition or joint venture opportunities or complete any particular acquisition, combination, joint venture or other transaction on acceptable terms. We cannot predict the timing and success of our efforts to acquire any particular business. Also, efforts to acquire other businesses or the implementation of other elements of this business strategy may divert managerial resources away from our business operations. In addition, our ability to engage in strategic acquisitions may depend on our ability to raise substantial capital and we may not be able to raise the funds necessary to implement our acquisition strategy on terms satisfactory to us, if at all. Our failure to identify suitable acquisition or joint venture opportunities may restrict our ability to grow our business. In addition, we may not be able to successfully integrate businesses that we acquire in the future or have recently acquired, which could lead to increased operating costs, a failure to realize anticipated operating synergies, or both.

Litigation against us could be costly and time-consuming to defend, and due to the nature of our business and products, we may be liable for damages arising out of our acts or omissions, which may have a material adverse effect on us.

We are a defendant in a significant number of lawsuits in which the plaintiffs claim they have suffered a variety of illnesses (including cancer) and/or property damage as a result of exposure to coal tar pitch, benzene, wood treatment chemicals and other chemicals. In addition, we are regularly subject to legal proceedings and claims that arise in the ordinary course of business, such as workers' compensation claims, governmental investigations, employment disputes, and customer and supplier disputes arising out of the conduct of our business. We also are involved in various litigation and proceedings relating to environmental matters. Litigation could result in substantial costs and may divert management's attention and resources away from the day-to-day operation of our business.

We are indemnified for certain product liability exposures under the Indemnity with Beazer East related to products sold prior to the closing of the acquisition of assets from Beazer East. Beazer East and Beazer Limited may not continue to meet their indemnification obligations. In addition, Beazer East could choose to challenge its indemnification obligations or our satisfaction of the conditions to indemnification imposed on us thereunder. If for any reason (including disputed coverage or financial incapability) one or more of such parties fail to perform their obligations and we are held liable for or otherwise required to pay all or part of such liabilities without reimbursement, the imposition of such liabilities on us could have a material adverse effect on our business, financial condition, cash flows and results of operations. Furthermore, we could be required to record a contingent liability on our balance sheet with respect to such matters, which could result in us having significant negative net worth.

Labor disputes could disrupt our operations and divert the attention of our management and may cause a decline in our production and a reduction in our profitability.

Many of our employees are represented by a number of different labor unions and are covered under numerous labor agreements. Every year, a number of labor agreements are scheduled to expire. We may not be able to reach new agreements without union action or on terms satisfactory to us. Any future labor disputes with any such unions could result in strikes or other labor protests, which could disrupt our operations and divert the attention of our management from operating our business. If we were to experience a strike or work stoppage, it may be difficult for us to find a sufficient number of employees with the necessary skills to replace these employees. Any such labor disputes could cause a decline in our production and a reduction in our profitability.

Our post-retirement obligations are currently underfunded. We may be required to make significant cash payments to our pension and other post-retirement plans, which will reduce the cash available for our business.

As of December 31, 2014, our benefit obligation under our defined benefit pension plans exceeded the fair value of plan assets by \$46.2 million. Our pension asset funding to total pension obligation ratio was 83 percent as of December 31, 2014. The underfunding was caused, in large part, by fluctuations in the financial markets that have caused the value of the assets in our defined benefit pension plans to be significantly lower than anticipated and by fluctuations in interest rates which increased the discounted pension liabilities. In addition, our obligations for other post-retirement benefit obligations are unfunded and total \$9.8 million at December 31, 2014.

During the years ended December 31, 2014 and December 31, 2013, we contributed \$15.1 million and \$22.5 million, respectively, to our post-retirement benefit plans. Management expects that any future obligations under our post-retirement benefit plans that are not currently funded will be funded from our future cash flow from operations. If our contributions to our post-retirement benefit plans are insufficient to fund the post-retirement benefit plans adequately to cover our future obligations, the performance of the assets in our pension plans does not meet our expectations or other actuarial assumptions or mandatory funding laws are modified, our contributions to our post-retirement benefit plans could be materially higher than we expect, thus reducing the cash available for our business.

We may incur significant charges in the event we close all or part of a manufacturing plant or facility.

We periodically assess our manufacturing operations in order to manufacture and distribute our products in the most efficient manner. Based on our assessments, we may make capital improvements to modernize certain units, move manufacturing or distribution capabilities from one plant or facility to another plant or facility, discontinue manufacturing or distributing certain products or close all or part of a manufacturing plant or facility, any of which could cause us to incur significant charges. The actual costs to close a manufacturing facility may exceed our original cost estimate and may have a material adverse effect on our financial condition, cash flow from operations and results from operations.

We depend on our senior management team and other key employees and the loss of these employees could adversely affect our business.

Our success is dependent on the management, experience and leadership skills of our senior management team and key employees. The loss of any of these individuals or an inability to attract, retain and maintain additional personnel with similar industry experience could prevent us from implementing our business strategy. We cannot assure you that we will be able to retain our existing senior management and key personnel or to attract additional qualified personnel when needed. Senior management or key personnel may retire from time to time, and our employment agreements with these individuals may expire from time to time.

We may be subject to information technology systems failures, network disruptions and breaches of data security.

We depend on integrated information systems to conduct our business. Information technology systems failures, including risks associated with upgrading our systems or in successfully integrating information technology and other systems in connection with the integration of businesses we acquire, network disruptions and breaches of data security could disrupt our operations by impeding our processing of transactions, our ability to protect customer or company information and our financial reporting. Our computer systems, including our back-up systems, could be damaged or interrupted by power outages, computer and telecommunications failures, computer viruses, internal or external security breaches, events such as fires, earthquakes, floods, tornadoes and hurricanes, and/or errors by our employees. Although we have taken steps to address these concerns, there can be no assurance that a system failure or data security breach will not have a material adverse effect on our financial condition and results of operations.

Risks Related to Our Common Stock

Our stock price may be extremely volatile.

There has been significant volatility in the market price and trading volume of equity securities, which is unrelated to the financial performance of the companies issuing the securities. These types of broad market fluctuations may negatively affect the market price of our common stock.

[Table of Contents](#)

Some specific factors that may have a significant effect on our common stock market price include the following:

- actual or anticipated fluctuations in our operating results or future prospects;
- the public's reaction to our press releases, our other public announcements and our filings with the Securities and Exchange Commission, (the "SEC");
- strategic actions by us or our competitors, such as acquisitions or restructurings;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- changes in accounting standards, policies, guidance, interpretations or principles;
- adverse conditions in the financial markets or general economic conditions, including those resulting from war, incidents of terrorism and responses to such events;
- sales of common stock by us, members of our management team or a significant shareholder;
- changes in stock market analyst recommendations or earnings estimates regarding our common stock, other comparable companies or the aluminum or railroad industry generally; and
- changes in our dividend policy or the elimination, reduction or suspension of our dividend.

We cannot predict the extent to which investor interest in our company will continue to support an active trading market for our common stock on the New York Stock Exchange (the "NYSE") or otherwise or how liquid that market will continue to be. If there does not continue to be an active trading market for our common stock, you may have difficulty selling any of our common stock that you buy.

Future sales, or the perception of future sales, of a substantial amount of our common stock may depress the price of the shares of our common stock.

Future sales, or the perception or the availability for sale in the public market, of substantial amounts of our common stock could adversely affect the prevailing market price of our common stock and could impair our ability to raise capital through future sales of equity securities at a time and price that we deem appropriate.

We may issue shares of our common stock, or other securities, from time to time as consideration for future acquisitions and investments. We may also issue shares of our common stock, or other securities, in connection with employee stock compensation programs and board of directors' compensation. In addition, we may issue shares of our common stock or other securities in public or private offerings as part of our efforts to raise additional capital. In the event any such acquisition, investment, issuance under stock compensation programs or offering is significant, the number of shares of our common stock or the number or aggregate principal amount, as the case may be, of other securities that we may issue may in turn be significant. We may also grant registration rights covering those shares or other securities in connection with any such acquisitions and investments. Any additional capital raised through the sale of our equity securities may dilute your percentage ownership in us.

We have suspended our dividend and do not expect to pay any dividends for the foreseeable future.

We are not required to pay dividends, and our shareholders are not guaranteed, and do not have contractual rights, to receive dividends. Our board of directors may decide at any time, in its discretion, to decrease the amount of dividends, otherwise change or revoke the dividend policy or discontinue entirely the payment of dividends. In February 2015 our board of directors determined to suspend our dividend in order to pay down debt and until the Carbon Materials and Chemicals business stabilizes. Accordingly, we do not anticipate that we will pay any dividends on shares of our common stock for the foreseeable future. Any determination to pay dividends in the future will be at the discretion of our Board of Directors and will depend upon results of operations, financial condition, contractual restrictions, restrictions imposed by applicable law and other factors our Board of Directors deems relevant.

The ability of Koppers Inc. and its subsidiaries to pay dividends or make other payments or distributions to us will depend on our operating results and may be restricted by, among other things, the covenants in Koppers Inc.'s revolving credit facility. Our ability to pay dividends is also limited by the indentures governing the Senior Notes as well as Pennsylvania law and may in the future be limited by the covenants of any future outstanding indebtedness we or our subsidiaries incur. If a dividend is paid in violation of Pennsylvania law, each director approving the dividend could be liable to the corporation if the director did not act

with such care as a person of ordinary prudence would use under similar circumstances. Directors are entitled to rely in good faith on information provided by employees of the corporation and experts retained by the corporation. Directors who are held liable would be entitled to contribution from any shareholders who received an unlawful dividend knowing it to be unlawful. Furthermore, we are a holding company with no operations, and unless we receive dividends, distributions, advances, transfers of funds or other payments from our subsidiaries, we will be unable to pay dividends on our common stock.

Provisions of our charter documents may inhibit a takeover, which could negatively affect our stock price.

Provisions of our charter documents and the Business Corporation Law of Pennsylvania, the state in which we are incorporated, could discourage potential acquisition proposals or make it more difficult for a third party to acquire control of our company, even if doing so might be beneficial to our shareholders. Our Amended and Restated Articles of Incorporation (our "Articles of Incorporation") and our Amended and Restated Bylaws (our "Bylaws") provide for various procedural and other requirements that could make it more difficult for shareholders to effect certain corporate actions. For example, our Articles of Incorporation authorize our board of directors to determine the rights, preferences, privileges and restrictions of unissued series of preferred stock without any vote or action by our shareholders. Our board of directors can therefore authorize and issue shares of preferred stock with voting or conversion rights that could adversely affect the voting or other rights of holders of our common stock. The following additional provisions could make it more difficult for shareholders to effect certain corporate actions:

- Our board of directors is classified into two classes until our annual meeting in May 2016.
- Our shareholders will be able to remove directors only for cause by the affirmative vote of the holders of a majority of the outstanding shares of our capital stock entitled to vote in the election of directors. Vacancies on our board of directors may be filled only by our board of directors.
- Under Pennsylvania law, cumulative voting rights are available to the holders of our common stock if our Articles of Incorporation have not negated cumulative voting. Our Articles of Incorporation provide that our shareholders do not have the right to cumulative votes in the election of directors.
- Our Articles of Incorporation do not permit shareholder action without a meeting by consent except for the unanimous consent of all holders of our common stock. The Articles of Incorporation also provide that special meetings of our shareholders may be called only by the board of directors or the chairman of the board of directors.
- Our Bylaws provide that shareholders seeking to nominate candidates for election as directors or to bring business before an annual meeting of shareholders must provide timely notice of their proposal in writing to the corporate secretary.

These provisions may discourage acquisition proposals and may make it more difficult or expensive for a third party to acquire a majority of our outstanding voting stock or may delay, prevent or deter a merger, acquisition, tender offer or proxy contest, which may negatively affect our stock price.

Risks Related to the Senior Notes and Other Indebtedness

We may not be able to generate sufficient cash to service all of our indebtedness, including the Senior Notes, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or to refinance our debt obligations depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We cannot assure you that we will maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness, including the Senior Notes.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure or refinance our indebtedness, including the Senior Notes. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. Our Senior Secured Credit Facilities, and the indenture governing the Senior Notes restrict our ability to dispose of assets and use the proceeds from the disposition. We may not be able to consummate those dispositions or to obtain the proceeds that we could realize from them and these proceeds may not be adequate to meet any debt service obligations then due.

[Table of Contents](#)

The covenants in Koppers Inc.'s revolving credit facility impose restrictions that may limit our ability to take certain actions. Our failure to comply with these covenants could result in the acceleration of our outstanding indebtedness.

Koppers Inc.'s revolving credit facility contains minimum fixed charge coverage and maximum leverage ratios. Additionally, the facility includes covenants limiting liens, mergers, asset sales, dividends and the incurrence of debt. Our ability to borrow under Koppers Inc.'s revolving credit facility will depend upon satisfaction of these covenants. Events beyond our control can affect our ability to meet those covenants.

If we are unable to meet the terms of our financial covenants, or if we break any of these covenants, a default could occur. A default, if not waived, would entitle our lenders to declare all amounts borrowed under it immediately due and payable, which could also cause the acceleration of obligations under certain other agreements. In the event of acceleration of our outstanding indebtedness, there can be no assurance that we would be able to repay our debt or obtain new financing to refinance our debt. Even if new financing is made available to us, it may not be on terms acceptable to us.

The Senior Notes are secured equally and ratably with our current and future secured indebtedness.

The Senior Notes are secured equally and ratably with all of our current secured indebtedness and any future secured indebtedness that we may incur to the extent of the assets securing such indebtedness. At December 31, 2014, we have a \$500.0 million secured revolving credit facility and a term loan of \$292.5 million. The revolving credit agreement and indenture governing the Senior Notes permit us to incur a substantial amount of additional indebtedness.

In the event of our insolvency, bankruptcy, liquidation, reorganization, dissolution or winding up, we may not have sufficient assets to pay amounts due on any or all of the Senior Notes then outstanding. Holders of the Senior Notes will participate ratably with the other secured indebtedness that are deemed to be of the same class as the Senior Notes, and potentially with all of our other general creditors, based upon the respective amounts owed to each holder or creditor, in our remaining assets. In any of the foregoing events, we cannot assure holders of our Senior Notes that there will be sufficient assets to pay amounts due on the Senior Notes.

We may not have the ability to raise the funds necessary to finance the change of control offer required by the indenture or may be prohibited from making a repurchase offer required by the indenture.

Upon the occurrence of certain specific kinds of change of control events, we will be required to offer to repurchase all outstanding Senior Notes at 101 percent of the principal amount thereof plus accrued and unpaid interest, if any, to the date of repurchase. The source of funds for that purchase of Senior Notes will be available cash or cash generated from Koppers Inc. or its subsidiaries operations or other potential sources, including borrowings, sales of assets or equity financing. It is possible that we will not have sufficient funds at the time of the change of control to make the required repurchase of Senior Notes or that restrictions in our other indebtedness will not allow such repurchases. In addition, certain important corporate events, such as leveraged recapitalizations that would increase the level of our indebtedness, would not constitute a change of control under the Senior Notes indenture.

Holders of Senior Notes may not be able to determine when a change of control giving rise to their right to have the Senior Notes repurchased by us has occurred following a sale of "substantially all" of our assets.

A change of control, as defined in the indenture governing the Senior Notes, requires us to make an offer to repurchase all outstanding Senior Notes. The definition of change of control includes a phrase relating to the sale, lease or transfer of "all or substantially all" of our assets. There is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, the ability of a holder of Senior Notes to require us to repurchase its Senior Notes as a result of a sale, lease or transfer of less than all of our assets to another individual, group or entity may be uncertain.

The claims of holders of Senior Notes will be structurally subordinated to claims of creditors of any of Koppers Inc.'s subsidiaries that do not guarantee the notes.

Only Koppers Holdings and the wholly-owned domestic restricted subsidiaries of Koppers Inc. guarantee the Senior Notes. The Senior Notes are not guaranteed by any of our non-U.S. subsidiaries. Subject to certain limitations, the indenture governing the Senior Notes permits the non-guarantor subsidiaries to acquire additional assets and incur additional indebtedness. Holders of Senior Notes would not have any claim as a creditor against any of the non-guarantor subsidiaries to the assets and earnings of those subsidiaries. The claims of the creditors of those subsidiaries, including their trade creditors, banks and other lenders, will

have priority over any of Koppers Inc.'s claims or those of Koppers Inc.'s other subsidiaries as equity holders of the non-guarantor subsidiaries. Consequently, in any insolvency, liquidation, reorganization, dissolution or other winding-up of any of the non-guarantor subsidiaries, creditors of those subsidiaries would be paid before any amounts would be distributed to Koppers Inc. or to any of the other guarantors as equity and thus be available to satisfy the obligations under the Senior Notes and the guarantees. Accordingly, there can be no assurance that any of the assets of the non-guarantor subsidiaries will be available to satisfy the obligations under the Senior Notes and the guarantees. In addition, Koppers Holdings has substantially no operations independent of Koppers Inc. and its subsidiaries, and there can be no assurance that Koppers Holdings will have any assets available to satisfy the obligations under its guarantee. As of December 31, 2014, the non-guarantor subsidiaries had approximately \$197 million of liabilities (including trade payables but excluding intercompany indebtedness).

Our subsidiaries that do not guarantee the Senior Notes accounted for approximately \$648 million, or 42 percent of our net sales and approximately \$7 million, or 21 percent of our operating profit, for the year ended December 31, 2014, and approximately \$534 million, or 41 percent of our total assets as of December 31, 2014. Amounts are presented after giving effect to intercompany eliminations.

Federal or state laws allow courts, under specific circumstances, to void debts, including guarantees, and could require holders of Senior Notes to return payments received from guarantors.

The Senior Notes are guaranteed by Koppers Holdings and the wholly-owned domestic restricted subsidiaries of Koppers Inc. If a bankruptcy proceeding or lawsuit were to be initiated by unpaid creditors, the Senior Notes and the guarantees of the Senior Notes could come under review for federal or state fraudulent transfer violations. Under federal bankruptcy law and comparable provisions of state fraudulent transfer laws, obligations under the Senior Notes or a guarantee of the Senior Notes could be voided, or claims in respect of the Senior Notes or a guarantee of the Senior Notes could be subordinated to all other debts of the debtor or that guarantor if, among other things, the debtor or the guarantor, at the time it incurred the debt evidenced by such Senior Notes or guarantee:

- ; received less than reasonably equivalent value or fair consideration for the incurrence of such debt or guarantee; and
- ; one of the following applies:
 - ; it was insolvent or rendered insolvent by reason of such incurrence;
 - ; it was engaged in a business or transaction for which its remaining assets constituted unreasonably small capital; or
 - ; it intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature.

In addition, any payment by the debtor or guarantor under the Senior Notes or guarantee of the Senior Notes could be voided and required to be returned to the debtor or guarantor, as the case may be, or deposited in a fund for the benefit of the creditors of the debtor or guarantor.

The measure of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a debtor or a guarantor would be considered insolvent if:

- ; the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all its assets;
- ; the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or
- ; it could not pay its debts as they become due.

We cannot be sure as to the standards that a court would use to determine whether or not a guarantor was solvent at the relevant time, or, regardless of the standard that the court uses, that the issuance of the guarantees of the Senior Notes would not be voided or subordinated to the guarantor's other debt. If a guarantee was legally challenged, it could also be subject to the claim that, because it was incurred for our benefit, and only indirectly for the benefit of the guarantor, the obligations of the guarantor were incurred for less than fair consideration. A court could thus void the obligations under a guarantee or subordinate a guarantee to a guarantor's other debt or take other action detrimental to holders of the Senior Notes.

The trading price of the Senior Notes may be volatile.

The trading price of the Senior Notes could be subject to significant fluctuations in response to, among other factors, changes in our operating results, interest rates, the market for non-investment grade debt securities, general economic conditions and securities analysts' recommendations, if any, regarding our securities.

[Table of Contents](#)

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

The following chart sets forth information regarding our production facilities. Generally, our production and port facilities are suitable and adequate for the purposes for which they are intended and overall have sufficient capacity to conduct business in the upcoming year.

<i>Primary Product Line</i>	<i>Location</i>	<i>Description of Property Interest</i>
Carbon Materials and Chemicals		
Carbon pitch	Clairton, Pennsylvania	Owned
Carbon pitch	Follansbee, West Virginia	Owned
Carbon pitch ^(a)	Jingtang, Hebei Province, China	Leased
Carbon pitch	Mayfield, New South Wales, Australia	Owned
Carbon pitch	Nyborg, Denmark	Owned/Leased
Carbon pitch ^(b)	Pizhou, Jiangsu Province, China	Leased
Carbon pitch	Port Clarence, United Kingdom	Owned
Carbon pitch	Portland, Oregon	Leased
Carbon pitch	Scunthorpe, United Kingdom	Owned
Carbon pitch, phthalic anhydride	Stickney, Illinois	Owned
Carbon pitch	Tangshan, Hebei Province, China	Leased
Railroad and Utility Products and Services		
Railroad crossties ^(c)	Ashcroft, British Columbia, Canada	Owned
Railroad crossties, utility poles	Bunbury, Western Australia, Australia	Owned/Leased
Railroad crossties	Denver, Colorado	Owned
Railroad crossties	Florence, South Carolina	Owned
Railroad crossties	Galesburg, Illinois	Leased
Utility poles	Grafton, New South Wales, Australia	Owned
Railroad crossties	Green Spring, West Virginia	Owned
Railroad crossties	Guthrie, Kentucky	Owned
Treated wood products ^(d)	Houston, Texas	Owned
Rail joint bars	Huntington, West Virginia	Leased
Utility poles	Longford, Tasmania, Australia	Owned
Railroad structures ^(d)	Madison, Wisconsin	Owned
Railroad crossties	Muncy, Pennsylvania	Owned
Railroad crossties	North Little Rock, Arkansas	Owned
Concrete crossties ^(e)	Portsmouth, Ohio	Owned
Railroad crossties	Roanoke, Virginia	Owned
Railroad crossties	Somerville, Texas	Owned
Pine products	Takura, Queensland, Australia	Leased
Performance Chemicals^(d)		
Wood preservation chemicals	Auckland, New Zealand	Owned
Wood preservation chemicals	Christchurch, New Zealand	Owned
Wood preservation chemicals	Darlington, United Kingdom	Owned
Wood preservation chemicals	Geelong, Victoria, Australia	Owned
Copper carbonate	Hubbell, Michigan	Leased
Wood preservation chemicals	Millington, Tennessee	Owned
Wood preservation chemicals	Mt. Gambier, South Australia, Australia	Owned
Wood preservation chemicals	Rock Hill, South Carolina	Owned

(a) Ownership percentage is 30 percent.

(b) Tar distillation production commenced August 2014.

(c) Acquired on January 20, 2014.

(d) Acquired on August 15, 2014.

(e) Ownership percentage is 50 percent.

Our corporate offices are located in leased office space in Pittsburgh, Pennsylvania. The lease term expires on December 31, 2023.

ITEM 3. LEGAL PROCEEDINGS

We are involved in litigation and various proceedings relating to environmental laws and regulations, toxic tort, product liability and other matters. An adverse outcome for certain of these cases could result in a material adverse effect on our business, cash flows and results of operations. The information related to legal matters set forth in Note 20 to the Consolidated Financial Statements of Koppers Holdings Inc. is hereby incorporated by reference.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

EXECUTIVE OFFICERS OF THE COMPANY

The following table sets forth the names, ages and positions of our and Koppers Inc.'s executive officers as of March 2, 2015. Our executive officers hold their positions until the annual meeting of the board of directors or until their respective successors are elected and qualified.

<i>Name</i>	<i>Age</i>	<i>Position</i>
Leroy M. Ball	46	President and Chief Executive Officer of Koppers Holdings Inc. and Koppers Inc.
James T. Dietz	58	Vice President, Global Business Services and Technology, Koppers Inc.
Joseph P. Dowd	54	Vice President, North American Carbon Materials and Chemicals, Koppers Inc.
Paul A. Goydan	68	Senior Vice President, Performance Chemicals, Koppers Inc.
Daniel R. Groves	48	Vice President, Human Resources, Koppers Inc.
Leslie S. Hyde	54	Vice President, Safety and Environmental Affairs, Koppers Inc.
Steven R. Lacy	59	Senior Vice President, Administration, General Counsel and Secretary, Koppers Holdings Inc. and Koppers Inc.
Thomas D. Loadman	60	Senior Vice President, Railroad Products and Services, Koppers Inc.
Mark R. McCormack	55	Vice President, Australasian Operations, Koppers Inc.
Christian A. Nielsen	52	Vice President, European Operations, Koppers Inc.
Markus G. Spiess	54	Vice President, Global Sales and Marketing, Global Carbon Materials and Chemicals, Koppers Inc.
James A. Sullivan	51	Senior Vice President, Global Carbon Materials and Chemicals, Koppers Inc.
Louann E. Tronsberg-Deihle	51	Treasurer, Koppers Holdings Inc. and Koppers Inc.
J. Robin Zhu	50	Vice President, China Operations, Koppers Inc.
Michael J. Zugay	63	Chief Financial Officer, Koppers Holdings Inc. and Koppers Inc.

Mr. Ball was elected President and Chief Executive Officer of Koppers Holdings Inc. and Koppers Inc. in January 2015. From May 2014 through December 2014, Mr. Ball served as Chief Operating Officer of Koppers Holdings Inc. and Koppers Inc. From May 2014 until August 2014, Mr. Ball served as both Chief Operating Officer and Chief Financial Officer of Koppers Holdings Inc. and Koppers Inc. He served as Vice President and Chief Financial Officer from September 2010 to May 2014. Prior to joining Koppers, Mr. Ball was Senior Vice President and Chief Financial Officer of Calgon Carbon Inc. (granular activated carbon products and treatment systems) since 2002.

Mr. Dietz was elected Vice President, Global Business Services and Technology of Koppers Inc., in May 2011 effective July 2011. He joined Koppers in 1995 and has held positions in operations and engineering. Most recently, he was Vice President, European Operations of Koppers Inc., from January 2007 through June 2011.

Mr. Dowd joined Koppers Inc. and was elected Vice President, North American Carbon Materials and Chemicals, Koppers Inc. effective July 2012. Prior to joining Koppers, Mr. Dowd was General Manager and Vice President of North American Recycling for Exide Technologies, Inc. (lead-acid battery manufacturing) from September 2010 to October 2011. Prior to that, Mr. Dowd was Global President and Chief Operating Officer of Silberline Manufacturing Co., Inc. (specialty chemicals) from March 2005 to October 2009.

[Table of Contents](#)

Mr. Goydan was elected Senior Vice President, Performance Chemicals, Koppers Inc. upon our acquisition of Osmose Inc. (wood preservation) on August 15, 2014. For the ten years prior to the acquisition, Mr. Goydan served as the President of Osmose Inc.

Mr. Groves joined Koppers Inc. and was elected Vice President, Human Resources in May 2011. Prior to joining Koppers Inc. in May 2011, Mr. Groves was Senior Vice President – HR Business Partner at PNC Financial Services Group, Inc. (financial services) from May 2010 to April 2011. From April 2007 to July 2009, Mr. Groves was Vice President – Human Resources at Highmark, Inc. (health insurance). Prior to that, Mr. Groves served as Director of Compensation and HRIS from March 2005 to April 2007 at Highmark, Inc.

Ms. Hyde was elected Vice President, Safety and Environmental Affairs of Koppers Inc. in January 2005. Prior to that, Ms. Hyde held the position of Manager, Environmental Department of Koppers Inc. since 1999.

Mr. Lacy was elected Senior Vice President, Administration, General Counsel and Secretary in November 2004 and has been Senior Vice President, Administration, General Counsel and Secretary of Koppers Inc. since January 2004. Mr. Lacy had previously been elected Vice President, Law and Human Resources and Secretary of Koppers Inc. in July 2002.

Mr. Loadman was elected Senior Vice President, Railroad Products and Services in February 2015. Mr. Loadman had previously served as Vice President, Railroad and Utility Products and Services of Koppers Inc. since May 2011. Prior to that, Mr. Loadman served as Vice President and General Manager, Railroad Products and Services of Koppers Inc. Since November 1994.

Mr. McCormack was elected Vice President, Australasian Operations of Koppers Inc. in May 2014. Prior to that, Mr. McCormack served as Vice President Australian Operations from November 2006 to May 2014. Mr. McCormack had been elected Vice President, Global Marketing, Sales and Development, Carbon Materials and Chemicals of Koppers Inc. in February 2002.

Mr. Nielsen was elected Vice President, European Operations of Koppers Inc. in February 2014. Prior to that, Mr. Nielsen served as Operations Manager, European Operations of Koppers Inc. from October 2010 to January 2014. From April 1998 to September 2010, Mr. Nielsen was Plant Manager of the Koppers Inc. facility in Nyborg, Denmark.

Mr. Spiess was elected Vice President, Global Sales and Marketing, Global Carbon Materials and Chemicals of Koppers Inc. in February 2011. Mr. Spiess had been Vice President, Global Supply, European Marketing and Sales, European Operations of Koppers Inc. since November 2007. From July 2007 through October 2007, Mr. Spiess was a Business Development Manager for L&M Rohstoffhandelsgesellschaft GmbH (ferroalloy and bulk trading). Prior to that, Mr. Spiess was the executive Vice President, Aromatics Division for Ruetgers Chemicals GmbH (coal tar distillation for chemical industry).

Mr. Sullivan was elected Senior Vice President, Global Carbon Materials & Chemicals, Koppers Inc. in April 2014. Mr. Sullivan had been elected Vice President of Business Development in June 2013. Prior to joining Koppers, from March 2012 through May 2013, Mr. Sullivan was Senior Vice President, Americas of Calgon Carbon Corporation (“Calgon Carbon”) (granulated activated carbon products and treatment systems). During January and February 2012, he was Vice President, Americas of Calgon Carbon and from March 2010 to January 2012, he was the Vice President of Operations of Calgon Carbon. Mr. Sullivan was Vice President, UV and Corporate Business Development of Calgon Carbon from July 2008 to March 2010.

Ms. Tronsberg-Deihle was elected Treasurer of Koppers Holdings Inc. and Koppers Inc. in August 2008. In July 2008, Ms. Tronsberg-Deihle was appointed as our Treasurer. Ms. Tronsberg-Deihle was the Assistant Treasurer and Risk Manager of WESCO Distribution Inc. (global provider of services and procurement solutions) from 1995 to June 2008.

Mr. Zhu was elected Vice President, China Operations of Koppers Inc. in February 2013. Mr. Zhu had previously been appointed Vice President, China Operations of Koppers Inc. in March 2011. Prior to that, Mr. Zhu served as Operations Manager, China Operations of Koppers Inc. from January 2010 to March 2011. From December 2007 to January 2010, Mr. Zhu served as General Manager of Koppers (China) Carbon & Chemical Co., Ltd.

Mr. Zugay was elected Chief Financial Officer of Koppers Holdings Inc. and Koppers Inc. in August 2014. Prior to joining Koppers, Mr. Zugay was Co-Chief Executive Officer for Michael Baker Corporation (engineering and other consulting services) from December 2012 to October 2013. Mr. Zugay served as Chief Financial Officer of Michael Baker Corporation from February 2009 to January 2014.

PART II

ITEM 5. MARKET FOR THE REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common shares are listed and traded on the NYSE under the symbol “KOP”.

The number of registered holders of Koppers common shares at January 31, 2015 was 71.

See Note 22 to the consolidated financial statements below for information concerning dividends and high and low market prices of our common shares during the past two years.

Dividend Policy

In 2006, our board of directors adopted a dividend policy that provided for quarterly dividends, payable at the discretion of our board of directors. Dividends will be considered if cash generated by our business is in excess of our expected cash needs. Our expected cash needs include operating expenses and working capital requirements, interest and principal payments on our indebtedness, capital expenditures, incremental costs associated with being a public company, taxes and certain other costs. On an annual basis we expect to pay dividends, if declared, with cash flow from operations, but, due to seasonal or other temporary fluctuations in cash flow, we may from time to time use temporary short-term borrowings to pay quarterly dividends.

We are not required to pay dividends, and our shareholders will not be guaranteed, or have contractual or other rights, to receive dividends. Our board of directors may decide, in its discretion, at any time, to decrease the amount of dividends, otherwise modify or repeal the dividend policy or discontinue entirely the payment of dividends. On February 26, 2015, we announced that our board of directors decided to suspend our quarterly cash dividend. As a result, no dividend was issued for the first quarter of fiscal 2015. We historically had issued a quarterly cash dividend of \$0.25 per share of our common stock every quarter for the past two fiscal years. We currently intend to use the annual cash savings from such dividend suspension to preserve financial flexibility while funding our strategic growth initiatives and debt repayments. Any future determination to declare and pay dividends will be made at the discretion of our board of directors, after taking into account our financial results, capital requirements and other factors it may deem relevant.

Because we are a holding company, substantially all the assets shown on our consolidated balance sheet are held by our subsidiaries. Accordingly, our earnings and cash flow and our ability to pay dividends are dependent upon the earnings and cash flows of our subsidiaries and the distribution or other payment of such earnings to us in the form of dividends. Our ability to pay dividends is restricted by limitations on the ability of our only direct subsidiary, Koppers Inc., to pay dividends, as a result of limitations imposed by Koppers Inc.’s credit agreement, the indenture governing Koppers Inc.’s Senior Notes and by Pennsylvania law. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Restrictions on Dividends to Koppers Holdings.”

Equity Compensation Plans

<i>Plan Category</i>	<i>Number of securities to be issued upon exercise of outstanding options, warrants and rights</i>	<i>Weighted-average exercise price of outstanding options, warrants and rights</i>	<i>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in first column)</i>
Equity compensation plans approved by security holders	921,369 ⁽¹⁾	\$ 17.82	976,773 ⁽²⁾

⁽¹⁾ Includes shares of our common stock that may be issued pursuant to outstanding options, time-based restricted stock units and performance-based restricted stock units awarded under our Amended and Restated 2005 Long Term Incentive Plan.

⁽²⁾ Includes shares of our common stock that remain available for issuance under our Amended and Restated 2005 Long Term Incentive Plan.

Issuer Purchases of Equity Securities

No shares were repurchased in the quarter ended December 31, 2014 under the current \$75 million share repurchase program approved in November 2011. The approximate dollar value of common shares that may yet be purchased under this program is \$52.8 million. The repurchase program has no expiration date.

[Table of Contents](#)

ITEM 6. SELECTED FINANCIAL DATA

The following table contains our selected historical consolidated financial data for the five years ended December 31, 2014. The selected historical consolidated financial data for each of the years ended December 31, 2014, 2013, 2012, 2011 and 2010 have been derived from our audited consolidated financial statements. This selected financial data should be read in conjunction with Koppers' Consolidated Financial Statements and related notes included elsewhere in this Annual Report on Form 10-K as well as Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations.

	<i>Year ended December 31,</i>				
	<i>2014</i>	<i>2013</i>	<i>2012</i>	<i>2011</i>	<i>2010</i>
<i>(Dollars in millions, except share and per share amounts)</i>					
Statement of Income Data:					
Net sales	\$1,555.0	\$1,478.3	\$1,555.0	\$1,466.2	\$1,190.5
Depreciation and amortization	44.0	29.7	27.6	26.9	24.8
Impairment and restructuring charges ⁽¹⁾	17.9	11.9	0.6	0.0	1.8
Operating profit	33.2	100.3	126.6	122.7	98.1
Interest expense	39.1	26.8	27.9	27.2	27.1
(Loss) income from continuing operations	(40.0)	40.2	67.3	57.5	44.6
Income (loss) from discontinued operations ⁽²⁾	0.6	(0.1)	(0.1)	(19.9)	0.1
Loss on sale of Koppers Arch ⁽³⁾	0.0	0.0	0.0	0.0	(0.2)
Net (loss) income ⁽⁴⁾	(39.4)	40.1	67.2	37.6	44.5
Net (loss) income attributable to Koppers	(32.4)	40.4	65.6	36.9	44.1
(Loss) Earnings Per Common Share Data:					
Basic – continuing operations	\$ (1.61)	\$ 1.96	\$ 3.18	\$ 2.75	\$ 2.14
Diluted – continuing operations	(1.61)	1.94	3.14	2.72	2.13
Weighted average common shares outstanding (in thousands):					
Basic	20,463	20,575	20,681	20,599	20,543
Diluted	20,463	20,815	20,927	20,833	20,676
Balance Sheet Data:					
Cash and cash equivalents ⁽⁵⁾	\$ 51.1	\$ 82.2	\$ 66.7	\$ 54.1	\$ 35.3
Total assets ⁽⁶⁾	1,293.9	784.9	780.0	730.7	669.2
Total debt ⁽⁶⁾	850.5	303.1	296.1	302.1	296.4
Other Data:					
Capital expenditures: ⁽⁷⁾	\$ 83.8	\$ 72.9	\$ 28.9	\$ 32.5	\$ 28.5
Cash dividends declared per common share	\$ 1.00	\$ 1.00	\$ 0.96	\$ 0.88	\$ 0.88

(1) Includes plant closure and severance costs totaling \$13.2 million related to the closure of the Company's coal tar distillation facility in Uithoorn, the Netherlands and fixed asset impairment charges totaling \$4.7 million related to the Company's coal tar distillation facility located in Tangshan China for the year ended December 31, 2014. Includes impairment charges of \$11.9 million primarily consisting of write-downs related facilities located in Uithoorn, the Netherlands; Tangshan, China; and Follansbee, West Virginia for the year ended December 31, 2013.

(2) In March 2012, we completed run-off activities at our closed carbon black facility located in Kurnell, Australia (the "carbon black facility"). The costs related to this closure totaled \$41.0 million in 2011. The carbon black facility's results of operations have been classified as a discontinued operation for all periods presented.

(3) In July 2007, we sold our 51 percent interest in Koppers Arch Investments Pty Limited and its subsidiaries ("Koppers Arch").

(4) Income tax expense for 2014 was impacted by \$24.3 million related to a legal entity restructuring project.

(5) Includes cash of discontinued operations.

(6) The August 15, 2014 Osmose entities acquisition materially affect the comparability of these amounts.

(7) Excludes capital expenditures of the carbon black facility, a discontinued operation, of \$0.7 million and \$1.4 million for the years ended December 31, 2011 and 2010.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

We are a leading integrated global provider of carbon compounds, chemicals and treated wood products and services. Our products and services are used in a variety of niche applications in a diverse range of end-markets, including the aluminum, railroad, specialty chemical, utility, rubber, concrete, steel, residential lumber and agricultural industries. We serve our customers through a comprehensive global manufacturing and distribution network, with manufacturing facilities located in North America, Australasia, China and Europe.

We operate three principal businesses: Carbon Materials and Chemicals ("CMC"), Railroad and Utility Products and Services ("RUPS") and Performance Chemicals ("PC").

Through our CMC business, we process coal tar into a variety of products, including carbon pitch, creosote, carbon black feedstock, naphthalene and phthalic anhydride, which are intermediate materials necessary in the production of aluminum, the pressure treatment of wood, the production of carbon black, the production of high-strength concrete, and the production of plasticizers and specialty chemicals, respectively. Through our RUPS business, we believe that we are the largest supplier of railroad crossties to the North American railroads. Our other treated wood products include utility poles for the electric and telephone utility industries in Australia. We also provide rail joint bar products as well as various services to the railroad industry. Through our PC business, we believe that we are the global leader in developing, manufacturing and marketing wood preservation chemicals and wood treatment technologies for use in pressure treating lumber for residential, industrial and agricultural applications.

On August 15, 2014, we completed the acquisition of the wood preservation and railroad services businesses (the "Osmoste Entities") of Osmoste Holdings, Inc. ("Osmoste"). The majority of the wood preservation business is now known as Performance Chemicals. We believe that Performance Chemicals is the global leader in developing, manufacturing and marketing wood preservation chemicals and wood treatment technologies. The business has operations and sales in North America, South America, Europe and Australasia, and accounted for approximately \$350 million of the revenue for the Osmoste Entities in 2013. This business serves a diverse range of end-markets including infrastructure, residential and commercial construction, and agriculture. The wood preservation business includes approximately \$16 million of revenue related to a wood treating facility located in Houston, Texas that is part of our RUPS segment.

The railroad services business is now known as Koppers Railroad Structures. We believe that Koppers Railroad Structures is a leading provider of railroad infrastructure services, including bridge inspection, engineering, maintenance and repair, and construction services for the Class I and shortline railroads in North America. The business accounted for approximately \$40 million of revenue for the Osmoste Entities in 2013.

The aggregate cash purchase price for the Osmoste Entities was \$494.1 million. Revenues for the Osmoste Entities in 2013 were approximately \$390 million. Net sales from the Osmoste Entities from August 15, 2014 to December 31, 2014 amounted to \$144.4 million. The acquisition is expected to add more than \$400 million of sales at EBITDA margins that are expected to be above our target level of 12 percent.

In January 2014, we completed the acquisition of a crosstie treating plant in Ashcroft, British Columbia, Canada from Tolko Industries, Inc. for a purchase price of \$29.8 million. The facility, provided \$29.2 million in revenue in 2014 and gives Koppers an operating presence in the Canadian railroad market.

In October 2012 we entered into an agreement with Nippon Steel and Sumikin Chemical ("Nippon") and several other entities to develop and construct a fully integrated coal tar based carbon products complex in Pizhou City, Jiangsu Province, China. The complex includes a 300,000 metric ton tar distillation facility which is majority-owned by Koppers, as well as a carbon black plant and a needle coke plant that will be owned by Nippon. A significant portion of the products produced at the tar distillation plant will be sold under a long-term contract with Nippon to supply their carbon black and needle coke plants. The construction of the tar distillation plant has been completed. The construction of the carbon black and needle coke plants has been substantially completed and is in the process of obtaining operating permits. We will be selling all of our production from the new facility into the domestic Chinese market until the carbon black and needle coke facilities are fully operational, which is estimated to occur near the end of 2015.

[Table of Contents](#)

In October 2013, we were informed by the Tangshan Government of its intention to close the coke batteries owned and operated by our joint venture partner, Tangshan Iron and Steel Group Co., Ltd ("TISCO"), in Tangshan, China. The Tangshan Government has ordered the closure of these coke batteries in an effort to improve the air quality in the Tangshan area. One of TISCO's two coke batteries shut down in March 2014 and we had previously been informed that the other coke battery adjacent to Koppers (China) Carbon & Chemical Company Limited ("KCCC") was scheduled to be shut down by the end of 2014. The date of the estimated shutdown is not firm, and we have recently been informed by TISCO that the shutdown of their operating coke battery adjacent to KCCC may not occur for 12 to 18 months. Our 60 percent owned subsidiary, KCCC, is located adjacent to TISCO's coke facility and relies on its operations for a significant portion of raw material supply, utilities and other shared services. Closure of the TISCO coke batteries directly impacts KCCC's ability to operate its coal tar distillation plant and we have determined that KCCC is unable to continue coal tar distillation activities at the site once TISCO ceases production activities at the adjacent facility. However, we may decide to close KCCC prior to the shut down of TISCO's coke batteries. We are continuing to evaluate our options, which in addition to closure include transitioning to a new location or entering into other strategic partnerships with other unrelated coal tar distillation companies. As of December 31, 2014, substantially all of the net book value of fixed assets subject to impairment has been depreciated.

We believe we will be able to continue fulfilling current domestic Chinese customers' demands and our export commitments with capacity at Koppers (Jiangsu) Carbon Chemical Company Limited ("KJCC"), which commenced production activities in August 2014, TKK, our 30 percent owned Chinese subsidiary, and through other commercial relationships in China. However, our margin on export sales may be negatively affected as a result of these actions.

Outlook

Trend Overview

Our businesses and results of operations are impacted by various competitive and other factors including (i) the impact of global economic conditions on demand for our products, including the impact of imported products from competitors in certain regions where we operate; (ii) raw materials pricing and availability, in particular the cost and availability of hardwood lumber for railroad crossties, and the cost and amount of coal tar available in global markets, which is negatively affected by reductions in steel production and increases in scrap copper prices; (iii) volatility in oil prices, which impacts the cost of coal tar and certain other raw materials, as well as selling prices and margins for certain of our products including carbon black feedstock, phthalic anhydride, and naphthalene; (iv) competitive conditions in global carbon pitch markets; and (v) changes in foreign exchange rates.

The availability of coal tar is linked to levels of metallurgical coke production. As the global steel industry has reduced production of steel and metallurgical coke, the volumes of coal tar, a by-product of metallurgical coke production, have also been reduced. Our ability to obtain coal tar and the price we are able to negotiate has a significant impact on the level of profitability of our business. Many of our sales contracts include provisions that allow for price increases based on increases in the price of raw materials, which has allowed us to generally maintain profit dollars in our core businesses. However, significant increases in raw material costs can result in margin dilution if only the increased cost of the raw material is passed on to the customer. Additionally, in certain regions such as China that have competing markets for coal tar, or in regions where the available supply of our products exceeds demand, we may not be able to recover raw material cost increases in the selling prices for our end products.

The primary product produced by CMC is carbon pitch, which is sold primarily to the aluminum industry to be used in the production of carbon anodes. The smelting of aluminum requires significant amounts of energy, which is a major cost component for the aluminum industry. As a result, new production facilities are being built in regions with low energy costs such as the Middle East, while regions with higher energy costs such as the United States, Australia and Western Europe have seen significant amounts of smelting capacity idled or closed over the last several years. Our operations in China have generally had lower profit margins than our operations in the mature regions due to a difficult pricing environment in the Middle East and in China as those regions have experienced an excess supply of pitch.

Our businesses and results of operations were also negatively affected in 2012, 2013 and 2014 by difficult economic conditions in Europe. Certain key end markets experienced significant reductions in demand that have negatively affected the profitability for most of our products produced and sold in Europe, and we expect this to continue for at least the foreseeable future. Additionally, during 2013 and 2014 our profitability in North America has been negatively impacted by increased levels of imports from competitors in Europe due to weak end-market demand there. The geographic shift in end market demand over the past several years has resulted in a trend of declining utilization rates in North America and Europe over that same period.

As a result we have embarked on a plan to restructure our CMC operating footprint that we expect will eventually reduce the number of coal tar distillation facilities serving North America and Europe from the six that were in operation at the end of 2013 to three in total. The closure of the first facility occurred in April 2014 as we ceased distillation in Uithoorn, the Netherlands. The reduction in operating capacity resulted in charges to pre-tax earnings of \$27.7 million in the year ended December 31, 2014 and \$9.5 million for the year ended December 31, 2013. There may be additional curtailments or closures at our other facilities as part of our efforts to reduce our cost structure and improve capacity utilization in our businesses.

Several of our products, particularly carbon black feedstock and phthalic anhydride, have end market pricing that is linked to oil. Historically, when oil prices increase we have benefited in terms of revenues and profitability from the higher pricing for these products as the cost of coal tar has not increased proportionally with oil. Conversely, the recent significant decline in oil prices has resulted in lower selling prices and profitability for carbon black feedstock, phthalic anhydride and naphthalene, which are products produced and sold by our CMC segment. However, a significant portion of our coal tar is also impacted by the price of oil, which has resulted in lower raw material and finished product costs for certain regions that will partially offset the negative impact from lower product prices.

The primary end-market for RUPS is the North American railroad industry, which has a large installed base of wood crossties that require periodic replacement. As a result, our sales volumes for crossties and our operating results for this business have historically been relatively stable. However, our railroad business can be negatively affected by weather conditions that make it difficult for sawmills that provide our raw material to harvest timber. Additionally, some of our Class I railroad customers, who make up the largest portion of our business, may reduce inventory levels at certain times to manage working capital, which can adversely affect our volumes and profitability during certain periods.

In the second half of 2013 and first half of 2014 we experienced reduced purchases of untreated crossties due to increased competition from other hardwood lumber products. This competition has resulted in higher prices and reduced availability for crossties which resulted in lower crossties sales volumes in 2014. Hardwood availability and crosstie production began to improve in the second half of 2014 and we expect this improvement to continue throughout 2015.

The primary end-market for the wood treating chemicals sold by our PC business is the residential remodeling market, which is influenced by existing home sales and consumer spending on remodeling projects. As most of the products sold by PC are copper-based products, changes in the price and availability of copper can have a significant impact on product pricing and margins.

Seasonality and Effects of Weather on Operations

Our quarterly operating results fluctuate due to a variety of factors that are outside of our control, including inclement weather conditions, which in the past have affected operating results. Operations at some of our facilities have at times been reduced during the winter months. Moreover, demand for some of our products declines during periods of inclement weather. As a result of the foregoing, we anticipate that we may experience material fluctuations in quarterly operating results. Historically, our operating results have been significantly lower in the first and fourth calendar quarters as compared to the second and third calendar quarters.

Results of Operations – Comparison of Years Ended December 31, 2014 and December 31, 2013

Consolidated Results

Net sales for the years ended December 31, 2014 and 2013 are summarized by segment in the following table:

	Year Ended December 31,		Net Change
	2014	2013	
<i>(Dollars in millions)</i>			
Carbon Materials and Chemicals	\$ 833.7	\$ 906.1	-8%
Railroad and Utility Products and Services	597.8	572.2	+4%
Performance Chemicals	123.5	0.0	N/A
	\$1,555.0	\$1,478.3	+5%

[Table of Contents](#)

Carbon Materials and Chemicals net sales for the year ended December 31, 2014 decreased by \$72.4 million or eight percent. Lower sales volumes and prices for pitch decreased sales by five percent over the prior year due to lower sales volumes in North America as a result of lower aluminum production, combined with lower pricing in all regions due to competitive conditions. Sales for distillates reduced sales by one percent over the prior year as lower sales prices for carbon black feedstock were partially offset by higher sales volumes for carbon black feedstock from our Chinese operations due to incremental sales from KJCC which began production in August 2014. Sales for coal tar chemicals were flat as higher sales volumes increased sales by two percent driven by incremental sales volumes of naphthalene from KJCC combined with higher sales volumes for phthalic anhydride but were offset by lower sales prices for phthalic anhydride and naphthalene as a result of lower oil prices. Foreign currency translation reduced sales by one percent over the prior year as a result of the strong U.S. dollar.

Railroad and Utility Products and Services net sales for the year ended December 31, 2014 increased by \$25.6 million or four percent as incremental sales from the Osmose acquisition in August 2014 and the Ashcroft acquisition in January 2014 more than offset lower sales for railroad crossties and utility poles. Sales of crossties reduced sales by three percent as lower sales volumes due to reduced raw material availability were partially offset by higher sales prices. Sales of utility poles reduced sales by two percent mainly as a result of lower sales volumes from Australian operations which were negatively impacted by wet weather conditions.

Performance Chemicals net sales for the year ended December 31, 2014 were \$123.5 million. This segment was formed from the Osmose acquisition which closed in August 2014. Sales for this business, which produces various copper-based wood preservatives used in decking, fencing and other residential, commercial, and agricultural applications, are driven primarily by residential remodeling and existing home sales.

Cost of sales as a percentage of net sales was 86 percent for the year ended December 31, 2014, the same as in the prior year, as significant restructuring costs were incurred in both years. Overall, cost of sales decreased by \$79.0 million when compared to the prior year as the positive impact of acquisitions and the new joint venture in China more than offset lower crosstie purchases for RUPS and lower sales prices and volumes for CMC.

Depreciation and amortization charges for the year ended December 31, 2014 were \$14.3 million higher when compared to the prior year due mainly to \$9.7 million of depreciation and amortization from the Osmose and Ashcroft acquisitions and the new plant in China.

Impairment and restructuring charges for the year ended December 31, 2014 were \$6.0 million higher when compared to the prior year due mainly to higher charges related to our CMC facilities located in Uithoorn, the Netherlands, and Tangshan, China.

Selling, general and administrative expenses for the year ended December 31, 2014 were \$44.5 million higher when compared to the prior year due primarily to the Osmose acquisition and related integration costs.

Interest expense for the year ended December 31, 2014 was \$12.3 million higher when compared to the prior year due mainly to debt incurred to finance the Osmose acquisition.

Income taxes for the year ended December 31, 2014 were \$2.7 million lower when compared to the prior year period. Our effective income tax rate for the year ended December 31, 2014 was (578.0) percent as compared to 47.8 percent in the prior year. The change in the effective income tax rate is due to the one-time tax charges of \$24.3 million that are related to the legal entity restructuring project that we completed at the end of 2014. Additionally, the effective tax rate was negatively affected by the non-deductibility of certain expenses related to the pending closure of the Uithoorn facility, the impairment of KCCC's coal tar distillation facility and the inability to record a tax benefit on pre-tax losses of certain foreign subsidiaries. These items are partially offset by a tax benefit of \$6.0 million due to management's decision that a deferred tax liability for certain undistributed earnings of its European subsidiaries was no longer necessary as these earnings are permanently reinvested.

Segment Results

Segment operating profit for the years ended December 31, 2014 and 2013 is summarized by segment in the following table:

	<i>Year Ended December 31,</i>		<i>% Change</i>
	<i>2014</i>	<i>2013</i>	
<i>(Dollars in millions)</i>			
Operating (loss) profit:			
Carbon Materials and Chemicals	\$ (5.3)	\$ 43.9	-112%
Railroad and Utility Products and Services	53.6	58.3	-8%
Performance Chemicals	1.6	0.0	N/A
Corporate	(16.7)	(1.9)	-779%
	\$ 33.2	\$100.3	-67%
Operating (loss) profit as a percentage of net sales:			
Carbon Materials and Chemicals	(0.6)%	4.8%	-5.4%
Railroad and Utility Products and Services	9.0%	10.2%	-1.2%
Performance Chemicals	1.3%	N/A	N/A
	2.1%	6.8%	-4.7%

Carbon Materials and Chemicals operating profit for the year ended December 31, 2014 decreased by \$49.2 million compared to the prior year. CMC operating profit as a percent of sales decreased to (0.6) percent from 4.8 percent in the prior year due mainly to lower sales volumes and prices for carbon pitch combined with lower sales prices for phthalic anhydride, carbon black feedstock and naphthalene due to lower oil prices.

Railroad and Utility Products and Services operating profit for the year ended December 31, 2014 decreased by \$4.7 million or eight percent compared to the prior year. Operating profit as a percentage of sales decreased to 9.0 percent from 10.2 percent in the prior year due to reduced sales volumes for railroad crossties driven by lower raw material availability.

Performance Chemicals operating profit for the year ended December 31, 2014 amounted to \$1.6 million or 1.3 percent of sales from the closing of the Osmoste acquisition at August 15, 2014 through December 31, 2014 Amortization as a result of purchase accounting and inventory revaluations reduced operating profit by \$3.5 million. Additionally, profitability was negatively impacted due to normal seasonality for residential construction.

Results of Operations – Comparison of Years Ended December 31, 2013 and December 31, 2012

Consolidated Results

Net sales for the years ended December 31, 2013 and 2012 are summarized by segment in the following table:

	<i>Year Ended December 31,</i>		<i>Net Change</i>
	<i>2013</i>	<i>2012</i>	
<i>(Dollars in millions)</i>			
Carbon Materials and Chemicals	\$ 906.1	\$ 999.7	-9%
Railroad and Utility Products and Services	572.2	555.3	+3%
	\$1,478.3	\$1,555.0	-5%

Carbon Materials and Chemicals net sales for the year ended December 31, 2013 decreased by \$93.6 million or nine percent. Lower sales volumes and prices for carbon pitch decreased sales by six percent over the prior year driven by depressed market conditions in Europe, a low pricing environment in Middle East markets, and smelter closures in Europe and Australia that occurred during 2012. Sales volumes for coal tar chemicals decreased sales by three percent driven by lower sales volumes

[Table of Contents](#)

for phthalic anhydride in the United States and lower sales volumes for naphthalene in Europe. The reduced sales volumes for phthalic anhydride were due mainly to a customer plant closure, lower demand from plasticizer markets due to substitute products, and increased levels of imports from Europe.

Railroad and Utility Products and Services net sales for the year ended December 31, 2013 increased by \$16.9 million or three percent. Sales volumes and prices for utility poles increased sales by five percent mainly due to the acquisition of a utility pole business in Australia in November 2012, which more than offset a reduction in sales volumes for untreated crossties of one percent due to competitive hardwood lumber markets.

Cost of sales as a percentage of net sales was 86 percent for the year ended December 31, 2013 compared to 85 percent in the prior year due to \$6.2 million of charges for restructuring and tank cleaning costs in 2013. Overall, cost of sales decreased by \$59.9 million when compared to the prior year period due primarily to lower sales volumes and prices for CMC.

Depreciation and amortization and Impairment charges for the year ended December 31, 2013 were \$13.4 million higher combined when compared to the prior year due mainly to \$12.0 million of impairment charges related to our CMC facilities located in Tangshan, China, Uithoorn, The Netherlands, Follansbee, West Virginia, and Portland, Oregon.

Selling, general and administrative expenses for the year ended December 31, 2013 were \$3.9 million lower when compared to the prior year period due primarily to lower compensation-related expenses.

Interest expense for the year ended December 31, 2013 was \$1.1 million lower when compared to the prior year period reflecting lower average debt levels in 2013.

Income taxes for the year ended December 31, 2013 were \$3.5 million higher when compared to the prior year period. Our effective income tax rate for the year ended December 31, 2013 was 47.8 percent as compared to 33.1 percent in the prior year. The increase in the effective income tax rate is due to the non-deductibility of \$11.0 million of impairment expenses in Europe and China for 2013 combined with the favorable impact in 2012 of tax benefits related to foreign tax credits and domestic manufacturing deductions totaling \$1.6 million and the recognition of certain state tax net operating loss carryforwards related to prior tax years of \$1.5 million.

Segment Results

Segment operating profit for the years ended December 31, 2013 and 2012 is summarized by segment in the following table:

	<i>Year Ended December 31,</i>		<i>% Change</i>
	<i>2013</i>	<i>2012</i>	
<i>(Dollars in millions)</i>			
Operating profit:			
Carbon Materials and Chemicals	\$ 43.9	\$ 83.1	-47%
Railroad and Utility Products and Services	58.3	45.1	+29%
Corporate	(1.9)	(1.6)	-19%
	\$100.3	\$126.6	-21%
Operating profit as a percentage of net sales:			
Carbon Materials and Chemicals	4.8%	8.3%	-3.5%
Railroad and Utility Products and Services	10.2%	8.1%	+2.1%
	6.8%	8.1%	-1.3%

Carbon Materials and Chemicals operating profit for the year ended December 31, 2013 decreased by \$39.2 million or 47 percent compared to the prior year. CMC operating profit as a percent of sales decreased to 4.8 percent from 8.3 percent in the prior year due mainly to \$16.5 million of restructuring and tank cleaning charges combined with lower sales volumes and prices for carbon pitch, lower sales volumes for phthalic anhydride, and lower capacity utilization, which more than offset \$3.9 million of certain items recognized in 2012 that did not recur in 2013 including an increase in our allowance for doubtful accounts due to a customer collection issue in Europe, costs related to a pitch tank leak in Australia, and charges related to a plant outage in The Netherlands, partially offset by a refund resulting from a supplier audit of material transport weights.

Railroad and Utility Products and Services operating profit for the year ended December 31, 2013 increased by \$13.2 million or 29 percent. Operating profit as a percentage of sales increased to 10.2 percent from 8.1 percent in the prior year due to a favorable product mix for railroad crossties combined with higher profitability and margins from our utility pole business in Australia mainly as a result of the acquisition of the Western Pole business in November 2012.

Cash Flow

Net cash provided by operating activities was \$35.5 million for the year ended December 31, 2014 as compared to net cash provided by operating activities of \$117.6 million for the year ended December 31, 2013. The reduction in cash provided by operating activities was driven by lower net income in 2014 combined with an increase in inventory related to railroad crossties. The increase in inventory of \$14 million was mainly a result of increased availability for crossties as we are in the process of rebuilding inventories that were at historically low levels due to reduced crosstie availability over the past couple years driven by the shifting of sawmill production to the competing housing and crane mat markets.

Net cash provided by operating activities was \$117.6 million for the year ended December 31, 2013 as compared to net cash provided by operating activities of \$77.8 million for the year ended December 31, 2012. Net working capital changes provided \$29.4 million in cash in 2013 as compared to net working capital uses of \$21.2 million in 2012. The decrease in working capital requirements in 2013 was due primarily to reductions in inventory providing \$21.6 million in cash as a result of lower availability for crossties compared to cash used for inventories in 2012 of \$26.5 million. Crosstie availability was reduced due to the shifting of sawmill production to the competing housing and crane mat markets due to higher demand and significantly increased hardwood lumber prices.

Net cash used in investing activities was \$580.0 million for the year ended December 31, 2014 as compared to net cash used in investing activities of \$72.3 million for the year ended December 31, 2013 due mainly to the Osmose acquisition.

Net cash used in investing activities was \$72.3 million for the year ended December 31, 2013 as compared to net cash used in investing activities of \$39.9 million for the year ended December 31, 2012 due mainly to expenditures of approximately \$37 million in 2013 for the construction of our tar distillation facility in Jiangsu Province in China.

Net cash provided by financing activities was \$516.1 million for the year ended December 31, 2014 as compared to net cash used in financing activities of \$30.3 million for the year ended December 31, 2013. The increase in cash used for financing activities was principally due to new debt financing related to the Osmose acquisition which closed in August 2014.

Net cash used in financing activities was \$30.3 million for the year ended December 31, 2013 as compared to net cash used in financing activities of \$27.3 million for the year ended December 31, 2012. The increase in cash used in financing activities was principally due to an increase in stock repurchases of \$9.4 million which more than offset an increase in borrowings totaling \$6.6 million for the year ended December 31, 2013.

Dividends paid were \$20.4 million for the year ended December 31, 2014 as compared to dividends paid of \$21.1 million for the year ended December 31, 2013. The decrease in dividends paid reflects of a dividend from our KCCC joint venture in China in 2013 to its non-controlling shareholder.

Liquidity and Capital Resources

Restrictions on Dividends to Koppers Holdings

Koppers Holdings depends on the dividends from the earnings of Koppers Inc. and its subsidiaries to generate the funds necessary to meet its financial obligations, including the payment of any declared dividend of Koppers Holdings. Koppers Inc.'s credit agreement prohibits it from making dividend payments to us unless (1) such dividend payments are permitted by the indenture governing Koppers Inc.'s Senior Notes and (2) no event of default or potential default has occurred or is continuing under the credit agreement. The indenture governing Koppers Inc.'s Senior Notes restricts its ability to finance our payment of dividends if (1) a default has occurred or would result from such financing, (2) a restricted subsidiary of Koppers Inc. which is not a guarantor under the indenture is not able to incur additional indebtedness (as defined in the indenture), and (3) the sum of all restricted payments (as defined in the indenture) have exceeded the permitted amount (which we refer to as the "basket") at such point in time.

[Table of Contents](#)

The basket is governed by a formula based on the sum of a beginning amount, plus or minus a percentage of Koppers Inc.'s consolidated net income (as defined in the indenture), plus the net proceeds of Koppers Inc.'s qualified stock issuance or conversions of debt to qualified stock, plus the net proceeds from the sale of or a reduction in an investment (as defined in the indenture) or the value of the assets of an unrestricted subsidiary which is designated a restricted subsidiary. At December 31, 2014 the basket totaled \$201.3 million. Notwithstanding such restrictions, the indenture governing Koppers Inc.'s Senior Notes permits an additional aggregate amount of \$20.0 million each fiscal year to finance dividends on the capital stock of Koppers Holdings, whether or not there is any basket availability, provided that at the time of such payment, no default in the indenture has occurred or would result from financing the dividends.

In addition, certain required coverage ratios in Koppers Inc.'s revolving credit facility may restrict the ability of Koppers Inc. to pay dividends. See "—Debt Covenants."

Liquidity

The Koppers Inc. revolving credit facility agreement provides for a senior secured revolving credit facility of up to \$500.0 million and a senior secured term loan of up to \$300.0 million at variable interest rates. Borrowings under the revolving credit facility are secured by a first priority lien on substantially all of the assets of Koppers Inc. and its material domestic subsidiaries. The revolving credit facility contains certain covenants for Koppers Inc. and its restricted subsidiaries that limit capital expenditures, additional indebtedness, liens, dividends and investments or acquisitions. In addition, such covenants give rise to events of default upon the failure by Koppers Inc. and its restricted subsidiaries to meet certain financial ratios.

As of December 31, 2014, we had \$113.5 million of unused revolving credit availability for working capital purposes after restrictions by various debt covenants and certain letter of credit commitments. As of December 31, 2014, \$61.5 million of commitments were utilized by outstanding letters of credit.

The following table summarizes our estimated liquidity as of December 31, 2014 (*dollars in millions*):

Cash and cash equivalents ⁽¹⁾	\$ 51.1
Amount available under revolving credit facility	113.5
Amount available under other credit facilities	0.8
Total estimated liquidity	\$165.4

(1) Cash includes approximately \$50 million held by foreign subsidiaries, which if repatriated to the United States, would incur an estimated cash tax cost of approximately \$13 million, exclusive of intercompany loan repayments.

Our estimated liquidity was \$451.4 million at December 31, 2013. The decrease in estimated liquidity is due primarily to lower cash and borrowings to finance the acquisition of the wood preservation and railroad services businesses of Osrose and the construction of a coal tar distillation facility in China.

Our need for cash in the next twelve months relates primarily to contractual obligations which include debt service, purchase commitments and operating leases, as well as working capital, capital maintenance programs, the funding of our new coal tar distillation facility in China, and mandatory defined benefit plan funding. We may also use cash to pursue potential strategic acquisitions. Capital expenditures in 2015, excluding acquisitions, are expected to total approximately \$45 million. Construction of the Company's new coal tar distillation facility in China was completed in August 2014.

In January 2015, Koppers Inc. withdrew a new offering of \$400.0 million of senior notes due 2020 due to volatility in the credit markets. Koppers Inc. intended to use the proceeds of the new offering for general corporate purposes and to fund a tender offer to repurchase \$300.0 million of its Senior Notes due 2019. When Koppers Inc. withdrew its new offering, it also withdrew its tender offer. We will potentially revisit an offering in the future if market conditions become more favorable.

Schedule of Certain Contractual Obligations

The following table details our projected payments for our significant contractual obligations as of December 31, 2014. The table is based upon available information and certain assumptions we believe to be reasonable.

<i>(in millions)</i>	<i>Payments Due by Period</i>				
	<i>Total</i>	<i>2015</i>	<i>2016-2017</i>	<i>2018-2019</i>	<i>Later years</i>
Long-term debt (including accretion)	\$ 853.5	\$ 43.9	\$ 81.3	\$ 728.3	\$ 0.0
Interest on debt	181.3	41.6	75.0	64.7	00.0
Operating leases	156.1	35.6	58.0	28.8	33.7
Purchase commitments ⁽¹⁾	1,540.6	363.2	598.3	356.5	222.6
Total contractual cash obligations	\$ 2,731.5	\$ 484.3	\$ 812.6	\$ 1,178.3	\$ 256.3

⁽¹⁾ Consists primarily of raw materials purchase contracts. These are typically not fixed price arrangements; the prices are based on the prevailing market prices. As a result, we generally expect to be able to hedge the purchases with sales at those future prices.

Pension and other employee benefit plan funding obligations (for defined benefit plans) are not included in the table above. We expect defined benefit plan contributions to total less than \$5 million in 2015. Estimated funding obligations are determined by asset performance, workforce and retiree demographics, tax and employment laws and other actuarial assumptions which may change the annual funding obligations in addition to decisions to fund in excess of statutorily required amounts. The funded status of our defined benefit plans is disclosed in Note 15 to the Company's consolidated financial statements.

As of December 31, 2014, there was \$7.2 million of tax liabilities related to unrecognized tax benefits. Because of the high degree of uncertainty regarding the timing of future cash outflows associated with these liabilities, the Company is unable to estimate the years in which settlement will occur with the respective taxing authorities. See Note 10 to the Company's consolidated financial statements for further information.

Schedule of Certain Other Commercial Commitments

The following table details our projected payments for other significant commercial commitments as of December 31, 2014. The table is based upon available information and certain assumptions we believe to be reasonable.

<i>(in millions)</i>	<i>Amount of Commitment Expiration Per Period</i>				
	<i>Total Amounts Committed</i>	<i>2015</i>	<i>2016-2017</i>	<i>2018-2019</i>	<i>Later years</i>
Lines of credit (unused)	\$ 113.6	\$ 0.1	\$ 0.0	\$ 113.5	\$ 0.0
Standby letters of credit	61.5	61.5	0.0	0.0	0.0
Total other commercial commitments	\$ 175.1	\$ 61.6	\$ 0.0	\$ 113.5	\$ 0.0

Debt Covenants

The covenants that affect availability of the revolving credit facility and which may restrict the ability of Koppers Inc. to pay dividends include the following financial ratios:

- i The fixed charge coverage ratio, calculated as of the end of each fiscal quarter for the four fiscal quarters then ended, is not permitted to be less than 1.10. The fixed charge coverage ratio at December 31, 2014 was 1.9.
- i The leverage ratio, calculated as of the end of each fiscal quarter for the four fiscal quarters then ended, is not permitted to exceed 5.25. The leverage ratio at December 31, 2014 was 4.63.

We are currently in compliance with all covenants in the credit agreement governing the revolving credit facility.

At December 31, 2014, Koppers Inc. had \$300.0 million principal value outstanding of Senior Notes. The Senior Notes include customary covenants that restrict, among other things, our ability to incur additional debt, pay dividends or make certain other restricted payments, incur liens, merge or sell all or substantially all of the assets or enter into various transactions with affiliates. We are currently in compliance with all covenants in the Senior Notes indenture.

[Table of Contents](#)

Other Matters

Foreign Operations and Foreign Currency Transactions

We are subject to foreign currency translation fluctuations due to our foreign operations. For the years ended December 31, 2014, 2013 and 2012, exchange rate fluctuations resulted in a (decrease) increase to comprehensive income of \$(30.6) million, \$(10.0) million and \$5.9 million, respectively. Foreign currency transaction gains and losses result from transactions denominated in a currency which is different from the currency used by the entity to prepare its financial statements. Foreign currency transaction (gains) losses were \$(0.6) million \$0.5 million and \$1.7 million for the years ended December 31, 2014, 2013 and 2012, respectively.

Recently Issued Accounting Guidance

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)." ASU 2014-09 requires an entity to recognize revenue in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, the amendment provides five steps that an entity should apply when recognizing revenue. The amendment also specifies the accounting of some costs to obtain or fulfill a contract with a customer and expands the disclosure requirements around contracts with customers. An entity can either adopt this amendment retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying the update recognized at the date of initial application. The amendment is effective for annual reporting periods beginning after December 15, 2016. Early adoption is not permitted. The Company is currently evaluating the impact of the adoption of ASU 2014-09 on the Company's financial statements.

In August 2014, the FASB issued ASU No. 2014-15, "Disclosure of Uncertainties About an Entity's Ability to Continue as a Going Concern" ("ASU 2014-15"), which requires management to perform interim and annual assessments of an entity's ability to continue as a going concern within one year of the date the financial statements are issued and provides guidance on determining when and how to disclose going concern uncertainties in the financial statements. Certain disclosures will be required if conditions give rise to substantial doubt about an entity's ability to continue as a going concern. ASU 2014-15 applies to all entities and is effective for annual and interim reporting periods ending after December 15, 2016, with early adoption permitted. We do not expect that the adoption of this standard will have a material effect on the Company's financial statements.

Critical Accounting Policies

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to use judgment in making estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities, and the disclosure of contingent liabilities. The following accounting policies are based on, among other things, judgments and assumptions made by management that include inherent risks and uncertainties. Our management's estimates are based on the relevant information available at the end of each period.

Revenue Recognition. We recognize revenue from product sales at the time of shipment or when title passes to the customer. We recognize revenue related to the procurement of certain untreated railroad crossties upon transfer of title, which occurs upon delivery to our plant and acceptance by the customer. Service revenue, consisting primarily of wood treating services, is recognized at the time the service is provided. Our recognition of revenue with respect to untreated crossties meets all the recognition criteria of the Securities and Exchange Commission's Staff Accounting Bulletin Topic 13.A.3, including transfer of title and risk of ownership, the existence of fixed purchase commitments and delivery schedules established by the customer and the completion of all performance obligations by us.

Accounts Receivable. We maintain allowances for doubtful accounts for estimated losses resulting from the inability of our customers to make required payments. In circumstances where we become aware of a specific customer's inability to meet its financial obligations, a specific reserve for bad debts is recorded against amounts due. If the financial conditions of our customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. During 2012, we recorded an allowance for doubtful accounts totaling \$3.1 million related to the bankruptcy of a European customer.

Inventories. In the United States, CMC and RUPS inventories are valued at the lower of cost, utilizing the last-in, first-out (“LIFO”) basis, or market. Remaining inventories are valued at the lower of cost, utilizing the first-in, first-out basis (“FIFO”), or market. Market represents replacement cost for raw materials and net realizable value for work in process and finished goods. LIFO inventories constituted approximately 61 percent and 62 percent of the FIFO inventory value at December 31, 2014 and 2013, respectively. In 2014, 2013 and 2012, we recorded inventory write-downs of \$2.4 million, \$0.6 million and \$0.4 million, respectively, related to lower of cost or market conditions.

Long-Lived Assets. Our management periodically evaluates the net realizable value of long-lived assets, including property, plant and equipment, based on a number of factors including operating results, projected future cash flows and business plans. We record long-lived assets at the lower of cost or fair value, with fair value based on assumptions concerning the amount and timing of estimated future cash flows. Since judgment is involved in determining the fair value of fixed assets, there is a risk that the carrying value of our long-lived assets may be overstated. During 2014 and 2013, we recorded fixed asset impairment charges of \$4.7 million and \$11.9 million, respectively, primarily consisting of write-downs related to the Company’s coal tar distillation facilities located in the Netherlands, China and the United States due to decisions to curtail operations or changes in estimates related to the expected useful lives of the facilities.

Goodwill and Intangible Assets. Goodwill is not amortized but is assessed for impairment at least on an annual basis. In making this assessment, management relies on various factors, including operating results, estimated future cash flows, and business plans. There are inherent uncertainties related to these factors and in our management’s judgment in applying them to the analysis of goodwill impairment. Because management’s judgment is involved in performing goodwill impairment analyses, there is risk that the carrying value of goodwill is overstated.

Goodwill valuations are performed using projected operating results of the relevant reporting units. We have four reporting units for purposes of goodwill evaluation. These units consist of our CMC operating segment, Performance Chemicals operating segment, Railroad Products and Services and Koppers Wood Products. Railroad Products and Services and Koppers Wood Products are one level below our RUPS operating segment. The Railroad Products and Services reporting unit primarily serves the rail industry in the United States and the Koppers Wood Products reporting unit primarily serves the utility markets in Australia.

Identifiable intangible assets that do not have indefinite lives are amortized on a straight-line basis over their estimated useful lives. In connection with the acquisition of the wood preservation and the railroad services businesses of Osmose Holdings Inc. in 2014, we have identifiable intangible assets of \$167.7 million as of December 31, 2014. We annually evaluate the remaining useful life of the intangible asset being amortized to determine whether events or circumstances warrant a revision to the remaining period of amortization. If the estimate of an intangible asset’s remaining useful life is changed, the remaining carrying amount of the intangible asset will be amortized prospectively over that revised remaining useful life. Identifiable intangible assets are also subject to testing for recoverability whenever events or changes indicate that its carrying value may not be recoverable.

Changes in economic and operating conditions impacting these assumptions could result in goodwill and intangible asset impairments in future periods. Additionally, disruptions to our business such as prolonged recessionary periods or unexpected significant declines in operating results of the relevant reporting units could result in charges for goodwill and other asset impairments in future periods.

Deferred Tax Assets. At December 31, 2014 our balance sheet included \$58.4 million of deferred tax assets, net of a \$32.4 million valuation allowance. We have determined that this valuation allowance is required for our deferred tax assets based on future earnings projections. In order to fully realize our deferred tax assets in relation to our temporary differences and exclusive to any net operating losses, we will have to generate approximately \$169 million of taxable income. The realization of these deferred tax assets is not subject to any expiration and is dependent upon the reversal of the underlying temporary differences. In order to fully realize our deferred tax assets (net of valuation allowances) in relation to our state net operating losses, we will have to generate approximately \$600 million of taxable income before any applicable adjustments and apportionment fractions per state laws between 2015 and 2026. To the extent that we encounter unexpected difficulties in market conditions, adverse changes in regulations affecting our businesses and operations, adverse outcomes in legal and environmental matters, or any other unfavorable conditions, the projections for future taxable income may be overstated and we may be required to record an increase in the valuation allowance related to these deferred tax assets which could have a material adverse effect on income in the future. In 2014, we recorded a deferred tax asset and offsetting valuation allowance

against that deferred tax asset of \$5.4 million for 2014 foreign net operating losses and other 2014 foreign items that most likely will not be deducted. In 2014, we recorded a deferred tax asset and offsetting valuation allowance against that deferred tax asset of \$5.8 million for foreign tax credits earned in prior tax years. In 2014, as a result of the Osmose acquisition, we recorded a deferred tax asset and offsetting valuation allowance against that deferred tax asset of \$1.5 million for acquired foreign net operating losses that most likely will not be deducted. Item 8. Financial Statements and Supplementary Data – Note 10 includes information on deferred tax activity during the past two years.

Accrued Insurance. We are insured for property, casualty and workers' compensation insurance up to various stop loss amounts after meeting required retention levels. Losses are accrued based upon estimates of the liability for the related retentions for claims incurred using certain actuarial assumptions followed in the insurance industry and based on our experience. In the event we incur a significant number of losses beyond the coverage retention limits, additional expense beyond the actuarial projections would be required. Item 8. Financial Statements and Supplementary Data – Note 2 includes information on expense recognized during the past two years.

Asset Retirement Obligations. We measure asset retirement obligations based upon the applicable accounting guidance, using certain assumptions including estimates regarding the recovery of residues in storage tanks. In the event that operational or regulatory issues vary from our estimates, we could incur additional significant charges to income and increases in cash expenditures related to the disposal of those residues. Certain conditional asset retirement obligations related to facilities have not been recorded in the consolidated financial statements due to uncertainties surrounding the ultimate settlement date and estimate of fair value related to a legal obligation to perform an asset retirement activity. At the date a reasonable estimate of the ultimate settlement can be made, we will record an asset retirement obligation and such amounts may be material to the consolidated financial statements in the period in which they are recorded. In 2014, we recorded additional asset retirement obligations of \$4.1 million related to storage tank and railcar cleaning costs in the United States. Item 8. Financial Statements and Supplementary Data – Note 2 includes information on expense recognized during the past two years.

Derivative financial instruments. We use swap contracts to manage copper price risk associated with forecasted purchases of materials used in our manufacturing processes. Contracts are not held for trading or speculative purposes.

We recognize the fair value of the swap contracts as an asset or liability at each reporting date. We designates the swap contracts as cash flow hedges and the effective portion of the gain or loss on the derivative is reported as a component of other comprehensive (loss) earnings until it is reclassified into earnings when the hedged transaction affects earnings. We utilize the dollar offset method to retrospectively measure hedge ineffectiveness. Gains and losses from hedge ineffectiveness are recognized in current earnings. Because of price volatility in the market price of copper and its effect on the dollar offset hedge effectiveness test, we may be required to recognize material unrealized gains and losses as a result of this measurement in current earnings.

Pension and Postretirement Benefits. Accounting for pension and other postretirement benefit obligations involves numerous assumptions, the most significant of which relate to the following:

- the discount rate for measuring the present value of future plan obligations;
- the expected long-term return on plan assets;
- the rate of future increases in compensation levels; and
- health care cost projections.

We develop our demographics and utilize the work of third-party actuaries to assist in the measurement of these obligations. We have selected different discount rates for our pension plans and our other post-retirement benefit plans due to the different projected benefit payment patterns. In determining the assumed discount rates at December 31, 2014, we use our third party actuary's discount rate model. This model calculates an equivalent single discount rate for the projected benefit plan cash flows using a hypothetical bond portfolio to match expected cash flows under our benefit plans. The bonds used are rated AA or higher by a recognized rating agency and only non-callable bonds are included with the exception of those with a "make-whole call" feature. The actuary limited the selection to those bonds with a minimum of 100,000 outstanding issues. Outlier bonds whose yields exceeded two standard deviations from the yield curve derived from similar quality bonds were excluded.

Of the assumptions used to measure the year-end obligations and estimated annual net periodic benefit cost, the discount rate has the most significant effect on the periodic benefit cost reported for the plans. Decreasing the discount rates of 4.12 percent

[Table of Contents](#)

for our pension plans and 4.32 percent for our other postretirement benefit plans by 0.25 would increase pension obligations and other postretirement benefit plan obligations by \$9.1 million and \$0.2 million, respectively, and would increase defined benefit pension expense and other postretirement benefit plan expense by \$0.7 million and \$0.0 million, respectively.

The asset rate of return assumption considers the asset mix of the plans (currently targeted at approximately 30 percent equity securities and 70 percent fixed income securities for the funded pension plans), past performance and other factors, including expected re-allocations of asset mix occurring within a reasonable period of time. Our asset rate of return assumption is 6.0 percent for 2015 defined benefit pension expense. Decreasing the 5.4 percent asset rate of return assumption by 0.25 would increase our defined benefit pension expense by \$0.6 million.

Compensation change assumptions are based on historical experience, anticipated future management actions and demographics of the benefit plans.

Health care cost trend assumptions are developed based on historical cost data, the near-term outlook and an assessment of likely long-term trends.

Item 8. Financial Statements and Supplementary Data – Note 15 includes detailed information about the assumptions used to calculate the components of our annual defined benefit pension and other postretirement plan expense, as well as the obligations and accumulated other comprehensive loss reported on the year-end balance sheets.

Litigation and Contingencies. We record liabilities related to legal matters when an adverse outcome is probable and reasonably estimable. To the extent we anticipate favorable outcomes to these matters which ultimately result in adverse outcomes, we could incur material adverse impacts on earnings and cash flows. Because such matters require significant judgments on the part of management, the recorded liabilities could be lower than what is ultimately required. Item 8. Financial Statements and Supplementary Data – Note 20 includes information about litigation and other contingencies.

Environmental Liabilities. We are subject to federal, state, local and foreign laws and regulations and potential liabilities relating to the protection of the environment and human health and safety, including, among other things, the cleanup of contaminated sites, the treatment, storage and disposal of wastes, the discharge of effluent into waterways, the emission of substances into the air and various health and safety matters. We expect to incur substantial costs for ongoing compliance with such laws and regulations. We may also incur costs as a result of governmental or third-party claims, or otherwise incur costs, relating to cleanup of, or for injuries resulting from, contamination at sites associated with past and present operations. We accrue for environmental liabilities when a determination can be made that they are probable and reasonably estimable. Item 8. Financial Statements and Supplementary Data – Note 20 includes information about environmental liabilities.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Like other global companies, we are exposed to market risks relating to fluctuations in commodity prices, interest rates and foreign currency exchange rates. The objective of our financial risk management is to minimize the negative impact of commodity price, interest rate and foreign exchange rate fluctuations on our earnings, cash flows and equity.

To manage commodity price risk, we enter into swap contracts for future forecasted purchases of copper. This reduces the impact of commodity price volatility on gross profit. To manage the interest rate risks, we use a combination of fixed and variable rate debt. This reduces the impact of short-term fluctuations in interest rates. To manage foreign currency exchange rate risks, we use forward exchange contracts to hedge firm commitments up to twelve months and all such contracts are marked to market with the recognition of a gain or loss at each reporting period.

The following analyses present the sensitivity of the market value, earnings and cash flows of our financial instruments and foreign operations to hypothetical changes in interest and exchange rates as if these changes occurred at December 31, 2014 and 2013. The range of changes chosen for these analyses reflects our view of changes which are reasonably possible over a one-year period. Market values are the present values of projected future cash flows based on the interest rate and exchange rate assumptions. These forward-looking statements are selective in nature and only address the potential impacts from financial instruments and foreign operations. They do not include other potential effects that could impact our business as a result of these changes.

Commodity Price Sensitivity Analysis. Our exposure to market risk for changes in copper prices relates primarily to the purchase price of the raw material and the fixed price sales agreements we have with our customers. We utilize swap contracts

[Table of Contents](#)

to manage this price risk. As of December 31, 2014, we had outstanding coppers swap contracts totaling 19.6 million pounds and the fair value of these contracts was a loss of \$6.5 million. This loss of \$3.8 million, net of tax, is recognized in other comprehensive loss. Holding other variables constant, if there were a 10 percent reduction in the December 31, 2014 market price of copper, the effect on other comprehensive loss for the year ended December 31, 2014 would be \$3.3 million.

Interest Rate and Debt Sensitivity Analysis. Our exposure to market risk for changes in interest rates relates primarily to our debt obligations. We have fixed and variable rate debt and the ability to incur variable rate debt under the Koppers Inc. credit agreement.

At December 31, 2014 we had \$297.0 million of fixed rate debt and \$553.5 million of variable rate debt and at December 31, 2013 we had \$296.5 million of fixed rate debt and \$6.6 million of variable rate debt. Our ratio of variable rate debt to fixed rate debt at December 31, 2014 was approximately 186 percent. For fixed rate debt, interest rate changes affect the fair market value but do not impact earnings or cash flows. For variable rate debt, interest rate changes generally do not affect the fair market value but do impact future earnings and cash flows, assuming other factors are held constant.

Holding other variables constant (such as debt levels and foreign exchange rates), a one percentage point decrease in interest rates at December 31, 2014 and 2013 would have increased the unrealized fair market value of the fixed rate debt by approximately \$9.2 million and \$15.9 million, respectively. The earnings and cash flows for the year ending December 31, 2014, assuming a one percentage point increase in interest rates would have decreased approximately \$5.5 million, holding other variables constant for variable rate debt.

Exchange Rate Sensitivity Analysis. Our exchange rate exposures result primarily from our investment and ongoing operations in Australia, Denmark, New Zealand, Canada, the Netherlands, China and the United Kingdom. Holding other variables constant, if there were a ten percent reduction in all relevant exchange rates, the effect on our earnings, based on actual earnings from foreign operations for the years ended December 31, 2014 and 2013, would be reductions of approximately \$0.5 million and \$1.2 million, respectively.

[Table of Contents](#)

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Koppers Holdings Inc.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	<i>Page</i>
Management's Report on Internal Control Over Financial Reporting	44
Report of Independent Registered Public Accounting Firm	45
Report of Independent Registered Public Accounting Firm	46
Consolidated Statement of Operations for the years ended December 31, 2014, 2013 and 2012	47
Consolidated Statement of Comprehensive (Loss) Income for the years ended December 31, 2014, 2013 and 2012	47
Consolidated Balance Sheet as of December 31, 2014 and 2013	48
Consolidated Statement of Cash Flows for the years ended December 31, 2014, 2013 and 2012	49
Consolidated Statement of Shareholders' Equity for the years ended December 31, 2014, 2013 and 2012	50
Notes to Consolidated Financial Statements	51

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Koppers Holdings Inc. is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States of America.

Management has excluded Osmose, Inc. and Osmose Railroad Services, Inc., (subsequently renamed Koppers Performance Chemicals Inc. and Koppers Railroad Structures Inc., respectively), acquired from Osmose Holdings, Inc., (together, the "Osmose Entities"), from its assessment of internal controls over financial reporting as of December 31, 2014 because the Company acquired the Osmose Entities effective August 15, 2014. The Osmose Entities consist of wholly-owned subsidiaries which are included in the consolidated financial statements of Koppers Holdings Inc. as of and for the year ended December 31, 2014. The Osmose Entities constituted \$501.7 million and \$436.9 million of total assets and net assets, respectively, as of December 31, 2014 and \$144.3 million and \$5.3 million of net sales and income before income taxes, respectively, for the year ended December 31, 2014.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Management has assessed the effectiveness of Koppers Holdings Inc.'s internal control over financial reporting as of December 31, 2014. In making this assessment, management has utilized the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control – Integrated Framework (2013 Framework)*. Management concluded that based on its assessment, Koppers Holdings Inc.'s internal control over financial reporting was effective as of December 31, 2014.

The effectiveness of Koppers Holdings Inc.'s internal control over financial reporting as of December 31, 2014, has been audited by Ernst & Young LLP, the independent registered public accounting firm that also audited the consolidated financial statements included in this annual report, as stated in their attestation report which appears on page 46.

March 2, 2015

/S/ LEROY M. BALL

Leroy M. Ball

President and Chief Executive Officer

/S/ MICHAEL J. ZUGAY

Michael J. Zugay

Chief Financial Officer

[Table of Contents](#)

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Koppers Holdings Inc.:

We have audited the accompanying consolidated balance sheets of Koppers Holdings Inc. as of December 31, 2014 and 2013, and the related consolidated statements of operations, comprehensive (loss) income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2014. Our audits also included the financial statement schedule listed in the Index at Item 15(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Koppers Holdings Inc. at December 31, 2014 and 2013, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2014, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Koppers Holdings Inc.'s internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated March 2, 2015 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP
Pittsburgh, Pennsylvania
March 2, 2015

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Koppers Holdings Inc.:

We have audited Koppers Holdings Inc.'s internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). Koppers Holdings Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying "Management's Report on Internal Control over Financial Reporting". Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As indicated in the accompanying Management's Report on Internal Control Over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Osmose, Inc. and Osmose Railroad Services, Inc. acquired from Osmose Holdings, Inc., (together, the "Osmose Entities"), which are included in the 2014 consolidated financial statements of Koppers Holdings Inc. and constituted \$501.7 million and \$436.9 million of total and net assets, respectively, as of December 31, 2014 and \$144.3 million and \$5.3 million of net sales and income before income taxes, respectively, for the year then ended. Our audit of internal control over financial reporting of Koppers Holdings Inc. also did not include an evaluation of the internal control over financial reporting of the Osmose Entities.

In our opinion, Koppers Holdings Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Koppers Holdings Inc. as of December 31, 2014 and 2013, and the related consolidated statements of operations, comprehensive (loss) income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2014 of Koppers Holdings Inc. and our report dated March 2, 2015 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Pittsburgh, Pennsylvania

March 2, 2015

[Table of Contents](#)

KOPPERS HOLDINGS INC.
CONSOLIDATED STATEMENT OF OPERATIONS

	<u>Year Ended December 31,</u>		
	2014	2013	2012
<i>(Dollars in millions, except share amounts)</i>			
Net sales	\$ 1,555.0	\$ 1,478.3	\$ 1,555.0
Cost of sales (excluding items below)	1,343.7	1,264.7	1,324.6
Depreciation and amortization	44.0	29.7	27.6
Impairment and restructuring charges	17.9	11.9	0.6
Selling, general and administrative expenses	116.2	71.7	75.6
Operating profit	33.2	100.3	126.6
Other income	0.0	3.5	1.9
Interest expense	39.1	26.8	27.9
(Loss) income before income taxes	(5.9)	77.0	100.6
Income taxes	34.1	36.8	33.3
(Loss) income from continuing operations	(40.0)	40.2	67.3
Income (loss) from discontinued operations, net of tax benefit (expense) of \$(1.0), \$0.1 and \$0.2	0.6	(0.1)	(0.1)
Net (loss) income	(39.4)	40.1	67.2
Net (loss) income attributable to noncontrolling interests	(7.0)	(0.3)	1.6
Net (loss) income attributable to Koppers	\$ (32.4)	\$ 40.4	\$ 65.6
(Loss) earnings per common share:			
Basic –			
Continuing operations	\$ (1.61)	\$ 1.96	\$ 3.18
Discontinued operations	0.03	0.00	(0.01)
(Loss) earnings per basic common share	\$ (1.58)	\$ 1.96	\$ 3.17
Diluted –			
Continuing operations	\$ (1.61)	\$ 1.94	\$ 3.14
Discontinued operations	0.03	0.00	(0.01)
(Loss) earnings per diluted common share	\$ (1.58)	\$ 1.94	\$ 3.13
Weighted average common shares outstanding <i>(in thousands)</i> :			
Basic	20,463	20,575	20,681
Diluted	20,463	20,815	20,927
Dividends declared per common share	\$ 1.00	\$ 1.00	\$ 0.96

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE (LOSS) INCOME

	<u>Year Ended December 31,</u>		
	2014	2013	2012
<i>(Dollars in millions)</i>			
Net (loss) income	\$(39.4)	\$40.1	\$67.2
Changes in other comprehensive income (loss):			
Currency translation adjustment	(26.0)	(0.6)	4.0
Foreign currency transactions of long-term subsidiary investments	(4.6)	(9.4)	1.8
Change in derivative financial instrument net loss, net of tax benefit (expense) of \$2.6, \$0.0 and \$0.0	(3.8)	0.0	0.0
Unrecognized pension transition asset, net of tax benefit (expense) of \$0.0, \$0.0 and \$0.1	0.0	0.0	(0.3)
Unrecognized pension prior service (benefit) cost, net of tax benefit (expense) of \$0.1, \$(0.7) and \$0.0	(0.2)	1.1	0.0
Unrecognized pension net (loss) gain, net of tax benefit (expense) of \$8.0, \$(12.8) and \$(2.3)	(15.9)	21.3	2.8
Total comprehensive (loss) income	(89.9)	52.5	75.5
Comprehensive (loss) income attributable to noncontrolling interests	(7.4)	0.2	1.8
Comprehensive (loss) income attributable to Koppers	\$ (82.5)	\$52.3	\$73.7

The accompanying notes are an integral part of these consolidated financial statements.

KOPPERS HOLDINGS INC.
CONSOLIDATED BALANCE SHEET

	<u>December 31,</u>	
	2014	2013
<i>(Dollars in millions, except share amounts)</i>		
Assets		
Cash and cash equivalents	\$ 51.1	\$ 82.2
Accounts receivable, net of allowance of \$5.6 and \$3.6	198.7	157.9
Income tax receivable	0.0	9.0
Inventories, net	241.2	168.8
Deferred tax assets	10.5	10.0
Loan to related party	9.5	9.5
Other current assets	30.3	35.7
Total current assets	541.3	473.1
Equity in non-consolidated investments	5.0	6.6
Property, plant and equipment, net	299.7	197.0
Goodwill	247.2	72.7
Intangible assets, net	167.7	12.2
Deferred tax assets	7.8	9.3
Other assets	25.2	14.0
Total assets	\$1,293.9	\$784.9
Liabilities		
Accounts payable	\$ 120.6	\$107.6
Accrued liabilities	122.5	82.4
Dividends payable	5.1	5.1
Current maturities of long-term debt	43.9	0.0
Total current liabilities	292.1	195.1
Long-term debt	806.6	303.1
Accrued postretirement benefits	54.7	41.6
Deferred tax liabilities	10.2	14.7
Other long-term liabilities	46.4	40.6
Total liabilities	1,210.0	595.1
Commitments and contingent liabilities (Note 20)		
Equity		
Senior Convertible Preferred Stock, \$0.01 par value per share; 10,000,000 shares authorized; no shares issued	0.0	0.0
Common Stock, \$0.01 par value per share; 40,000,000 shares authorized; 21,938,260 and 21,722,492 shares issued	0.2	0.2
Additional paid-in capital	164.5	158.9
Retained earnings	18.0	71.3
Accumulated other comprehensive loss	(60.3)	(10.2)
Treasury stock, at cost; 1,443,248 and 1,390,494 shares	(52.4)	(50.4)
Total Koppers shareholders' equity	70.0	169.8
Noncontrolling interests	13.9	20.0
Total equity	83.9	189.8
Total liabilities and equity	\$1,293.9	\$784.9

The accompanying notes are an integral part of these consolidated financial statements.

[Table of Contents](#)KOPPERS HOLDINGS INC.
CONSOLIDATED STATEMENT OF CASH FLOWS

	Year Ended December 31,		
	2014	2013	2012
<i>(Dollars in millions)</i>			
Cash (used in) provided by operating activities			
Net income	\$ (39.4)	\$ 40.1	\$ 67.2
Adjustments to reconcile net cash provided by operating activities:			
Depreciation and amortization	44.0	29.7	27.6
Impairment charges	4.7	11.9	0.6
Deferred income taxes	2.5	19.5	8.0
Equity loss (income), net of dividends received	1.6	(0.8)	(0.8)
(Gain) loss on sale of assets	0.0	(2.3)	0.1
Change in other liabilities	(10.3)	(16.4)	(11.2)
Non-cash interest expense	4.2	1.7	1.7
Stock-based compensation	4.7	4.3	6.9
Other	1.0	0.5	(1.1)
Decrease (increase) in working capital:			
Accounts receivable	13.4	2.9	(0.2)
Inventories	(14.0)	21.6	(26.5)
Accounts payable	(10.6)	4.9	(0.1)
Accrued liabilities and other working capital	33.7	0.0	5.6
Net cash provided by operating activities	35.5	117.6	77.8
Cash provided by (used in) investing activities			
Capital expenditures	(83.8)	(72.9)	(28.9)
Acquisitions, net of cash acquired	(496.5)	(2.3)	(14.0)
Net cash proceeds from loan to related party	0.0	0.0	2.2
Net cash proceeds from divestitures and asset sales	0.3	2.9	0.8
Net cash used in investing activities	(580.0)	(72.3)	(39.9)
Cash provided by (used in) financing activities			
Borrowings of revolving credit	572.5	97.9	259.4
Repayments of revolving credit	(368.0)	(97.9)	(265.8)
Borrowings of long-term debt	343.0	6.6	0.0
Issuances of Common Stock	0.7	0.2	1.5
Repurchases of Common Stock	(2.0)	(17.5)	(8.1)
Proceeds from issuance of noncontrolling interest	1.4	2.3	3.7
Excess tax benefit from employee stock plans	0.0	0.5	1.6
Payment of deferred financing costs	(11.1)	(1.3)	(0.1)
Dividends paid	(20.4)	(21.1)	(19.5)
Net cash provided by (used in) financing activities	516.1	(30.3)	(27.3)
Effect of exchange rates on cash	(2.7)	0.5	2.0
Net (decrease) increase in cash and cash equivalents	(31.1)	15.5	12.6
Cash and cash equivalents at beginning of year	82.2	66.7	54.1
Cash and cash equivalents at end of year	\$ 51.1	\$ 82.2	\$ 66.7
Supplemental disclosure of cash flows information:			
Cash paid during the year for:			
Interest	\$ 32.9	\$ 25.1	\$ 26.0
Income taxes	16.1	20.5	13.6

The accompanying notes are an integral part of these consolidated financial statements.

KOPPERS HOLDINGS INC.
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

	<u>Year Ended December 31,</u>		
	2014	2013	2012
<i>(Dollars in millions)</i>			
Senior Convertible Preferred Stock			
Balance at beginning and end of year	\$ 0.0	\$ 0.0	\$ 0.0
Common Stock			
Balance at beginning and end of year	0.2	0.2	0.2
Additional paid-in capital			
Balance at beginning of year	158.9	153.3	142.9
Employee stock plans	5.6	5.6	10.4
Balance at end of year	164.5	158.9	153.3
Retained earnings			
Balance at beginning of year	71.3	52.0	6.7
Net (loss) income attributable to Koppers	(32.4)	40.4	65.6
Common Stock dividends	(20.9)	(21.1)	(20.3)
Balance at end of year	18.0	71.3	52.0
Accumulated other comprehensive loss			
Currency translation adjustment:			
Balance at beginning of year	24.0	34.5	28.8
Change in currency translation adjustment excluding foreign currency transactions of long-term subsidiary investments	(25.7)	(1.1)	3.9
Change in foreign currency transactions of long-term subsidiary investments	(4.6)	(9.4)	1.8
Balance at end of year	(6.3)	24.0	34.5
Unrecognized losses on cash flow hedges:			
Balance at beginning of year	0.0	0.0	0.0
Reclassification of unrealized losses on cash flow hedges to expense, net of tax benefit of \$0.2, \$0.0 and \$0.0	0.3	0.0	0.0
Change in deferred losses on cash flow hedges, net of tax (benefit) of \$(2.8), \$0.0 and \$0.0	(4.1)	0.0	0.0
Balance at end of year	(3.8)	0.0	0.0
Unrecognized pension transition asset:			
Balance at beginning of year	0.0	0.0	0.3
Reclassification of unrecognized pension transition asset to expense, net of tax (benefit) of \$0.0, \$0.0 and \$(0.1)	0.0	0.0	(0.3)
Balance at end of year	0.0	0.0	0.0
Unrecognized pension prior service benefit (cost):			
Balance at beginning of year	0.8	(0.2)	(0.2)
Reclassification of unrecognized prior service (benefit) cost to (income) expense, net of tax (benefit) expense of \$(0.1), \$0.1 and \$0.0	(0.1)	0.1	0.0
Revaluation of unrecognized pension prior service cost, net of tax expense of \$0.0, \$0.6 and \$0.0	0.0	0.9	0.0
Balance at end of year	0.7	0.8	(0.2)
Unrecognized pension net loss:			
Balance at beginning of year	(35.0)	(56.3)	(59.1)
Reclassification of unrecognized pension net loss to expense, net of tax expense of \$1.4, \$2.8 and \$3.1	2.4	4.7	5.3
Revaluation of unrecognized pension net loss, net of tax (benefit) expense of \$(9.4), \$10.0 and \$(0.9)	(18.3)	16.6	(2.5)
Balance at end of year	(50.9)	(35.0)	(56.3)
Total balance at end of year	(60.3)	(10.2)	(22.0)
Treasury stock			
Balance at beginning of year	(50.4)	(32.9)	(24.8)
Purchases	(2.0)	(17.5)	(8.1)
Balance at end of year	(52.4)	(50.4)	(32.9)
Total Koppers shareholders' equity – end of year	70.0	169.8	150.6
Noncontrolling interests			
Balance at beginning of year	20.0	17.5	12.4
Net (loss) income attributable to noncontrolling interests	(7.0)	(0.3)	1.6
Investment in noncontrolling interests	1.3	2.3	3.3
Currency translation adjustment	(0.4)	0.5	0.2
Balance at end of year	13.9	20.0	17.5
Total equity – end of year	\$ 83.9	\$ 189.8	\$ 168.1

The accompanying notes are an integral part of these consolidated financial statements.

KOPPERS HOLDINGS INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Business

Parent company of Koppers Inc. – In these financial statements, unless otherwise indicated or the context requires otherwise, when the terms “Koppers,” the “Company,” “we,” “our” or “us,” are used, they mean Koppers Holdings Inc. (“Koppers Holdings”) and its subsidiaries on a consolidated basis. The use of these terms is not intended to imply that Koppers Holdings and Koppers Inc. are not separate and distinct legal entities from each other and from their respective subsidiaries. Koppers Holdings has no direct operations and no significant assets other than the stock of Koppers Inc. It depends on the dividends from the earnings of Koppers Inc. and its subsidiaries to generate the funds necessary to meet its financial obligations. The terms of Koppers Inc.’s revolving credit facility prohibit Koppers Inc. from paying dividends and otherwise transferring assets except for certain limited dividends. Further, the terms of the indenture governing Koppers Inc.’s Senior Notes significantly restrict Koppers Inc. from paying dividends and otherwise transferring assets to Koppers Holdings.

Business description – The Company is a global integrated producer of carbon compounds and treated and untreated wood products and services for use in a variety of markets including the aluminum, railroad, specialty chemical, utility, rubber concrete, steel, residential lumber and agriculture industries. The Company’s business is operated through three business segments, Carbon Materials and Chemicals, Railroad and Utility Products and Services, and Performance Chemicals.

The Company’s Carbon Materials and Chemicals segment is primarily a manufacturer of carbon pitch, naphthalene, phthalic anhydride, creosote and carbon black feedstock. Carbon pitch is a critical raw material used in the production of aluminum and for the production of steel in electric arc furnaces. Naphthalene is used for the production of phthalic anhydride and as a surfactant in the production of concrete. Phthalic anhydride is used in the production of plasticizers, polyester resins and alkyd paints. Creosote is used in the treatment of wood and carbon black feedstock is used in the production of carbon black.

The Company’s Railroad and Utility Products and Services segment sells treated and untreated wood products, rail joint bars and services primarily to the railroad industry and treated wood products to the utility industry. Railroad products include procuring and treating items such as crossties, switch ties and various types of lumber used for railroad bridges and crossings and the manufacture of rail joint bars. Utility products include transmission and distribution poles and pilings. The segment also produces concrete crossties through a joint venture.

The Company’s Performance Chemicals segment develops, manufactures, and markets wood preservation chemicals and wood treatment technologies and services a diverse range of end-markets including infrastructure, residential and commercial construction, and agriculture.

2. Summary of Significant Accounting Policies

Basis of presentation – The consolidated financial statements include the accounts of the Company and all majority-owned subsidiaries for which the Company is deemed to exercise control over its operations. All significant intercompany transactions have been eliminated in consolidation. The Company’s investments in 20 percent to 50 percent-owned companies in which it has the ability to exercise significant influence over operating and financial policies are accounted for using the equity method of accounting. Accordingly, the Company’s share of the earnings of these companies is included in the accompanying consolidated statement of income. Certain prior period amounts in the notes to the consolidated financial statements have been reclassified to conform to the current period’s presentation.

Use of estimates – Accounting principles generally accepted in the U.S. require management to make estimates and judgments that affect the reported amounts of assets and liabilities and the disclosure of contingencies on the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting period. Estimates have been prepared on the basis of the most current and best available information and actual results could differ materially from these estimates.

Foreign currency translation – For consolidated entities outside of the U.S. that prepare financial statements in currencies other than the U.S. dollar, results of operations and cash flows are translated at average exchange rates during the period, and asset and liabilities are translated at end-of-period exchange rates. Cumulative translation adjustments are included as a separate component of accumulated other comprehensive loss in shareholders’ equity.

Foreign currency transaction gains and losses result from transactions denominated in a currency which is different than the currency used by the entity to prepare its financial statements. Foreign currency transaction gains (losses) were \$0.6 million, \$(0.5) million and \$(1.7) million for the years ended December 31, 2014, 2013 and 2012, respectively.

Revenue recognition – The Company recognizes revenue when the risks and rewards of ownership and title to the product have transferred to the customer. Revenue recognition generally occurs at the point of shipment; however in certain circumstances as shipping terms dictate, revenue is recognized at the point of destination. Shipping and handling costs are included as a component of cost of sales.

The Company recognizes revenue related to the procurement of certain untreated railroad crossties upon transfer of title to the customer, which occurs upon delivery to the Company's plant and acceptance by the customer. Service revenue, consisting primarily of wood treating services, is recognized at the time the service is provided. Payment on sales of untreated railroad crossties and wood treating services are generally due within 30 days of the invoice date. The Company's recognition of revenue with respect to untreated crossties meets all the recognition criteria of Securities and Exchange Commission Staff Accounting Bulletin Topic 13.A.3., including transfer of title and risk of ownership, the existence of fixed purchase commitments and delivery schedules established by the customer, and the completion of all performance obligations by the Company. Revenue recognized for untreated crosstie sales for the years ended December 31, 2014, 2013 and 2012 amounted to \$93.4 million, \$108.3 million and \$109.0 million, respectively.

Research and development – Research and development costs are expensed as incurred and are included in selling, general and administrative expenses. These costs totaled \$3.1 million in 2014, \$2.4 million in 2013 and \$2.3 million in 2012.

Cash and cash equivalents – Cash and cash equivalents include cash on hand and on deposit and investments in highly liquid investments with an original maturity of 90 days or less.

Accounts receivable – The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. In circumstances where the Company becomes aware of a specific customer's inability to meet its financial obligations to Koppers, a specific reserve for bad debts is recorded against amounts due. If the financial condition of the Company's customers were to deteriorate, resulting in an inability to make payments, additional allowances may be required.

Inventories – Inventories are carried at lower of cost or market on a worldwide basis. In the U.S., inventory cost (excluding miscellaneous types of inventory) is determined primarily utilizing the last-in, first-out ("LIFO") basis. Inventory cost outside the U.S. is determined utilizing the first-in, first-out ("FIFO") basis. Market represents replacement cost for raw materials and net realizable value for work in process and finished goods. LIFO inventories constituted approximately 61 percent and 62 percent of the FIFO inventory value at December 31, 2014 and 2013, respectively.

Property, plant and equipment – Property, plant and equipment are recorded at purchased cost and include improvements which significantly increase capacities or extend useful lives of existing plant and equipment. Depreciation expense is calculated by applying the straight-line method over estimated useful lives. Estimated useful lives for buildings generally range from 10 to 20 years and depreciable lives for machinery and equipment generally range from 3 to 10 years. Net gains and losses related to asset disposals are recognized in earnings in the period in which the disposal occurs. Routine repairs, replacements and maintenance are expensed as incurred.

The Company periodically evaluates whether current facts and circumstances indicate that the carrying value of its depreciable long-lived assets may not be recoverable. If an asset, or logical grouping of assets, is determined to be impaired, the asset is written down to its fair value using discounted future cash flows and, if available, quoted market prices.

Goodwill and other intangible assets – Goodwill and other purchased intangible assets are included in the identifiable assets of the business segment to which they have been assigned. The Company performs impairment tests annually for goodwill, and more often as circumstances require. When it is determined that impairment has occurred, an appropriate charge to earnings is recorded. The Company performed its annual impairment test in the fourth quarters of 2014 and 2013 and determined that the estimated fair values substantially exceeded the carrying values of all the reporting units and accordingly, there was no impairment of goodwill.

Identifiable intangible assets, other than goodwill, are recorded at cost. Identifiable intangible assets that do not have indefinite lives are amortized on a straight-line basis over their estimated useful lives.

[Table of Contents](#)

Deferred income taxes – Deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The effect on deferred tax assets and liabilities of a change in tax laws is recognized in earnings in the period the new laws are enacted. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets unless it is more likely than not that such assets will be realized. Deferred tax liabilities have not been recognized for the undistributed earnings of certain foreign subsidiaries because management intends to permanently reinvest such earnings in foreign operations.

Self-insured liabilities – The Company is self-insured for property, casualty and workers' compensation exposures up to various stop-loss coverage amounts. Losses are accrued based upon the Company's estimates of the liability for the related deductibles of claims incurred. Such estimates utilize actuarial methods based on various assumptions, which include but are not limited to, the Company's historical loss experience and projected loss development factors. In 2014 and 2013, reversals of self-insured liabilities occurred as a result of favorable loss trends related to self-insured claims.

	2014	2013
<i>(Dollars in millions)</i>		
Self-insured liabilities at beginning of year	\$ 8.4	\$ 7.6
Expense	2.4	2.5
Reversal of self-insured liabilities	(0.8)	(0.4)
Cash expenditures	(1.8)	(1.3)
Self-insured liabilities at end of year	\$ 8.2	\$ 8.4

Derivative financial instruments – The Company uses swap contracts to manage copper price risk associated with forecasted purchases of materials used in the Company's manufacturing processes. The Company uses forward exchange contracts to hedge exposure to currency exchange rate changes on transactions and other commitments denominated in a foreign currency. Contracts are not held for trading or speculative purposes. The Company recognizes the fair value of the swap contracts and forward contracts as an asset or liability at each reporting date. The Company designates the swap contracts as cash flow hedges and the effective portion of the gain or loss on the derivative is reported as a component of other comprehensive (loss) earnings until it is reclassified into earnings when the hedged transaction affects earnings. Gains and losses from hedge ineffectiveness are recognized in current earnings. Because the Company has not elected to designate the forward exchange contracts for hedge accounting treatment, changes in the fair value of the forward exchange contracts are recognized immediately in earnings.

Asset retirement obligations – Asset retirement obligations are initially recorded at fair value and are capitalized as part of the cost of the related long-lived asset when sufficient information is available to estimate fair value. The capitalized costs are subsequently charged to depreciation expense over the estimated useful life of the related long-lived asset. The fair value of the obligation is determined by calculating the discounted value of expected future cash flows and accretion expense is recorded each month to ultimately increase this obligation to full value.

The Company recognizes asset retirement obligations for the removal and disposal of residues; dismantling of certain tanks required by governmental authorities; cleaning and dismantling costs for owned rail cars; cleaning costs for leased rail cars and barges; and site demolition.

The following table describes changes to the Company's asset retirement obligation liabilities at December 31, 2014 and 2013:

	2014	2013
<i>(Dollars in millions)</i>		
Asset retirement obligation at beginning of year	\$23.2	\$21.5
Accretion expense	2.3	1.2
Revision in estimated cash flows	10.3	6.7
Cash expenditures	(4.6)	(5.6)
Currency translation	(0.7)	(0.6)
Asset retirement obligation at end of year	\$30.5	\$23.2

Litigation and contingencies – Amounts associated with litigation and contingencies are accrued when management, after taking into consideration the facts and circumstances of each matter including any settlement offers, has determined that it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. Legal costs for litigation are expensed as incurred with the exception of legal fees relating the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) sites.

Other current assets – Included in other current assets are prepaid expenses totaling \$20.6 million and \$17.3 million at December 31, 2014 and 2013, respectively.

Environmental liabilities – The Company accrues for remediation costs and penalties when the responsibility to remediate is probable and the amount of related cost is reasonably estimable. If only a range of potential liability can be estimated and no amount within the range is more probable than another, the accrual is recorded at the low end of that range. Remediation liabilities are discounted if the amount and timing of the cash disbursements are readily determinable.

Deferred revenue from extended product warranty liabilities – The Company defers revenues associated with extended product warranty liabilities based on historical loss experience and sales of extended warranties on certain products. The following table describes changes to the Company's deferred revenue at December 31, 2014 and 2013:

	2014	2013
<i>(Dollars in millions)</i>		
Deferred revenue at beginning of year	\$ 3.2	\$ 3.9
Revenue earned	(0.7)	(0.7)
Deferred revenue at end of year	\$ 2.5	\$ 3.2

Stock-based compensation – The Company records compensation cost over the vesting period for share-based payments to employees at an amount equivalent to the grant date fair value of the stock award. No compensation cost is recognized for any stock awards that are forfeited in the event the recipient fails to meet the vesting requirements.

3. New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, "Revenue from Contracts with Customers (Topic 606)." ASU 2014-09 requires an entity to recognize revenue in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, the amendment provides five steps that an entity should apply when recognizing revenue. The amendment also specifies the accounting of some costs to obtain or fulfill a contract with a customer and expands the disclosure requirements around contracts with customers. An entity can either adopt this amendment retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying the update recognized at the date of initial application. The amendment is effective for annual reporting periods beginning after December 15, 2016. Early adoption is not permitted. The Company is currently evaluating the impact of the adoption of ASU 2014-09 on the Company's financial statements.

In August 2014, the FASB issued ASU No. 2014-15, "Disclosure of Uncertainties About an Entity's Ability to Continue as a Going Concern" ("ASU 2014-15"), which requires management to perform interim and annual assessments of an entity's ability to continue as a going concern within one year of the date the financial statements are issued and provides guidance on determining when and how to disclose going concern uncertainties in the financial statements. Certain disclosures will be required if conditions give rise to substantial doubt about an entity's ability to continue as a going concern. ASU 2014-15 applies to all entities and is effective for annual and interim reporting periods ending after December 15, 2016, with early adoption permitted. We do not expect that the adoption of this standard will have a material effect on the Company's financial statements.

4. Plant Closures and Discontinued Operations

On January 22, 2014, the Company announced its decision to discontinue coal tar distillation activities at its facility located in Uithoorn, the Netherlands. The decision was made as a result of a detailed analysis of its overall European manufacturing asset footprint in light of deteriorating market conditions in Europe and a variety of other factors, including regulatory requirements

[Table of Contents](#)

for significant capital expenditures at the facility. The Company has discontinued distillation activities and expects to complete closure at the site by the end of 2015. For the year ended December 31, 2014, the Company recorded closure costs of \$13.0 million for severance and site demolition liabilities. In the fourth quarter of 2013, the Company recorded an asset impairment charge of \$6.9 million related to the facility. The facility is part of the Carbon Materials and Chemicals segment.

In December 2011, the Company ceased manufacturing operations at its carbon black facility located in Kurnell, Australia. This decision was made as a result of deteriorating business conditions including raw material availability and cost, competition in the export markets due to the strength of the Australian dollar and a variety of other factors. The closure is expected to be completed during 2015. The facility is part of the Carbon Materials and Chemicals segment.

Details of the restructuring activities and related reserves are as follows:

<i>(Dollars in millions)</i>	<i>Severance and employee benefits</i>	<i>Environmental remediation</i>	<i>Site demolition</i>	<i>Other</i>	<i>Total</i>
Reserve at December 31, 2012	\$ 0.2	\$ 6.7	\$ 6.3	\$ 0.1	\$ 13.3
Reversal of accrued charges	(0.1)	0.0	(0.3)	0.0	(0.4)
Cash paid	0.0	(0.1)	(2.0)	(0.1)	(2.2)
Currency translation	0.0	(1.0)	(0.7)	0.0	(1.7)
Reserve at December 31, 2013	\$ 0.1	\$ 5.6	\$ 3.3	\$ 0.0	\$ 9.0
Accrual	9.8	0.0	3.2	0.1	13.1
Reversal of accrued charges	0.0	(1.1)	(0.9)	0.0	(2.0)
Cash paid	(9.7)	0.0	(1.3)	0.0	(11.0)
Currency translation	(0.2)	(0.4)	(0.4)	0.0	(1.0)
Reserve at December 31, 2014	\$ 0.0	\$ 4.1	\$ 3.9	\$ 0.1	\$ 8.1

5. Business Acquisitions

Western Poles – On November 19, 2012, the Company acquired the pole distribution business (“Western Poles”) of Ridolfo Forestry Products Pty Limited for cash of \$13.8 million and expected future payments totaling \$4.9 million (on a discounted basis) to be paid over a period of 36 months assuming certain sales contracts remain in effect. The Western Poles business mainly serves utility customers in Western Australia and complements our existing wood treatment business in Australia. The business is part of the Railroad and Utility Products and Services segment.

Koppers Ashcroft – On January 20, 2014, the Company acquired the crosstie treating business and related manufacturing facility of Tolko Industries Ltd. located in Ashcroft, British Columbia, Canada. The purchase price was \$29.8 million, and was funded primarily by available cash. The allocation of purchase price to acquired assets primarily consisted of inventory totaling \$16.0 million, plant and equipment totaling \$3.6 million, intangible assets consisting primarily of customer relationships totaling \$7.4 million and Canadian tax deductible goodwill of \$1.8 million. The goodwill is allocated to the Railroad and Utility Products and Services segment and the customer contracts will be amortized over a period of 12 years.

Osmose Entities – On August 15, 2014, pursuant to the terms and conditions of a stock purchase agreement, Koppers Inc. acquired Osmose, Inc. and Osmose Railroad Services, Inc. (together, the “Osmose Entities”) from Osmose Holdings, Inc. The aggregate cash purchase price was \$494.1 million, net of cash acquired of \$27.2 million. The cash purchase price was funded by a new credit agreement with a consortium of banks which provides for a \$500 million revolving credit facility and a \$300 million term loan. Acquisition-related costs were \$5.9 million in 2014 and \$0.3 million in 2013 and are reported in selling, general and administrative expenses.

Subsequent to the acquisition, Osmose, Inc. was renamed Koppers Performance Chemicals Inc. and Osmose Railroad Services, Inc. was renamed Koppers Railroad Structures Inc. Koppers Performance Chemicals Inc.’s wood preservation business develops, manufactures and sells wood preservation chemicals and wood treatment technologies for infrastructure, residential and commercial construction, and agricultural markets. The wood preservation business has operations and sales in North America, South America, Europe, and Australasia. Substantially all of the businesses of Koppers Performance Chemicals Inc. are reported

as a new segment, Performance Chemicals. Koppers Railroad Structures Inc. is a provider of railroad infrastructure services, including bridge inspection, engineering, maintenance and repair, and construction services for the Class I and shortline railroads in North America. Koppers Railroad Structures Inc. and one wood treating company are reported as part of the Railroad and Utility Products and Services segment.

The Osmose Entities had revenues of \$391.5 million and net income from continuing operations of \$19.3 million for the year ended December 31, 2013. Revenue and operating profit from the Osmose Entities included in our results for the twelve months ended December 31, 2014 totaled \$144.3 million and \$5.2 million, respectively. Operating profit is net of the amortization of the finished goods inventory value step-up of \$3.5 million recognized on the date of acquisition.

The Company has completed a preliminary valuation analyses to determine the fair values of the Osmose Entities' assets and liabilities. Accordingly, the financial statements include a preliminary fair value determination based on assumptions and estimates that, while considered reasonable under the circumstances, are subject to changes, which may be material.

Upon completion of the valuation analyses, there may be additional increases or decreases to the recorded book values of the acquired assets and liabilities, including but not limited to inventories, brands, trademarks, customer relationships and other intangible assets, and property, plant and equipment that could give rise to future amounts of depreciation and amortization expense and changes in related deferred taxes that are not reflected in the financial statements. Accordingly, once the necessary valuation analyses have been performed and the final fair value determination has been completed, actual results may differ materially from the information presented in these financial statements.

The following table summarizes the Company's preliminary fair value estimates for the Osmose Entities:

<i>(Dollars in millions)</i>	<i>Initial Allocation</i>
Cash and cash equivalents	\$ 27.2
Accounts receivable, net	60.3
Inventories, net	51.9
Other current assets	3.3
Property, plant and equipment	57.9
Goodwill	178.8
Intangible assets	158.9
Other assets	10.3
Total assets acquired	548.6
Accounts payable	21.2
Accrued liabilities	18.1
Other liabilities	15.2
Total liabilities assumed	54.5
Net assets acquired	\$ 494.1

Goodwill is calculated as the excess of the consideration transferred over the assets acquired and represents the estimated future economic benefits arising from the other assets acquired that could not be individually identified and separately recognized. Goodwill of \$175.4 million and \$3.4 million has been allocated, on a preliminary basis, to the Performance Chemicals segment and the Railroad and Utility Products and Services segment, respectively. The Company expects that approximately \$150 million of the goodwill recognized will be deductible for tax purposes, but this determination is dependent upon the finalization of the purchase price allocation process.

Table of Contents

The following unaudited pro forma information presents a summary of the Company's revenues and net income from continuing operations as if the acquisition occurred on January 1, 2013. The unaudited pro forma information is not necessarily indicative of operating results that would have been achieved had the acquisition been completed as of January 1, 2013 and does not intend to project the future financial results of the Company after the acquisition of the Osmose Entities. The unaudited pro forma information is based on certain assumptions, which management believes are reasonable, and do not reflect the cost of any integration activities or the benefits from the acquisition and synergies that may be derived from any integration activities.

	<i>Year Ended December 31,</i>	
	<i>2014</i>	<i>2013</i>
<i>(Dollars in millions)</i>		
Revenue	\$1,819.6	\$1,864.1
(Loss) income from continuing operations attributable to Koppers	(13.0)	41.5

Pro forma adjustments reflected in the unaudited pro forma information are based on items that are directly attributable to the acquisition of the Osmose Entities and related financing that are factually supportable and are expected to have a continuing impact on Koppers. These adjustments include, but are not limited to, depreciation and amortization related to fair value adjustments to property, plant and equipment and intangible assets, interest expense on acquisition-related debt, removal of acquisition-related transaction expenses, elimination of finished goods inventory step up, elimination of intercompany sales and related income tax effects of the pro forma adjustments.

6. Fair Value Measurements

Carrying amounts and the related estimated fair values of the Company's financial instruments as of December 31, 2014 and 2013 are as follows:

	<i>December 31, 2014</i>		<i>December 31, 2013</i>	
	<i>Fair Value</i>	<i>Carrying Value</i>	<i>Fair Value</i>	<i>Carrying Value</i>
<i>(Dollars in millions)</i>				
Financial assets:				
Cash and cash equivalents, including restricted cash	\$ 51.1	\$ 51.1	\$ 82.2	\$ 82.2
Investments and other assets ^(a)	1.5	1.5	1.4	1.4
Financial liabilities:				
Long-term debt (including current portion)	\$ 862.1	\$850.5	\$ 331.2	\$303.1

^(a) Excludes equity method investments.

Cash and cash equivalents – The carrying amount approximates fair value because of the short maturity of those instruments.

Investments and other assets – Represents the broker-quoted cash surrender value on universal life insurance policies. This asset is classified as Level 2 in the valuation hierarchy and is measured from values received from financial institutions.

Debt – The fair value of the Company's long-term debt is estimated based on the market prices for the same or similar issues or on the current rates offered to the Company for debt of the same remaining maturities (Level 2). The fair values of the revolving credit facility approximate carrying value due to the variable rate nature of these instruments.

7. Earnings per Common Share

The computation of basic earnings per common share for the periods presented is based upon the weighted average number of common shares outstanding during the periods. The computation of diluted earnings per common share includes the effect of nonvested nonqualified stock options and restricted stock units assuming such options and stock units were outstanding common shares at the beginning of the period. The effect of antidilutive securities and performance restricted stock units that have not met vesting criteria are excluded from the computation of diluted earnings per common share.

The following table sets forth the computation of basic and diluted earnings per common share:

	Year Ended December 31,		
	2014	2013	2012
<i>(Dollars in millions, except share amounts, in thousands, and per share amounts)</i>			
Net (loss) income attributable to Koppers	\$ (32.4)	\$ 40.4	\$ 65.6
Less: discontinued operations	0.6	(0.1)	(0.1)
(Loss) income from continuing operations attributable to Koppers	\$ (33.0)	\$ 40.5	\$ 65.7
Weighted average common shares outstanding:			
Basic	20,463	20,575	20,681
Effect of dilutive securities	0	240	246
Diluted	20,463	20,815	20,927
(Loss) earnings per common share – continuing operations:			
Basic (loss) earnings per common share	\$ (1.61)	\$ 1.96	\$ 3.18
Diluted (loss) earnings per common share	(1.61)	1.94	3.14
Other data:			
Antidilutive securities excluded from computation of diluted earnings per common share	362	240	194

8. Stock-based Compensation

The amended and restated 2005 Long-Term Incentive Plan (the “LTIP”) provides for the grant to eligible persons of stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance awards, dividend equivalents and other stock-based awards, which are collectively referred to as the awards.

Under the LTIP, the board of directors granted restricted stock units and performance stock units to certain employee participants (collectively, the “stock units”). The restricted stock units vest on the third anniversary of the grant date or ratably over three years, assuming continued employment by the participant. Performance stock units granted generally have three-year performance objectives and all performance stock units have a three-year period for vesting (if the applicable performance objective is obtained). The applicable performance objective is based upon a multi-year cumulative value creation calculation commencing on the first day of each grant year. The number of performance stock units granted represents the target award and participants have the ability to earn between zero and 150 percent of the target award based upon actual performance. If minimum performance criteria are not achieved, no performance stock units will vest.

Dividends declared on the Company’s common stock during the restriction period of the stock units are credited at equivalent value as additional stock units and become payable as additional common shares upon vesting. In the event of termination of employment, other than retirement, death or disability, any non-vested stock units are forfeited, including additional stock units credited from dividends. In the event of termination of employment due to retirement, death or disability, pro-rata vesting of the stock units over the service period will result for most participants. There are special vesting provisions for the stock units related to a change in control.

Restricted stock units that vest immediately or have one-year vesting periods are also issued under the LTIP to members of the board of directors in connection with annual director compensation and, from time to time, are issued to members of management in connection with employee compensation.

Compensation expense for non-vested stock units is recorded over the vesting period based on the fair value at the date of grant. The fair value of stock units is the market price of the underlying common stock on the date of grant.

The following table shows a summary of the performance stock units as of December 31, 2014:

Performance Period	Minimum Shares	Target Shares	Maximum Shares
2012 – 2014	0	87,039	130,559
2013 – 2015	0	85,207	127,811
2014 – 2016	0	102,149	153,224

[Table of Contents](#)

The following table shows a summary of the status and activity of non-vested stock awards for the year ended December 31, 2014:

	Restricted Stock Units	Performance Stock Units	Total Stock Units	Weighted Average Grant Date Fair Value per Unit
Non-vested at January 1, 2014	148,836	319,984	468,820	\$ 40.30
Granted	99,867	108,506	208,373	\$ 37.92
Credited from dividends	3,813	8,425	12,238	\$ 38.52
Vested	(90,915)	(132,317)	(223,232)	\$ 40.00
Forfeited	(12,695)	(24,218)	(36,913)	\$ 39.51
Non-vested at December 31, 2014	148,906	280,380	429,286	\$ 39.31

Stock options granted to most executive officers vest and become exercisable upon the completion of a three-year service period which commences on the grant date. The stock options have a term of 10 years. In the event of termination of employment, other than retirement, death or disability, any non-vested options are forfeited for most participants. In the event of termination of employment due to retirement, death or disability, pro-rata vesting of the options over the service period will result for most participants. There are special vesting provisions for the stock options related to a change in control.

In accordance with accounting standards, compensation expense for non-vested stock options is recorded over the vesting period based on the fair value at the date of grant. The fair value of stock options on the date of grant is calculated using the Black-Scholes-Merton model and the assumptions listed below:

	February 2014 Grant	February 2013 Grant	February 2012 Grant
Grant date price per share of option award	\$ 37.93	\$ 42.76	\$ 38.21
Expected dividend yield per share	2.75%	2.75%	2.75%
Expected life in years	6.5	6.5	6.5
Expected volatility	52.14%	53.77%	55.06%
Risk-free interest rate	1.98%	1.29%	1.34%
Grant date fair value per share of option awards	\$ 15.26	\$ 17.28	\$ 15.82

The dividend yield is based on the Company's current and prospective dividend rate which calculates a continuous dividend yield based upon the market price of the underlying common stock. The expected life in years is based on the simplified method permitted under Securities and Exchange Commission Staff Accounting Bulletin No. 14d.2 which calculates the average of the weighted vesting term and the contractual term of the option. This method was selected due to the lack of historical exercise data with respect to the Company. Expected volatility is based on the historical volatility of the Company's common stock and the historical volatility of certain other similar public companies. The risk-free interest rate is based on U.S. Treasury bill rates for the expected life of the option.

The following table shows a summary of the status and activity of stock options for the year ended December 31, 2014:

	Options	Weighted Average Exercise Price per Option	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in millions)
Outstanding at December 31, 2013	421,080	\$ 35.96		
Granted	106,658	\$ 37.93		
Exercised	(26,349)	\$ 25.51		
Expired	(17,870)	\$ 40.14		
Forfeited	(34,707)	\$ 39.75		
Outstanding at December 31, 2014	448,812	\$ 36.58	5.96	\$ 0.2
Exercisable at December 31, 2014	276,824	\$ 34.71	4.54	\$ 0.2

The intrinsic value of stock options exercised in 2014, 2013 and 2012 totaled \$0.3 million, \$0.0 million and \$2.0 million, respectively.

Total stock-based compensation expense recognized and cash received from the exercise of stock options for the three years ended December 31, 2014 is as follows:

	<u>Year Ended December 31,</u>		
	2014	2013	2012
<i>(Dollars in millions)</i>			
Stock-based compensation expense recognized:			
Selling, general and administrative expenses	\$ 4.7	\$ 4.3	\$ 6.9
Less related income tax benefit	1.9	1.7	2.8
Decrease in net income attributable to Koppers	\$ 2.8	\$ 2.6	\$ 4.1
Cash received from the exercise of stock options	\$ 0.7	\$ 0.2	\$ 1.6

As of December 31, 2014 total future compensation expense related to non-vested stock-based compensation arrangements totaled \$3.6 million and the weighted-average period over which this expense is expected to be recognized is approximately 21 months.

9. Segment Information

The Company has three reportable segments: Carbon Materials and Chemicals, Railroad and Utility Products and Services, and Performance Chemicals. The Company's reportable segments contain business units that offer different products. The reportable segments are each managed separately because they manufacture and distribute distinct products with different production processes. The business units have been aggregated into three reportable segments since management believes the long-term financial performance of these business units is affected by similar economic conditions.

The Company's Carbon Materials and Chemicals segment is primarily a manufacturer of carbon pitch, naphthalene, phthalic anhydride, creosote and carbon black feedstock. Carbon pitch is a critical raw material used in the production of aluminum and for the production of steel in electric arc furnaces. Naphthalene is used for the production of phthalic anhydride and as a surfactant in the production of concrete. Phthalic anhydride is used in the production of plasticizers, polyester resins and alkyd paints. Creosote is used in the treatment of wood and carbon black feedstock is used in the production of carbon black.

The Company's Railroad and Utility Products and Services segment sells treated and untreated wood products, manufactured products and services primarily to the railroad and public utility markets. Railroad products include procuring and treating items such as crossties, switch ties and various types of lumber used for railroad bridges and crossings and the manufacture of rail joint bars. Other rail services provided include bridge inspection, engineering, maintenance and repair, and construction services. Railroad services include bridge inspection and engineering services. Utility products include transmission and distribution poles and pilings.

The Company's Performance Chemicals segment develops, manufactures, and markets wood preservation chemicals and wood treatment technologies and services a diverse range of end-markets including infrastructure, residential and commercial construction, and agriculture.

The Company evaluates performance and determines resource allocations based on a number of factors, the primary measure being operating profit or loss from operations. Operating profit does not include equity in earnings of affiliates, other income, interest expense or income taxes. Operating profit also excludes the operating costs of Koppers Holdings Inc., the parent company of Koppers Inc. The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies. Intersegment transactions are eliminated in consolidation.

Table of Contents

The following table sets forth certain sales and operating data, net of all intersegment transactions, for the Company's segments for the periods indicated:

	Year Ended December 31,		
	2014	2013	2012
<i>(Dollars in millions)</i>			
Revenues from external customers:			
Carbon Materials and Chemicals	\$ 833.7	\$ 906.1	\$ 999.7
Railroad and Utility Products and Services	597.8	572.2	555.3
Performance Chemicals	123.5	0.0	0.0
Total	\$1,555.0	\$1,478.3	\$1,555.0
Intersegment revenues:			
Carbon Materials and Chemicals	\$ 84.8	\$ 94.2	\$ 106.5
Performance Chemicals	3.0	0.0	0.0
Total	\$ 87.8	\$ 94.2	\$ 106.5
Depreciation and amortization^(a):			
Carbon Materials and Chemicals	\$ 25.0	\$ 18.2	\$ 16.9
Railroad and Utility Products and Services	11.9	11.5	10.7
Performance Chemicals	7.1	0.0	0.0
Total	\$ 44.0	\$ 29.7	\$ 27.6
Operating profit:			
Carbon Materials and Chemicals	\$ (5.3)	\$ 43.9	\$ 83.1
Railroad and Utility Products and Services	53.6	58.3	45.1
Performance Chemicals	1.6	0.0	0.0
Corporate ^(b)	(16.7)	(1.9)	(1.6)
Total	\$ 33.2	\$ 100.3	\$ 126.6
Capital expenditures (including acquisitions):			
Carbon Materials and Chemicals	\$ 63.7	\$ 58.0	\$ 17.3
Railroad and Utility Products and Services	44.5	15.9	25.0
Performance Chemicals	471.1	0.0	0.0
Corporate	0.7	1.3	0.6
Total	\$ 580.0	\$ 75.2	\$ 42.9

(a) Excludes impairment charges of \$4.7 and \$11.9 million in 2014 and 2013, respectively, for Carbon Materials and Chemicals and \$0.6 million in 2012 for Railroad and Utility Products and Services.

(b) Operating loss for Corporate includes general and administrative costs for Koppers Holdings Inc., the parent company of Koppers Inc., acquisition and acquisition-related integration costs.

The following table sets forth certain tangible and intangible assets allocated to each of the Company's segments as of the dates indicated:

	<i>December 31,</i>	
	<i>2014</i>	<i>2013</i>
<i>(Dollars in millions)</i>		
Assets:		
Carbon Materials and Chemicals	\$ 514.6	\$535.5
Railroad and Utility Products and Services	275.2	179.3
Performance Chemicals	469.0	0.0
Segment assets	1,258.8	714.8
Cash and cash equivalents	0.0	30.0
Income tax receivable	0.0	9.0
Deferred taxes	10.0	13.3
Deferred financing costs	14.5	7.2
Property, plant and equipment, net	3.9	3.8
Deferred charges	1.6	2.6
Other	5.1	4.2
Total	\$1,293.9	\$784.9
Goodwill:		
Carbon Materials and Chemicals	\$ 65.5	\$ 68.0
Railroad and Utility Products and Services	9.3	4.7
Performance Chemicals	172.4	0.0
Total	\$ 247.2	\$ 72.7

Revenues and Long-lived Assets by Geographic Area

	<i>Year</i>	<i>Revenue</i>	<i>Long-</i>
			<i>lived</i>
<i>(Dollars in millions)</i>			
<i>assets</i>			
United States	2014	\$ 833.0	\$537.1
	2013	782.5	169.1
	2012	827.6	162.9
Australasia	2014	349.0	160.3
	2013	348.3	100.6
	2012	318.9	72.4
Europe	2014	201.1	47.5
	2013	225.1	32.8
	2012	247.8	36.3
Other countries	2014	171.9	0.0
	2013	122.4	0.0
	2012	160.7	0.0
Total	2014	\$1,555.0	\$744.9
	2013	\$1,478.3	\$302.5
	2012	\$1,555.0	\$271.6

Revenues by geographic area in the above table are attributed by the destination country of the sale. Revenues from non-U.S. countries totaled \$722.0 million in 2014, \$695.8 million in 2013 and \$727.4 million in 2012.

[Table of Contents](#)

Segment Revenues for Significant Product Lines

	<u>Year Ended December 31,</u>		
	2014	2013	2012
<i>(Dollars in millions)</i>			
Carbon Materials and Chemicals:			
Carbon pitch	\$ 330.2	\$ 384.7	\$ 442.4
Creosote and carbon black feedstock	213.7	228.2	233.8
Phthalic anhydride	91.4	98.6	120.0
Naphthalene	73.5	64.5	60.3
Other products	124.9	130.1	143.2
	833.7	906.1	999.7
Railroad and Utility Products and Services:			
Railroad crossties	342.2	331.1	341.1
Utility poles	96.1	119.3	101.3
Creosote	51.2	61.4	57.0
Rail joint bars	27.2	24.5	25.6
Railroad infrastructure services	14.8	0.0	0.0
Other products	66.3	35.9	30.3
	597.8	572.2	555.3
Performance Chemicals:			
Wood preservative products	107.0	0.0	0.0
Other products	16.5	0.0	0.0
	123.5	0.0	0.0
Total	\$1,555.0	\$1,478.3	\$1,555.0

10. Income Taxes

Income Tax Provision

Components of the Company's income tax provision from continuing operations are as follows:

	<u>Years Ended December 31,</u>		
	2014	2013	2012
<i>(Dollars in millions)</i>			
Current:			
Federal	\$17.5	\$ 3.5	\$15.7
State	0.3	0.6	1.3
Foreign	14.6	14.0	8.6
Total current tax provision	32.4	18.1	25.6
Deferred:			
Federal	3.1	16.4	4.9
State	0.0	2.5	(1.2)
Foreign	(1.4)	(0.2)	4.0
Total deferred tax provision (benefit)	1.7	18.7	7.7
Total income tax provision	\$34.1	\$36.8	\$33.3

(Loss) income before income taxes for 2014, 2013 and 2012 included \$(1.5) million, \$24.6 million and \$42.6 million, respectively, from foreign operations.

The provision for income taxes is reconciled with the federal statutory rate as follows:

	<u>Years Ended December 31,</u>		
	<u>2014</u>	<u>2013</u>	<u>2012</u>
Federal income tax rate	35.0%	35.0%	35.0%
State income taxes, net of federal tax benefit	(4.8)	2.1	(0.5)
Foreign earnings taxed at different rates	(440.0)	15.5	0.5
Domestic production activities deduction	40.8	(2.0)	(2.7)
Deferred tax adjustments	3.2	(0.2)	(0.3)
Change in tax contingency reserves	(15.2)	(1.5)	1.2
Legal entity tax restructuring project	(1,503.2)	0.0	0.0
Foreign tax credits	1,203.4	(1.1)	(0.6)
Changes to foreign repatriation plans	104.0	0.0	0.0
Other	(1.2)	0.0	0.5
	<u>(578.0)%</u>	<u>47.8%</u>	<u>33.1%</u>

The Company has not provided any U.S. tax on undistributed earnings of foreign subsidiaries or joint ventures that are reinvested indefinitely. At December 31, 2014 consolidated retained earnings of the Company included approximately \$127 million of undistributed earnings, which are permanently invested, from these foreign entities. It is not practical at this time, however, to estimate the amount of taxes that may be payable on the distribution of these earnings.

Taxes Excluded from Net Income Attributable to Koppers

The amount of income tax (benefit) included in comprehensive (loss) income but excluded from net income attributable to Koppers relating to adjustments to copper swap contracts is (\$2.6) million, \$0.0 million, and \$0.0 million for the years ended December 31, 2014, 2013, and 2012, respectively.

The amount of income tax (benefit) provision included in comprehensive (loss) income but excluded from net income attributable to Koppers relating to adjustments to reflect the unfunded status of employee post-retirement benefit plans is \$(8.1) million, \$13.5 million and \$2.2 million for the years ended December 31, 2014, 2013 and 2012, respectively.

The amount of income tax (expense) benefit included in shareholders' equity but excluded from net income attributable to Koppers relating to the expense for restricted stock and employee stock options recognized differently for financial and tax reporting purposes was \$(0.3) million for the year ended December 31, 2014 and \$0.5 million for the year ended December 31, 2013.

[Table of Contents](#)

Deferred Tax Assets and Liabilities

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Significant components of the Company's deferred tax assets and liabilities are as follows:

	<i>December 31,</i>	
	<i>2014</i>	<i>2013</i>
<i>(Dollars in millions)</i>		
Deferred tax assets:		
Pension and other postretirement benefits obligations	\$ 19.2	\$ 10.3
Tax credits	16.1	10.3
Net operating loss benefit	14.6	10.0
Reserves, including insurance, environmental and deferred revenue	12.4	16.5
Asset retirement obligations	7.5	6.8
Accrued employee compensation	6.7	9.4
Book/tax inventory accounting differences	3.6	3.3
Book over tax depreciation and amortization	3.2	1.3
Capital loss benefit	1.1	1.1
Other	6.4	2.2
Valuation allowance	(32.4)	(19.7)
Total deferred tax assets	58.4	51.5
Deferred tax liabilities:		
Tax over book depreciation and amortization	49.0	35.4
Unremitted earnings of foreign subsidiaries	0.5	6.8
Tax/book inventory accounting differences	0.2	1.1
Other	0.6	3.7
Total deferred tax liabilities	50.3	47.0
Net deferred tax assets	\$ 8.1	\$ 4.5

A valuation allowance is provided when it is more likely than not that some portion or all of the related deferred tax assets will not be realized. At December 31, 2014, the Company has recorded a valuation allowance of \$7.5 million for certain state net operating loss carryforwards and state tax credit carryforwards anticipated to produce no tax benefit. The Company has recorded a valuation allowance of \$15.2 million for certain foreign tax credits in the United States expected to produce no benefit. These foreign tax credits will expire in 2024. The Company has recorded a valuation allowance of \$8.6 million for foreign net operating losses and certain foreign temporary differences that most likely will not be deducted. Additionally, the Company has recorded a valuation allowance of \$1.1 million for certain capital loss carryforwards in Australia and the United Kingdom expected to produce no benefit.

The Company has tax-effected state net operating losses of \$9.5 million, which will expire from 2015 to 2034. Additionally, the Company tax-effected foreign net operating losses of \$5.1 million, which will begin to expire in 2018.

Uncertain Tax Positions

The Company or one of its subsidiaries files income tax returns in U.S. federal jurisdiction, individual U.S. state jurisdictions and non-U.S. jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2008.

As of December 31, 2014 and 2013, the total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate, was approximately \$6.0 million and \$4.5 million, respectively. A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	<u>December 31,</u>		
	2014	2013	2012
<i>(Dollars in millions)</i>			
Balance at beginning of year	\$ 6.1	\$ 7.7	\$ 9.9
Additions based on tax provisions related to the current year	0.6	0.4	0.5
Additions for tax provisions of prior years	0.1	0.4	1.3
Additions as a result of acquisitions	1.6	0.0	0.0
Reductions of tax provisions of prior years	(0.6)	(0.8)	(0.5)
Reductions as a result of payments and settlements	0.0	(1.1)	(2.8)
Reductions as a result of a lapse of the applicable statute of limitations	(0.6)	(0.5)	(0.7)
Balance at end of year	\$ 7.2	\$ 6.1	\$ 7.7

The Company recognizes interest expense or interest income and any related penalties from uncertain tax positions in income tax expense. For each year ended December 31, 2014, 2013 and 2012, the Company recognized \$1.5 million, \$(0.1) million and \$0.3 million, respectively, in interest and penalties. As of December 31, 2014 and 2013, the Company had accrued approximately \$2.7 million and \$1.2 million for interest and penalties, respectively.

11. Inventories

Inventories as of December 31, 2014 and 2013 were as follows:

	<u>December 31,</u>	
	2014	2013
<i>(Dollars in millions)</i>		
Raw materials	\$191.1	\$105.4
Work in process	2.6	19.2
Finished goods	103.6	94.8
	297.3	219.4
Less revaluation to LIFO	56.1	50.6
Net	\$241.2	\$168.8

For the year ended December 31, 2013, liquidations of LIFO inventories increased operating profit by \$0.2 million.

[Table of Contents](#)

12. Equity Investments

The Company holds two investments in unconsolidated companies. KSA Limited Partnership is a 50 percent owned concrete crosstie operation located in Portsmouth, Ohio. Tangshan Koppers Kailuan Carbon Chemical Company Limited ("TKK") is a 30 percent owned tar distillation facility in the Hebei Province of China. No dividends were paid for the three years ended December 31, 2014. Equity in (losses) earnings for the three years ended December 31, 2014 were as follows:

<i>(Dollars in millions)</i>	<i>Equity (loss) income</i>	
2014	\$	(1.6)
2013		0.8
2012		0.8

13. Property, Plant and Equipment

Property, plant and equipment as of December 31, 2014 and 2013 were as follows:

<i>(Dollars in millions)</i>	<i>December 31,</i>	
	<i>2014</i>	<i>2013</i>
Land	\$ 18.7	\$ 9.1
Buildings	45.3	30.6
Machinery and equipment	678.6	608.1
	742.6	647.8
Less accumulated depreciation	442.9	450.8
Net	\$299.7	\$197.0

Depreciation expense, including impairment charges, for the years ended December 31, 2014, 2013 and 2012 amounted to \$38.8 million, \$38.3 million and \$25.2 million, respectively.

Impairments – Impairment charges for 2014, 2013 and 2012 were \$4.7 million, \$11.9 million and \$0.6 million, respectively. In 2014, impairment charges primarily related to the Carbon Material and Chemicals' plant in Tangshan, China (\$2.8 million, net of non-controlling interest). These impairment charges were calculated using a probability-weighted discounted cash flow model.

The impairment of the Company's 60-percent owned plant in Tangshan, China is due to the forced closure of a neighboring metallurgical coke facility. In October 2013, the Company was informed by the Tangshan Municipal People's Government ("Tangshan Government") of its intention to close the two coke batteries owned and operated by the Tangshan Iron and Steel Group Co., Ltd ("TISCO") in Tangshan, China. The Tangshan Government has ordered the closure of these coke batteries in an effort to improve the air quality in the Tangshan area. One TISCO coke battery closed in March 2014 and the Company has been informed that the remaining TISCO coke battery will cease production sometime within the next twelve to eighteen months.

The Company's 60-percent owned subsidiary, Koppers (China) Carbon & Chemical Company Limited ("KCCC") is located near to TISCO's coke facility and relies on its operations for a significant portion of raw material supply, utilities and other shared services. Closure of the TISCO coke batteries directly impacts KCCC's ability to operate its coal tar distillation plant and the Company has determined that it is unable to continue coal tar distillation activities at the site once TISCO ceases production activities at the adjacent facility. As of December 31, 2014, all fixed assets directly related to the facility have been substantially depreciated.

The Company believes it would be able to continue fulfilling current domestic Chinese customers and its export commitments with capacity at Koppers (Jiangsu) Carbon Chemical Company Limited, which commenced production in August 2014, its other 30 percent owned Chinese company and through other commercial relationships in China. However, the Company's margin on export sales may be negatively affected as a result of these actions.

The 2013 impairment of the Company's plant in the Netherlands was due to the decision to discontinue coal tar distillation activities at the Uithoorn plant in July 2014. A final determination to discontinue production was made in January 2014 after consultation with and agreement on a severance plan with the plant's works council and trade union, respectively. As of December 31, 2014, all fixed assets directly related to the facility have been substantially depreciated.

The impairment charge in 2012 related to a Railroad and Utility Products and Services segment's electricity co-generation plant in the United States.

Port of Portland – In February 2012, approximately 400 tons of carbon pitch leaked from a storage tank at the Company's terminal facility in Portland, Victoria, Australia. All of the coal tar pitch was contained within the tank farm area and was recovered. Insurance recoveries associated with the leak were a net \$0.1 million and \$1.2 million for the years ended December 31, 2014 and 2013, respectively. Costs directly associated with the leak were \$2.5 million for the year ended December 31, 2012 and include inventory losses, emergency response expenses, incremental logistics costs, and material clean-up and removal expenses, net of insurance recoveries.

14. Goodwill and Other Identifiable Intangible Assets

The change in the carrying amount of goodwill attributable to each business segment for the years ended December 31, 2014 and December 31, 2013 was as follows:

	Carbon Materials and Chemicals	Railroad and Utility Products and Services	Performance Chemicals	Total
<i>(Dollars in millions)</i>				
Balance at December 31, 2012	\$ 70.2	\$ 5.4	\$ 0.0	\$ 75.6
Currency translation	(2.2)	(0.7)	(0.0)	(2.9)
Balance at December 31, 2013	\$ 68.0	\$ 4.7	\$ 0.0	\$ 72.7
Acquisitions	0.0	5.2	175.4	180.6
Currency translation	(2.5)	(0.6)	(3.0)	(6.1)
Balance at December 31, 2014	\$ 65.5	\$ 9.3	\$ 172.4	\$ 247.2

The Company's identifiable intangible assets with finite lives are being amortized over their estimated useful lives and are summarized below:

	Estimated life in years	Weighted average remaining life in years	Gross Carrying Amount	Accumulated Amortization	December 31,		Gross Carrying Amount	Accumulated Amortization	Net
					2014	2013			
<i>(Dollars in millions)</i>									
Customer contracts	9 to 17	14.8	\$149.9	\$ 14.5	\$135.4	\$ 19.8	\$ 9.7	\$10.1	
Technology	4 to 12	7.0	26.7	1.4	25.3	0.0	0.0	0.0	
Trademarks	4 to 7	6.5	5.6	0.3	5.3	0.0	0.0	0.0	
Supply contracts	10	5.2	2.6	1.2	1.4	2.9	1.1	1.8	
Non-compete agreements	12	9.8	1.5	1.2	0.3	1.6	1.3	0.3	
Favorable lease agreements	3	0.0	0.8	0.8	0.0	0.8	0.8	0.0	
Total		13.2	\$187.1	\$ 19.4	\$167.7	\$ 25.1	\$ 12.9	\$12.2	

[Table of Contents](#)

Acquired intangible assets for the year ended December 31, 2014 totaled \$133.8 million for customer relationships, \$26.9 million for technology and \$5.6 million for trademarks. In 2014, the gross carrying value of identifiable intangible assets decreased by \$2.2 million due to foreign currency translation. Total amortization expense related to these identifiable intangible assets was \$8.4 million, \$2.1 million and \$1.9 million for the years ended December 31, 2014, 2013 and 2012, respectively. Estimated amortization expense for the next five years is summarized below:

<i>(Dollars in millions)</i>	<i>Estimated annual amortization</i>
2015	14.9
2016	14.5
2017	14.3
2018	14.3
2019	14.2

15. Pensions and Post-retirement Benefit Plans

The Company and its subsidiaries maintain a number of defined benefit and defined contribution plans to provide retirement benefits for employees in the U.S., as well as employees outside the U.S. These plans are maintained and contributions are made in accordance with the Employee Retirement Income Security Act of 1974, local statutory law or as determined by the board of directors. The defined benefit pension plans generally provide benefits based upon years of service and compensation. Pension plans are funded except for three domestic non-qualified defined benefit pension plans for certain key executives.

In the U.S., all qualified defined benefit pension plans for salaried employees have been closed to new participants and a number of plans, including most plans for hourly employees, have been frozen or are scheduled to be frozen in the next year. Accordingly, these pension plans no longer accrue additional years of service or recognize future increases in compensation for benefit purposes. In addition, a number of pension plans are subject to a "soft" freeze which precludes new employees from entering the defined benefit pension plans.

The defined contribution plans generally provide retirement assets to employee participants based upon employer and employee contributions to the participant's individual investment account. The Company also provides retiree medical insurance coverage to certain U.S. employees and a life insurance benefit to most U.S. employees. For salaried employees, the retiree medical and retiree insurance plans have been closed to new participants.

Expense related to defined contribution plans totaled \$6.9 million, \$5.3 million and \$4.7 million for the years ended December 31, 2014, 2013 and 2012, respectively. Expense related to contributions to multi-employer pension plans totaled \$0.2 million, \$0.4 million and \$0.4 million for the years ended December 31, 2014, 2013 and 2012, respectively.

Net periodic pension costs for 2014, 2013 and 2012 were as follows:

<i>(Dollars in millions)</i>	<i>Pension Benefits</i>			<i>December 31, Other Benefits</i>		
	<i>2014</i>	<i>2013</i>	<i>2012</i>	<i>2014</i>	<i>2013</i>	<i>2012</i>
Components of net periodic benefit cost:						
Service cost	\$ 2.7	\$ 3.4	\$ 3.5	\$ 0.1	\$ 0.1	\$ 0.1
Interest cost	11.8	10.7	10.7	0.5	0.5	0.5
Expected return on plan assets	(13.9)	(12.5)	(10.7)	0.0	0.0	0.0
Amortization of prior service cost	(0.2)	0.1	0.1	0.0	0.0	0.0
Amortization of net loss	4.0	7.6	8.1	(0.2)	(0.1)	0.0
Amortization of transition asset	0.0	0.0	(0.3)	0.0	0.0	0.0
Settlements and curtailments	0.0	0.1	0.3	0.0	0.0	0.0
Net periodic benefit cost	\$ 4.4	\$ 9.4	\$ 11.7	\$ 0.4	\$ 0.5	\$ 0.6

Net periodic pension (credit) cost that is expected to be recognized from the amortization of prior service cost and net loss is estimated to total \$(0.3) million and \$6.3 million, respectively, for all plans in 2015.

The change in the funded status of the pension and postretirement plans as of December 31, 2014 and December 31, 2013 is as follows:

	<u>Pension Benefits</u>		<u>December 31, Other Benefits</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<i>(Dollars in millions)</i>				
Change in benefit obligation:				
Benefit obligation at beginning of year	\$237.8	\$255.2	\$10.4	\$ 11.2
Service cost	2.7	3.4	0.1	0.1
Interest cost	11.8	10.7	0.5	0.5
Plan participants' contributions	0.2	0.2	0.0	0.0
Actuarial losses (gains)	39.4	(18.6)	(1.1)	(1.3)
Plan amendments	0.0	(1.5)	0.0	0.0
Settlements	0.0	(0.9)	0.0	0.0
Currency translation	(4.4)	0.2	0.0	0.0
Benefits paid	(11.8)	(10.9)	(0.1)	(0.1)
Benefit obligation at end of year	275.7	237.8	9.8	10.4
Change in plan assets:				
Fair value of plan assets at beginning of year	205.7	175.6	0.0	0.0
Actual return on plan assets	24.0	19.2	0.0	0.0
Employer contribution	15.1	22.5	0.1	0.1
Plan participants' contributions	0.2	0.2	0.0	0.0
Settlements	0.0	(0.9)	0.0	0.0
Currency translation	(3.7)	0.0	0.0	0.0
Benefits paid	(11.8)	(10.9)	(0.1)	(0.1)
Fair value of plan assets at end of year	229.5	205.7	0.0	0.0
Funded status of the plan	\$ (46.2)	\$ (32.1)	\$ (9.8)	\$ (10.4)
Amounts recognized in the balance sheet consist of:				
Noncurrent assets	\$ 0.2	\$ 0.6	\$ 0.0	\$ 0.0
Current liabilities	0.9	0.7	0.7	0.8
Noncurrent liabilities	45.5	32.0	9.1	9.6
Pension plans with benefit obligations in excess of plan assets:				
Benefit obligation	\$237.0	\$231.9		
Fair value of plan assets	200.2	199.2		
Pension plans with accumulated benefit obligations in excess of plan assets:				
Accumulated benefit obligation	\$230.7	\$225.0		
Fair value of plan assets	200.2	199.2		

The measurement date for all pension and postretirement assets and obligations is December 31 for each respective year.

The accumulated benefit obligation for all defined benefit pension plans as of December 31, 2014 and 2013 was \$269.0 million and \$230.6 million, respectively.

[Table of Contents](#)

Expected Contributions for the 2015 Fiscal Year

The expected contributions by the Company for 2015 are estimated to be \$3.1 million for pension plans and \$0.7 million for other benefit plans.

Projected Benefit Payments

Benefit payments for pension benefits, which are primarily funded by the pension plan assets, and other benefits, which are funded by general corporate assets and reflecting future expected service as appropriate, are expected to be paid as follows:

	<i>Pension Benefits</i>	<i>Other Benefits</i>
<i>(Dollars in millions)</i>		
2015	\$ 12.1	\$ 0.7
2016	12.4	0.7
2017	13.3	0.7
2018	14.3	0.7
2019	13.8	0.8
2020 – 2024	78.9	3.1

Weighted-Average Assumptions as of December 31

	<i>Pension Benefits</i>		<i>December 31, Other Benefits</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
Discount rate	4.12%	5.06%	4.32%	5.25%
Expected return on plan assets	6.31	7.04		
Rate of compensation increase	4.00	3.13		
Initial medical trend rate			6.95	7.15

Basis for the Selection of the Long-Term Rate of Return on Assets

The long-term rate of return on assets assumption was determined by using the plan's asset allocation as described in the plan's investment policy and modeling a distribution of compound average returns over a time horizon. The model uses asset class return, variance, and correlation assumptions to produce the expected return. The return assumptions used forward looking gross returns influenced by the current bond yields, corporate bond spreads and equity risk premiums based on current market conditions.

In general, the long-term rate of return is the sum of the portion of total assets in each asset class multiplied by the expected return for that class, adjusted for expected expenses to be paid from the assets. To develop the expected long-term rate of return on assets assumption, the Company considered the historical returns and the future expectations for returns for each asset class, as well as the target asset allocation of the pension portfolio.

Investment Strategy

The weighted average asset allocation for the Company's pension plans at December 31 by asset category is as follows:

	<i>December 31,</i>	
	<i>2014</i>	<i>2013</i>
Debt securities	71%	59%
Equity securities	26	38
Other	3	3
	100%	100%

The Company's investment strategy for its pension plans is to maintain an adequate level of diversification, to reduce interest rate and market risk and to provide adequate liquidity to meet immediate and future benefit payment requirements. The

Company's overall investment strategy is to achieve a mix of growth seeking assets, principally U.S. and international public company equity securities and income generating assets, principally debt securities, real estate and cash. Currently, the Company targets an allocation of 30 percent to 40 percent growth seeking assets and 60 percent to 70 percent income generating assets on an overall basis. The Company utilizes investment managers to assist in identifying and monitoring investments that meet these allocation criteria. With respect to the largest pension plan, the Company has implemented a strategy of reallocating pension assets from growth seeking assets to income generating assets as certain funded status levels are reached.

The investment valuation policy of the Company is to value investments at fair value. Most of the assets are invested in pooled or commingled investment vehicles. The Company's interest in these investment vehicles is expressed as a unit of account with a value per unit that is the result of the accumulated values of the underlying investments. Equity securities held within these investment vehicles are typically priced on a daily basis using the closing market price from the exchange the security is traded. Debt securities held within these investment vehicles are typically priced on a daily basis by independent pricing services. The fair value of real estate investments are either priced through a listing on an exchange or are subject to periodic appraisals.

The pension assets are all substantially held in pooled or commingled investment vehicles. The following table sets forth by level, the Company's pension plan assets at fair value, within the fair value hierarchy, as of December 31, 2014 and December 31, 2013:

	<i>As of December 31, 2014</i>			
	<i>Quoted prices in active markets for identical assets (Level 1)</i>	<i>Significant observable inputs (Level 2)</i>	<i>Significant unobservable inputs (Level 3)</i>	<i>Total</i>
<i>(Dollars in millions)</i>				
U.S. equity securities	\$ 17.5	\$ 10.5	\$ 0.0	\$ 28.0
International equity securities	12.7	20.0	0.0	32.7
U.S. debt securities	36.4	92.1	0.0	128.5
International debt securities	7.8	26.8	0.0	34.6
Real estate and other investments	0.0	1.9	0.0	1.9
Cash and cash equivalents	0.0	3.8	0.0	3.8
	\$ 74.4	\$ 155.1	\$ 0.0	\$229.5

	<i>As of December 31, 2013</i>			
	<i>Quoted prices in active markets for identical assets (Level 1)</i>	<i>Significant observable inputs (Level 2)</i>	<i>Significant unobservable inputs (Level 3)</i>	<i>Total</i>
<i>(Dollars in millions)</i>				
U.S. equity securities	\$ 17.8	\$ 15.9	\$ 0.0	\$ 33.7
International equity securities	0.0	44.3	0.0	44.3
U.S. debt securities	24.8	64.7	0.0	89.5
International debt securities	7.4	24.9	0.0	32.3
Real estate and other investments	0.0	1.5	0.0	1.5
Cash and cash equivalents	0.0	4.4	0.0	4.4
	\$ 50.0	\$ 155.7	\$ 0.0	\$205.7

[Table of Contents](#)

Health Care Cost Trend Rates

The 2014 initial health care cost trend rate is assumed to be 7.15 percent and is assumed to decrease gradually to 4.5 percent in 2027 and remain at that level thereafter. The assumed health care cost trend rate has a significant effect on the amounts reported for other postretirement benefit liability. A one-percentage-point change in the assumed health care cost trend rate would have the following effects:

<i>(Dollars in millions)</i>	<i>1% Increase</i>	<i>1% Decrease</i>
Increase (decrease) from change in health care cost trend rates:		
Postretirement benefit expense	\$ 0.0	\$ 0.0
Postretirement benefit liability	0.2	(0.2)

Incentive Plan

The Company has short-term management incentive plans that pay cash bonuses if certain Company performance and individual goals are met. The charge to operating expense for these plans was \$3.8 million in 2014, \$2.3 million in 2013 and \$5.2 million in 2012.

16. Debt

Debt at December 31, 2014 and December 31, 2013 was as follows:

<i>(Dollars in millions, except interest rates)</i>	<i>Weighted Average Interest Rate</i>	<i>Maturity</i>	<i>December 31,</i>	
			<i>2014</i>	<i>2013</i>
Term Loan	3.63%	2019	\$292.5	\$ 0.0
Revolving credit facility	3.63%	2019	204.5	\$ 0.0
Construction and other loans	5.81%	2018	56.5	6.6
Senior Notes	7 ⁷ / ₈ %	2019	297.0	296.5
Total debt			850.5	303.1
Less short-term debt and current maturities of long-term debt			43.9	0.0
Long-term debt (excluding current portion)			\$806.6	\$303.1

Revolving Credit Facility

On August 15, 2014, Koppers Inc. replaced its \$350.0 million revolving credit facility with a new \$500.0 senior secured revolving credit facility and a \$300.0 million senior secured term loan to finance its acquisition of the Osmose Entities (the "Senior Secured Credit Facilities"). Both borrowings mature on August 15, 2019. The interest rates on the new borrowings are variable and are based on LIBOR. The initial interest rate on the borrowings at August 15, 2014 was 3.25 percent. The senior secured term loan has quarterly principal repayment obligations of 2.5 percent of the original principal amount borrowed, or \$7.5 million.

Borrowings under the revolving credit facility and term loan are secured by a first priority lien on substantially all of the assets of Koppers Inc. and its material domestic subsidiaries. The revolving credit facility and term loan contain certain covenants for Koppers Inc. and its restricted subsidiaries that limit capital expenditures, additional indebtedness, liens, dividends, investments or acquisitions. In addition, such covenants give rise to events of default upon the failure by Koppers Inc. and its restricted subsidiaries to meet certain financial ratios.

As of December 31, 2014, the Company had \$113.5 million of unused revolving credit availability for working capital purposes after restrictions from certain letter of credit commitments and other covenants. As of December 31, 2014, \$61.5 million of commitments were utilized by outstanding letters of credit.

Construction Loans

On November 18, 2013, the Company's 75-percent owned subsidiary, Koppers (Jiangsu) Carbon Chemical Company Limited ("KJCC") entered into two committed loan facility agreements for a combined commitment of RMB 265 million or approximately \$44 million. The third party bank provided facility has a commitment amount of RMB 198.8 million and the other committed facility of RMB 66.2 million is provided by the 25-percent non-controlling shareholder in KJCC. Borrowings under the third party bank facility are secured by a letter of credit issued by a bank under the Koppers Inc. revolving credit facility. The committed facilities were used to finance the costs related to the construction of the coal tar distillation plant in Pizhou, Jiangsu province in China. The facilities are variable rate and have certain financial covenants that monitor minimum net worth and leverage. KJCC will repay the loans in six installments every six months starting in May 2016 with a final repayment on November 18, 2018, the maturity date of the loans.

Senior Notes

The Koppers Inc. 7⁷/₈ percent Senior Notes due 2019 (the "Senior Notes") were issued on December 1, 2009 at an offering price of 98.311 percent of face value, or \$294.9 million and have a principal amount at maturity of \$300.0 million. The Senior Notes have an effective interest rate yield of 8¹/₈ percent per annum. The 2009 Senior Notes are our senior obligations, are fully and unconditionally guaranteed by KH and certain of our wholly-owned domestic subsidiaries, and, as of August 15, 2014, are secured equally and ratably with the obligations under our Senior Secured Credit Facilities.

Interest on the Senior Notes is payable semiannually on December 1 and June 1 each year. On or after December 1, 2014, the Company is entitled to redeem all or a portion of the Senior Notes at a redemption price of 103.938 percent of principal value, declining annually in ratable amounts until the redemption price is equivalent to the principal value on December 1, 2017.

The indenture governing the Senior Notes includes customary covenants that restrict, among other things, the ability of Koppers Inc. and its restricted subsidiaries to incur additional debt, pay dividends or make certain other restricted payments, incur liens, merge or sell all or substantially all of the assets of Koppers Inc. or its subsidiaries or enter into various transactions with affiliates.

Debt Maturities and Deferred Financing Costs

At December 31, 2014 the aggregate debt maturities for the next five years are as follows:

<i>(Dollars in millions)</i>	
2015	\$ 43.9
2016	36.4
2017	44.9
2018	51.3
2019	677.0
Thereafter	0.0
Total maturities	853.5
Future accretion on Senior Notes	(3.0)
Total debt	\$850.5

Unamortized deferred financing costs (net of accumulated amortization of \$3.9 million and \$5.9 million at December 31, 2014 and 2013, respectively) were \$14.5 million and \$7.2 million at December 31, 2014 and 2013, respectively, and are included in other assets.

[Table of Contents](#)

17. Leases

Future minimum commitments for operating leases having non-cancelable lease terms in excess of one year are as follows:

<i>(Dollars in millions)</i>	
2015	\$ 35.6
2016	30.5
2017	27.5
2018	21.2
2019	7.6
Thereafter	33.7
Total	\$156.1

Operating lease expense for 2014, 2013 and 2012 was \$36.7 million, \$39.4 million and \$44.3 million, respectively.

18. Derivative Financial Instruments

The Company utilizes derivative instruments to manage exposures to risks that have been identified and measured and are capable of being controlled. The primary risks managed by the company by using derivative instruments are commodity price risk associated with copper and foreign currency exchange risk associated with a number of currencies, principally the U.S. dollar, the Canadian dollar, the Euro and British pounds. Swap contracts on copper are used to manage the price risk associated with forecasted purchases of materials used in the Company's manufacturing processes. Generally, the Company will not hedge cash flow exposures for durations longer than 30 months. The Company enters into foreign currency forward contracts to manage foreign currency risk associated with the Company's receivable and payable balances. Generally, the Company enters into master netting arrangements with the counterparties and offsets net derivative positions with the same counterparties. Currently, the Company's agreements do not require cash collateral.

ASC Topic 815-10, "Derivatives and Hedging," requires companies to recognize all derivative instruments as either assets or liabilities at fair value in the balance sheet. Derivative instruments' fair value is determined using significant other observable inputs, or Level 2 in the fair value hierarchy. In accordance with ASC Topic 815-10, the Company designates commodity swaps as cash flow hedges of forecasted purchases of commodities. For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain or loss on the derivative is reported as a component of other comprehensive (loss) income and is reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. Gains and losses on the derivative instruments representing either hedge ineffectiveness or hedge components excluded from the assessment of effectiveness are recognized in current earnings.

As of December 31, 2014, the Company has outstanding copper swap contracts totaling 19.6 million pounds and the fair value of these swap contracts was \$(6.5) million which is classified in accrued liabilities in the consolidated balance sheet. The amount of loss recognized in other comprehensive loss totaled \$3.8 million, net of tax, at December 31, 2014. The ineffective portion of the copper swap contracts totaled \$0.1 million and was charged to cost of sales for the year ended December 31, 2014. In the next twelve months the Company estimates that \$2.8 million of unrealized losses, net of tax, related to commodity price hedging will be reclassified from other comprehensive loss into earnings.

Forward contracts related to foreign currency are not designated as hedges and fair value changes in these contracts are immediately charged to earnings and are classified in other income in the condensed consolidated statement of income. As of December 31, 2014, the Company has outstanding foreign currency forward contracts with a net fair value totaling \$0.0 million, consisting of a gross derivative asset of \$0.2 million and a gross derivative liability of \$0.2 million. The currency units outstanding at December 31, 2014 were British Pound of GBP 15.6 million, Canadian Dollar of CAD 8.0 million and United States Dollar of USD 7.6 million.

19. Common Stock and Senior Convertible Preferred Stock

Changes in senior convertible preferred stock, common stock and treasury stock for the three years ended December 31, 2014 are as follows:

	<u>Year Ended December 31,</u>		
	2014	2013	2012
<i>(Shares in thousands)</i>			
Senior Convertible Preferred Stock:			
Balance at beginning and end of year	0	0	0
Common Stock:			
Balance at beginning of year	21,722	21,585	21,309
Issued for employee stock plans	216	137	276
Balance at end of year	21,938	21,722	21,585
Treasury Stock:			
Balance at beginning of year	(1,390)	(951)	(706)
Shares repurchased	(53)	(439)	(245)
Balance at end of year	(1,443)	(1,390)	(951)

20. Commitments and Contingent Liabilities

The Company and its subsidiaries are involved in litigation and various proceedings relating to environmental laws and regulations and toxic tort, product liability and other matters. Certain of these matters are discussed below. The ultimate resolution of these contingencies is subject to significant uncertainty and should the Company or its subsidiaries fail to prevail in any of these legal matters or should several of these legal matters be resolved against the Company or its subsidiaries in the same reporting period, these legal matters could, individually or in the aggregate, be material to the consolidated financial statements.

Legal Proceedings

Coal Tar Pitch Cases. Koppers Inc., along with other defendants, is currently a defendant in lawsuits filed in two states in which the plaintiffs claim they suffered a variety of illnesses (including cancer) as a result of exposure to coal tar pitch sold by the defendants. There are approximately 112 plaintiffs in 60 cases pending as of December 31, 2014 as compared to 111 plaintiffs in 61 cases pending as of December 31, 2013. As of December 31, 2014, there are a total of 59 cases pending in state court in Pennsylvania, and one case pending in state court in Tennessee. Koppers Inc. has been dismissed from three cases formerly pending in state court in Arkansas.

The plaintiffs in all 60 pending cases seek to recover compensatory damages, while plaintiffs in 55 cases also seek to recover punitive damages. The plaintiffs in the 59 cases filed in Pennsylvania state court seek unspecified damages in excess of the court's minimum jurisdictional limit. The plaintiffs in the Tennessee state court case each seek damages of \$15.0 million. The other defendants in these lawsuits vary from case to case and include companies such as Beazer East, Inc., United States Steel Corporation, Honeywell International Inc., Vertellus Specialties Inc., Dow Chemical Company, UCAR Carbon Company, Inc., Exxon Mobil Corporation, SGL Carbon Corporation and Alcoa, Inc. Discovery is proceeding in these cases. No trial dates have been set in any of these cases.

The Company has not provided a reserve for these lawsuits because, at this time, the Company cannot reasonably determine the probability of a loss, and the amount of loss, if any, cannot be reasonably estimated. The timing of resolution of these cases cannot be reasonably determined. Although Koppers Inc. is vigorously defending these cases, an unfavorable resolution of these matters may have a material adverse effect on the Company's business, financial condition, cash flows and results of operations.

Gainesville. Koppers Inc. operated a utility pole treatment plant in Gainesville from December 29, 1988 until its closure in 2009. The property upon which the utility pole treatment plant was located was sold by Koppers Inc. to Beazer East, Inc. in 2010.

[Table of Contents](#)

In November 2010, a class action complaint was filed in the Circuit Court of the Eighth Judicial Circuit located in Alachua County, Florida by residential real property owners located in a neighborhood west of and immediately adjacent to the former utility pole treatment plant in Gainesville. The complaint named Koppers Holdings Inc., Koppers Inc., Beazer East and several other parties as defendants. In a second amended complaint, plaintiffs define the putative class as consisting of all persons who are present record owners of residential real properties located in an area within a two-mile radius of the former Gainesville wood treating plant. Plaintiffs further allege that chemicals and contaminants from the Gainesville plant have contaminated real properties within the two mile geographical area, have caused property damage (diminution in value) and have placed residents and owners of the putative class properties at an elevated risk of exposure to and injury from the chemicals at issue. The second amended complaint seeks damages for diminution in property values, the establishment of a medical monitoring fund and punitive damages.

The case was removed to the United States District Court for the Northern District of Florida in December 2010. The district court dismissed Koppers Holdings Inc. in September 2013 on the ground that there was no personal jurisdiction. Plaintiffs' appeal of the dismissal of Koppers Holdings Inc. was dismissed in December 2013. Under the current scheduling order, the Court has set a deadline of February 23, 2015 for completion of class factual discovery with expert witness discovery to follow. Discovery on the merits is stayed until further order of the court.

The Company has not provided a reserve for this matter because, at this time, it cannot reasonably determine the probability of a loss, and the amount of loss, if any, cannot be reasonably estimated. The timing of resolution of this case cannot be reasonably determined. Although the Company is vigorously defending this case, an unfavorable resolution of this matter may have a material adverse effect on the Company's business, financial condition, cash flows and results of operations.

Virgin Islands. Koppers Performance Chemicals Inc. ("KPC") is currently a defendant in a putative class action lawsuit filed in the United States District Court of the Virgin Islands. The plaintiffs claim, on behalf of themselves and others similarly situated, that KPC's wood preservative products and formulas are defective, and the complaint alleges the following causes of action: breach of contract, negligence, strict liability, fraud and violation of Virgin Islands Consumer Fraud and Deceptive Business Practices statute. The putative class is defined as all users (residential or commercial) of wood products treated with KPC wood preserving products in the United States who purchased such wood products from January 1, 2004 to the present. Alternatively, plaintiffs allege that the putative class should be all persons and entities that have owned or acquired buildings or other structures physically located in the U.S. Virgin Islands that contain wood products treated with KPC wood preserving products from January 1, 2004 to the present. The complaint alleges plaintiffs are entitled to unspecified "economic and compensatory damages", punitive damages, costs and disgorgement of profits. The complaint further requests a declaratory judgment and injunction to establish an inspection and disposal program for class members' structures. The lawsuit was filed on July 16, 2014, and KPC has filed a motion to dismiss. Plaintiffs have responded to the motion and KPC has filed a reply. The motion has been fully briefed and we are awaiting a ruling by the court. The Company has not provided a reserve for this matter because, at this time, it cannot reasonably determine the probability of a loss, and the amount of loss, if any, cannot be reasonably estimated. The timing of resolution of this case cannot be reasonably determined.

Other Matters. In July 2012, Koppers Netherlands B.V.'s ("Koppers Netherlands") coal tar distillation plant suffered a series of electrical disruptions which significantly affected plant operations and prevented the resumption of plant operations for a period of approximately three weeks. As a result of the suspension of operations, the coal tar distillation plant was unable to provide steam and other services to an adjacent unaffiliated plant. This unaffiliated plant and Koppers Netherlands' plant share certain services and plant infrastructure under a cost sharing agreement. In September 2012, Koppers Netherlands received a business interruption claim from the owner of the unaffiliated plant that included an initial claim for lost profits of approximately \$1.7 million. In July 2013 the owner of the unaffiliated plant filed a request for arbitration with the Netherlands Arbitration Institute seeking damages for the business interruption claim plus interest, costs and legal fees. In its statement of claim to the arbitration board, the owner of the unaffiliated facility has claimed damages of at least \$3.1 million for these costs. The arbitration hearing was held in June 2014. This matter was settled on January 19, 2015 for \$1.4 million, which amount will be paid by the insurance carrier for Koppers Netherlands.

Environmental and Other Litigation Matters

The Company and its subsidiaries are subject to federal, state, local and foreign laws and regulations and potential liabilities relating to the protection of the environment and human health and safety including, among other things, the cleanup of contaminated sites, the treatment, storage and disposal of wastes, the discharge of effluent into waterways, the emission of substances into the air and various health and safety matters. The Company's subsidiaries expect to incur substantial costs for ongoing compliance with such laws and regulations. The Company's subsidiaries may also face governmental or third-party claims, or otherwise incur costs, relating to cleanup of, or for injuries resulting from, contamination at sites associated with past and present operations. The Company accrues for environmental liabilities when a determination can be made that a liability is probable and reasonably estimable.

Environmental and Other Liabilities Retained or Assumed by Others. The Company's subsidiaries have agreements with former owners of certain of their operating locations under which the former owners retained, assumed and/or agreed to indemnify such subsidiaries against certain environmental and other liabilities. The most significant of these agreements was entered into at Koppers Inc.'s formation on December 29, 1988 (the "Acquisition"). Under the related asset purchase agreement between Koppers Inc. and Beazer East, subject to certain limitations, Beazer East retained the responsibility for and agreed to indemnify Koppers Inc. against certain liabilities, damages, losses and costs, including, with certain limited exceptions, liabilities under and costs to comply with environmental laws to the extent attributable to acts or omissions occurring prior to the Acquisition and liabilities related to products sold by Beazer East prior to the Acquisition (the "Indemnity"). Beazer Limited, the parent company of Beazer East, unconditionally guaranteed Beazer East's performance of the Indemnity pursuant to a guarantee (the "Guarantee"). In 1998, the parent company of Beazer East purchased an insurance policy under which the funding and risk of certain environmental and other liabilities relating to the former Koppers Company, Inc. operations of Beazer East (which includes locations purchased from Beazer East by Koppers Inc.) are underwritten by Centre Solutions (a member of the Zurich Group) and Swiss Re. Beazer East is a wholly-owned, indirect subsidiary of Heidelberg Cement AG.

The Indemnity provides different mechanisms, subject to certain limitations, by which Beazer East is obligated to indemnify Koppers Inc. with regard to certain environmental, product and other liabilities and imposes certain conditions on Koppers Inc. before receiving such indemnification, including, in some cases, certain limitations regarding the time period as to which claims for indemnification can be brought. In July 2004, Koppers Inc. and Beazer East agreed to amend the environmental indemnification provisions of the December 29, 1988 asset purchase agreement to extend the indemnification period for pre-closing environmental liabilities through July 2019. As consideration for the amendment, Koppers Inc. paid Beazer East a total of \$7.0 million and agreed to share toxic tort litigation defense costs arising from any sites acquired from Beazer East. The July 2004 amendment did not change the provisions of the Indemnity with respect to indemnification for non-environmental claims, such as product liability claims, which claims may continue to be asserted after July 2019.

Qualified expenditures under the Indemnity are not subject to a monetary limit. Qualified expenditures under the Indemnity include (i) environmental cleanup liabilities required by third parties, such as investigation, remediation and closure costs, relating to pre-December 29, 1988 or ("Pre-Closing") acts or omissions of Beazer East or its predecessors; (ii) environmental claims by third parties for personal injuries, property damages and natural resources damages relating to Pre-Closing acts or omissions of Beazer East or its predecessors; (iii) punitive damages for the acts or omissions of Beazer East and its predecessors without regard to the date of the alleged conduct, and (iv) product liability claims for products sold by Beazer East or its predecessors without regard to the date of the alleged conduct. If the third party claims described in sections (i) and (ii) above are not made by July 2019, Beazer East will not be required to pay the costs arising from such claims under the Indemnity. However, with respect to any such claims which are made by July 2019, Beazer East will continue to be responsible for such claims under the Indemnity beyond July 2019. The Indemnity provides for the resolution of issues between Koppers Inc. and Beazer East by an arbitrator on an expedited basis upon the request of either party. The arbitrator could be asked, among other things, to make a determination regarding the allocation of environmental responsibilities between Koppers Inc. and Beazer East. Arbitration decisions under the Indemnity are final and binding on the parties.

Contamination has been identified at most manufacturing and other sites of the Company's subsidiaries. Currently, at the properties acquired from Beazer East (which include all but two of the sites permitted under the Resource Conservation and Recovery Act ("RCRA")), a significant portion of all investigative, cleanup and closure activities are being conducted and paid for by Beazer East pursuant to the terms of the Indemnity. In addition, other of Koppers Inc.'s sites are or have been operated under RCRA and various other environmental permits, and remedial and closure activities are being conducted at some of these sites.

[Table of Contents](#)

To date, the parties that retained, assumed and/or agreed to indemnify the Company against the liabilities referred to above, including Beazer East, have performed their obligations in all material respects. The Company believes that, for the last three years ended December 31, 2014, amounts paid by Beazer East as a result of its environmental remediation obligations under the Indemnity have averaged in total approximately \$13 million per year. Periodically, issues have arisen between Koppers Inc. and Beazer East and/or other indemnitors that have been resolved without arbitration. Koppers Inc. and Beazer East engage in discussions from time to time that involve, among other things, the allocation of environmental costs related to certain operating and closed facilities.

If for any reason (including disputed coverage or financial incapability) one or more of such parties fail to perform their obligations and the Company or its subsidiaries are held liable for or otherwise required to pay all or part of such liabilities without reimbursement, the imposition of such liabilities on the Company or its subsidiaries could have a material adverse effect on its business, financial condition, cash flows and results of operations. Furthermore, the Company could be required to record a contingent liability on its balance sheet with respect to such matters, which could result in a negative impact to the Company's business, financial condition, cash flows and results of operations.

Domestic Environmental Matters. Koppers Inc. has been named as one of the potentially responsible parties ("PRPs") at the Portland Harbor CERCLA site located on the Willamette River in Oregon. Koppers Inc. currently maintains a coal tar pitch terminal near the site. Koppers Inc. has responded to an Environmental Protection Agency ("EPA") information request and has executed a PRP agreement which outlines the process to develop an allocation of past and future costs among more than 80 parties to the site. Koppers Inc. believes it is a *de minimus* contributor at the site. Additionally, a separate natural resources damages assessment ("NRDA") is being conducted by a local trustee group. The NRDA is intended to identify further information necessary to estimate liabilities for remediation based settlements of national resource damages ("NRD") claims. Koppers Inc. may also incur liabilities under the NRD process and has entered into a separate process to develop an allocation of NRDA cost.

In March 2012, a draft Feasibility Study ("FS") was submitted to EPA by the Lower Willamette Group, a group of certain PRPs which has been conducting the investigation of the site. The draft FS identifies ten possible remedial alternatives which range in cost from approximately \$170 million to \$1.8 billion. The FS does not determine who is responsible for remediation costs or select remedies. The FS is under review by the EPA which will issue a final decision on the nature and extent of the final remediation. Responsibility for implementing and funding that work will be decided in the separate allocation process.

In September 2009, Koppers Inc. received a general notice letter notifying it that it may be a PRP at the Newark Bay CERCLA site. In January 2010, Koppers Inc. submitted a response to the general notice letter asserting that Koppers Inc. is a *de minimus* party at this site.

Other than the estimated costs of participating in the PRP group at the Portland Harbor and Newark Bay CERCLA sites totaling \$0.7 million at December 31, 2014, the Company has not provided a reserve for these matters because there has not been a determination of the total cost of the investigations, the remediation that will be required, the amount of natural resources damages or how those costs will be allocated among the PRPs. Accordingly, the Company believes that it cannot reasonably determine the probability of a loss, and the amount of loss, if any, cannot be reasonably estimated. An unfavorable resolution of these matters may have a material adverse effect on the Company's business, financial condition, cash flows and results of operations.

Australian Environmental Matters. Soil and groundwater contamination has been detected at certain of the Company's Australian facilities. At the Company's tar distillation facility in Newcastle, New South Wales, Australia, soil contamination from an abandoned underground coal tar pipeline and other groundwater contamination have been detected at a property adjacent to the facility. In 2011, the Company and the owner of the adjacent property reached an agreement in which the Company will contribute \$1.6 million and the owner of the adjacent property will contribute \$7.5 million toward remediation of the property. The agreement provides that the Company will assume responsibility for the management of the remediation effort and will indemnify the current owner for any remediation costs in excess of its agreed contribution. At the completion of the remediation, the agreement provides that the property will be transferred to the Company. The remediation project commenced in 2011 and the Company has reserved its expected remaining remediation costs of \$0.9 million and has recorded a receivable, net of cash collections, from the owner of the adjacent property of \$0.8 million as of December 31, 2014.

In December 2011, the Company ceased manufacturing operations at its Continental Carbon facility located in Kurnell, Australia. The Company has accrued its expected cost of site remediation resulting from the closure of \$4.1 million as of December 31, 2014.

Environmental Reserves Rollforward. The following table reflects changes in the accrued liability for environmental matters, of which \$3.3 million and \$8.2 million are classified as current liabilities at December 31, 2014 and 2013, respectively:

	<i>Year Ended December 31,</i>	
	2014	2013
<i>(Dollars in millions)</i>		
Balance at beginning of year	\$11.9	\$14.1
Expense	0.8	1.8
Reversal of reserves	(1.5)	(1.2)
Cash expenditures	(3.7)	(0.9)
Acquisition	0.7	0.0
Currency translation	(0.4)	(1.9)
Balance at end of year	\$7.8	\$11.9

21. Related Party Transactions

As of December 31, 2014, the Company has loaned \$9.5 million to TKK, a 30-percent owned company in China. The loan is repayable in November 2015 with six equal installments beginning June 2015.

22. Selected Quarterly Financial Data (Unaudited)

The following is a summary of the quarterly results of operations for the years ended December 31, 2014 and 2013:

	<i>Year Ended December 31, 2014</i>				
	<i>1st Quarter</i>	<i>2nd Quarter</i>	<i>3rd Quarter</i>	<i>4th Quarter</i>	<i>Fiscal Year</i>
<i>(Dollars in millions, except per share amounts)</i>					
<i>Statement of operations data:</i>					
Net sales	\$ 331.4	\$ 356.8	\$ 440.1	\$ 426.7	\$ 1,555.0
Operating profit	0.5	13.3	17.3	2.1	33.2
Income (loss) from continuing operations	(0.1)	0.8	(4.3)	(36.4)	(40.0)
Net income (loss)	(0.1)	0.7	(4.2)	(35.8)	(39.4)
Net income (loss) attributable to Koppers ^(c)	2.2	1.6	(2.7)	(33.5)	(32.4)
<i>Common stock data:</i>					
<i>Earnings (loss) per common share attributable to Koppers common shareholders:^(a)</i>					
<i>Basic –</i>					
Continuing operations	\$ 0.11	\$ 0.08	\$ (0.14)	\$ (1.66)	\$ (1.61)
Discontinued operations	0.00	0.00	0.00	0.03	0.03
Earnings (loss) per basic common share	\$ 0.11	\$ 0.08	\$ (0.14)	\$ (1.63)	\$ (1.58)
<i>Diluted –</i>					
Continuing operations	\$ 0.11	\$ 0.08	\$ (0.14)	\$ (1.66)	\$ (1.61)
Discontinued operations	0.00	0.00	0.00	0.03	0.03
Earnings (loss) per diluted common share	\$ 0.11	\$ 0.08	\$ (0.14)	\$ (1.63)	\$ (1.58)
Dividends declared per common share	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 1.00
<i>Price range of common stock:</i>					
High	\$ 45.92	\$ 45.51	\$ 39.45	\$ 39.88	\$ 45.92
Low	35.51	35.53	33.02	22.52	22.52

Table of Contents

	Year Ended December 31, 2013				
	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Fiscal Year
<i>(Dollars in millions, except per share amounts)</i>					
Statement of operations data:					
Net sales	\$ 370.4	\$ 370.9	\$ 395.2	\$ 341.8	\$ 1,478.3
Operating profit ^(b)	24.9	28.5	39.1	7.8	100.3
Income from continuing operations	11.4	14.8	19.6	(5.6)	40.2
Net income	11.5	14.7	19.5	(5.6)	40.1
Net income attributable to Koppers	11.0	14.4	19.1	(4.1)	40.4
Common stock data:					
Earnings (loss) per common share attributable to Koppers common shareholders: ^(a)					
Basic –					
Continuing operations	\$ 0.53	\$ 0.70	\$ 0.93	\$ (0.20)	\$ 1.96
Discontinued operations	0.00	(0.01)	0.00	0.00	0.00
Earnings per basic common share	\$ 0.53	\$ 0.69	\$ 0.93	\$ (0.20)	\$ 1.96
Diluted –					
Continuing operations	\$ 0.53	\$ 0.70	\$ 0.92	\$ (0.20)	\$ 1.94
Discontinued operations	0.00	(0.01)	0.00	0.00	0.00
Earnings per diluted common share	\$ 0.53	\$ 0.69	\$ 0.92	\$ (0.20)	\$ 1.94
Dividends declared per common share	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 1.00
Price range of common stock:					
High	\$ 45.72	\$ 46.48	\$ 42.43	\$ 49.99	\$ 49.99
Low	38.70	37.45	34.69	41.61	34.69

(a) The cumulative sum of quarterly basic and diluted net income per share amounts may not equal total basic and diluted net income per share amounts for the year due to differences in weighted average and equivalent shares outstanding for each of the periods presented.

(b) In the fourth quarter of 2013, the Company recorded asset impairment charges totaling \$11.9 million primarily consisting of write-downs related to the Company's coal tar distillation facilities located in Iithoorn, the Netherlands; Tangshan, China; and Follansbee, West Virginia.

(c) In the fourth quarter of 2014, the Company recorded a \$24.3 million income tax charge related to a legal entity reorganization project.

23. Subsidiary Guarantor Information for Koppers Inc. Senior Notes

On December 1, 2009, Koppers Inc. issued \$300.0 million principal value of Senior Notes. Koppers Holdings and each of Koppers Inc.'s 100 percent-owned material domestic subsidiaries other than Koppers Assurance, Inc. fully and unconditionally guarantee the payment of principal and interest on the Senior Notes. The domestic guarantor subsidiaries include Koppers World-Wide Ventures Corporation, Koppers Delaware, Inc., Koppers Concrete Products, Inc., Concrete Partners, Inc., Koppers Performance Chemicals Inc., Koppers Railroad Structures Inc., Koppers NZ, LLC, Koppers-Nevada Limited Liability Company, Wood Protection LP, Wood Protection Management LLC and Koppers Asia LLC. Non-guarantor subsidiaries are owned directly or indirectly by Koppers Inc. or are owned directly or indirectly by Koppers World-Wide Ventures Corporation.

The guarantee of a guarantor subsidiary will be automatically and unconditionally released and discharged in the event of:

- any sale of the capital stock or substantially all of the assets of the guarantor subsidiary;
- the designation of the guarantor subsidiary as an unrestricted subsidiary in accordance with the indenture governing the Senior Notes; and
- the legal defeasance, covenant defeasance or satisfaction and discharge of the indenture governing the Senior Notes.

Koppers Holdings depends on the dividends from the earnings of Koppers Inc. and its subsidiaries to generate the funds necessary to meet its financial obligations, including the payment of any declared dividend of Koppers Holdings. Koppers Inc.'s credit agreement prohibits it from making dividend payments to Koppers Holdings Inc. unless (1) such dividend payments are permitted by the indenture governing Koppers Inc.'s Senior Notes and (2) no event of default or potential default has occurred or is continuing under the credit agreement. The indenture governing Koppers Inc.'s Senior Notes restricts its ability to finance Koppers Holdings Inc.'s payment of dividends if (1) a default has occurred or would result from such financing, (2) a restricted subsidiary of Koppers Inc. which is not a guarantor under the indenture is not able to incur additional indebtedness (as defined in the indenture), and (3) the sum of all restricted payments (as defined in the indenture) have exceeded the permitted amount (referred to as the "basket") at such point in time.

The Koppers Inc. revolving credit facility agreement provides for a revolving credit facility of up to \$500.0 million and a term loan of up to \$300 million at variable rates. Borrowings under the revolving credit facility are secured by a first priority lien on substantially all of the assets of Koppers Inc. and its material domestic subsidiaries. The revolving credit facility agreement contains certain covenants for Koppers Inc. and its restricted subsidiaries that limit capital expenditures, additional indebtedness, liens, dividends, investments or acquisitions. In addition, such covenants give rise to events of default upon the failure by Koppers Inc. and its restricted subsidiaries to meet certain financial ratios.

The amount of restricted net assets unavailable for distribution to Koppers Holdings Inc. by Koppers Inc. totals \$20 million as of December 31, 2014. Cash dividends paid to Koppers Holdings Inc. by its subsidiaries totaled \$23.6 million, \$38.5 million and \$27.6 million for the years ended December 31, 2014, 2013 and 2012, respectively.

Condensed Consolidating Statement of Comprehensive (Loss) Income
For the Year Ended December 31, 2014

	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
<i>(Dollars in millions)</i>						
Net sales	\$ 0.0	\$ 795.9	\$ 143.0	\$ 683.5	\$ (67.4)	\$ 1,555.0
Cost of sales including depreciation and amortization	0.0	724.5	108.8	639.0	(66.7)	1,405.6
Selling, general and administrative	2.2	59.2	17.4	37.4	0.0	116.2
Operating profit (loss)	(2.2)	12.2	16.8	7.1	(0.7)	33.2
Other income (expense)	0.0	0.2	4.7	(0.6)	(4.3)	0.0
Equity income of subsidiaries	(31.0)	(15.9)	(6.4)	0.0	53.3	0.0
Interest expense	0.0	36.5	0.0	6.9	(4.3)	39.1
Income taxes	(0.8)	(9.0)	30.5	13.4	0.0	34.1
Income from continuing operations	(32.4)	(31.0)	(15.4)	(13.8)	52.6	(40.0)
Discontinued operations	0.0	0.0	(0.6)	1.2	0.0	0.6
Noncontrolling interests	0.0	0.0	0.0	(7.0)	0.0	(7.0)
Net loss attributable to Koppers	\$(32.4)	\$ (31.0)	\$ (16.0)	\$ (5.6)	\$ 52.6	\$ (32.4)
Comprehensive loss attributable to Koppers	\$(82.5)	\$ (81.1)	\$ (54.4)	\$ (35.1)	\$ 170.6	\$ (82.5)

[Table of Contents](#)

Condensed Consolidating Statement of Comprehensive Income
For the Year Ended December 31, 2013

	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
<i>(Dollars in millions)</i>						
Net sales	\$ 0.0	\$ 843.7	\$ 61.8	\$ 622.2	\$ (49.4)	\$ 1,478.3
Cost of sales including depreciation and amortization	0.0	745.4	43.5	566.9	(49.5)	1,306.3
Selling, general and administrative	1.9	41.5	0.7	27.6	0.0	71.7
Operating profit (loss)	(1.9)	56.8	17.6	27.7	0.1	100.3
Other income (expense)	0.0	1.3	4.2	2.1	(4.1)	3.5
Equity income of subsidiaries	41.7	17.5	11.4	0.0	(70.6)	0.0
Interest expense	0.0	26.7	0.0	4.2	(4.1)	26.8
Income taxes	(0.6)	7.3	16.4	13.7	0.0	36.8
Income from continuing operations	40.4	41.6	16.8	11.9	(70.5)	40.2
Discontinued operations	0.0	0.1	0.0	(0.2)	0.0	(0.1)
Noncontrolling interests	0.0	0.0	0.0	(0.3)	0.0	(0.3)
Net income attributable to Koppers	\$40.4	\$ 41.7	\$ 16.8	\$ 12.0	\$ (70.5)	\$ 40.4
Comprehensive income attributable to Koppers	\$52.3	\$ 53.5	\$ 8.4	\$ 13.8	\$ (75.7)	\$ 52.3

Condensed Consolidating Statement of Comprehensive Income
For the Year Ended December 31, 2012

	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
<i>(Dollars in millions)</i>						
Net sales	\$ 0.0	\$ 893.2	\$ 97.5	\$ 638.4	\$ (74.1)	\$ 1,555.0
Cost of sales including depreciation and amortization	0.0	786.6	78.0	562.0	(73.8)	1,352.8
Selling, general and administrative	1.6	45.1	2.1	26.8	0.0	75.6
Operating profit (loss)	(1.6)	61.5	17.4	49.6	(0.3)	126.6
Other income (expense)	0.0	0.4	6.1	0.6	(5.2)	1.9
Equity income of subsidiaries	66.6	40.8	28.8	0.1	(136.3)	0.0
Interest expense	0.0	27.4	0.0	5.8	(5.3)	27.9
Income taxes	(0.6)	8.7	12.5	12.7	0.0	33.3
Income from continuing operations	65.6	66.6	39.8	31.8	(136.5)	67.3
Discontinued operations	0.0	0.0	0.0	(0.1)	0.0	(0.1)
Noncontrolling interests	0.0	0.0	0.0	1.6	0.0	1.6
Net income attributable to Koppers	\$65.6	\$ 66.6	\$ 39.8	\$ 30.1	\$ (136.5)	\$ 65.6
Comprehensive income attributable to Koppers	\$73.7	\$ 74.8	\$ 44.0	\$ 32.4	\$ (151.2)	\$ 73.7

Condensed Consolidating Balance Sheet
December 31, 2014

	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
<i>(Dollars in millions)</i>						
ASSETS						
Cash and cash equivalents	\$ 0.0	\$ 0.0	\$ 0.9	\$ 50.2	\$ 0.0	\$ 51.1
Receivables, net	0.0	75.7	20.0	103.0	0.0	198.7
Affiliated receivables	0.8	4.5	9.3	1.3	(15.9)	0.0
Inventories, net	0.0	108.8	30.8	102.6	(1.0)	241.2
Deferred tax assets	0.0	8.0	1.0	1.5	0.0	10.5
Other current assets	0.0	3.0	2.2	34.6	0.0	39.8
Total current assets	0.8	200.0	64.2	293.2	(16.9)	541.3
Equity investments	74.5	767.2	213.5	3.6	(1,053.8)	5.0
Property, plant and equipment, net	0.0	121.2	43.1	135.4	0.0	299.7
Goodwill	0.0	39.8	149.9	57.5	0.0	247.2
Intangible assets, net	0.0	2.2	128.1	37.4	0.0	167.7
Deferred tax assets	0.0	(1.0)	1.1	7.7	0.0	7.8
Affiliated loan receivables	0.0	40.5	212.0	40.9	(293.4)	0.0
Other noncurrent assets	0.0	19.1	5.2	0.9	0.0	25.2
Total assets	\$75.3	\$ 1,189.0	\$ 817.1	\$ 576.6	(\$ 1,364.1)	\$ 1,293.9
LIABILITIES AND EQUITY						
Accounts payable	\$ 0.1	\$ 60.9	\$ 9.0	\$ 50.6	\$ 0.0	\$ 120.6
Affiliated payables	0.0	13.2	2.7	13.5	(29.4)	0.0
Accrued liabilities	5.2	37.9	29.5	55.0	0.0	127.6
Short-term debt and current portion of long-term debt	0.0	30.0	0.0	13.9	0.0	43.9
Total current liabilities	5.3	142.0	41.2	133.0	(29.4)	292.1
Long-term debt	0.0	764.0	0.0	42.6	0.0	806.6
Affiliated debt	0.0	145.5	35.9	112.0	(293.4)	0.0
Other long-term liabilities	0.0	68.6	7.7	35.0	0.0	111.3
Total liabilities	5.3	1,120.1	84.8	322.6	(322.8)	1,210.0
Koppers shareholders' equity	70.0	68.9	732.3	240.1	(1,041.3)	70.0
Noncontrolling interests	0.0	0.0	0.0	13.9	0.0	13.9
Total liabilities and equity	\$75.3	\$ 1,189.0	\$ 817.1	\$ 576.6	(\$ 1,364.1)	\$ 1,293.9

[Table of Contents](#)

 Condensed Consolidating Balance Sheet
 December 31, 2013

	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
<i>(Dollars in millions)</i>						
ASSETS						
Cash and cash equivalents	\$ 0.0	\$ 29.9	\$ 0.1	\$ 52.2	\$ 0.0	\$ 82.2
Receivables, net	0.0	75.6	9.3	82.0	0.0	166.9
Affiliated receivables	0.2	1.1	3.9	2.3	(7.5)	0.0
Inventories, net	0.0	86.1	0.0	82.9	(0.2)	168.8
Deferred tax assets	0.0	7.9	1.5	0.6	0.0	10.0
Other current assets	0.0	7.3	0.6	37.3	0.0	45.2
Total current assets	0.2	207.9	15.4	257.3	(7.7)	473.1
Equity investments	174.7	333.5	182.9	4.6	(689.1)	6.6
Property, plant and equipment, net	0.0	112.2	0.0	84.8	0.0	197.0
Goodwill	0.0	39.8	0.0	32.9	0.0	72.7
Deferred tax assets	0.0	2.4	(1.4)	8.3	0.0	9.3
Affiliated loan receivables	0.0	8.5	123.8	40.9	(173.2)	0.0
Other noncurrent assets	0.0	15.0	0.0	11.2	0.0	26.2
Total assets	\$174.9	\$ 719.3	\$ 320.7	\$ 440.0	\$ (870.0)	\$ 784.9
LIABILITIES AND EQUITY						
Accounts payable	\$ 0.0	\$ 48.3	\$ 6.7	\$ 52.6	\$ 0.0	\$ 107.6
Affiliated payables	0.0	1.9	4.0	8.6	(14.5)	0.0
Accrued liabilities	5.1	27.8	0.5	54.1	0.0	87.5
Total current liabilities	5.1	78.0	11.2	115.3	(14.5)	195.1
Long-term debt	0.0	296.5	0.0	6.6	0.0	303.1
Affiliated debt	0.0	109.5	8.5	55.2	(173.2)	0.0
Other long-term liabilities	0.0	67.6	2.5	26.8	0.0	96.9
Total liabilities	5.1	551.6	22.2	203.9	(187.7)	595.1
Koppers shareholders' equity	169.8	167.7	298.5	216.1	(682.3)	169.8
Noncontrolling interests	0.0	0.0	0.0	20.0	0.0	20.0
Total liabilities and equity	\$174.9	\$ 719.3	\$ 320.7	\$ 440.0	\$ (870.0)	\$ 784.9

Condensed Consolidating Statement of Cash Flows
For the Year Ended December 31, 2014

	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
<i>(Dollars in millions)</i>						
Cash provided by (used in) operating activities	\$ 21.8	\$ 23.8	\$ 34.7	\$ 9.5	\$ (54.3)	\$ 35.5
Cash provided by (used in) investing activities:						
Capital expenditures and acquisitions	0.0	(518.5)	(16.7)	(59.9)	14.8	(580.3)
(Loans to) repayments from affiliates	0.0	(32.2)	(38.9)	0.0	71.1	0.0
Net cash proceeds from divestitures and asset sales	0.0	0.1	0.1	0.1	0.0	0.3
Net cash used in investing activities	0.0	(550.6)	(55.5)	(59.8)	85.9	(580.0)
Cash provided by (used in) financing activities:						
Borrowings (repayments) of long-term debt	0.0	497.0	0.0	50.5	0.0	547.5
Borrowings (repayments) of affiliated debt	0.0	35.8	27.6	7.7	(71.1)	0.0
Deferred financing costs	0.0	(11.1)	0.0	0.0	0.0	(11.1)
Other financing activities	0.0	0.0	0.0	1.4	0.0	1.4
Dividends paid	(20.5)	(23.6)	(6.1)	(24.5)	54.3	(20.4)
Stock issued (repurchased)	(1.3)	0.0	0.0	14.8	(14.8)	(1.3)
Net cash provided by (used in) financing activities	(21.8)	498.1	21.5	49.9	(31.6)	516.1
Effect of exchange rates on cash	0.0	(1.2)	1.0	(2.5)	0.0	(2.7)
Net increase (decrease) in cash and cash equivalents	0.0	(29.9)	1.7	(2.9)	0.0	(31.1)
Cash and cash equivalents at beginning of year	0.0	29.9	0.1	52.2	0.0	82.2
Cash and cash equivalents at end of period	\$ 0.0	\$ 0.0	\$ 1.8	\$ 49.3	\$ 0.0	\$ 51.1

Condensed Consolidating Statement of Cash Flows
For the Year Ended December 31, 2013

	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
<i>(Dollars in millions)</i>						
Cash provided by (used in) operating activities	\$ 37.8	\$ 278.7	\$ 130.1	\$ 47.6	\$ (376.6)	\$ 117.6
Cash provided by (used in) investing activities:						
Capital expenditures and acquisitions	0.0	(23.3)	0.0	(51.9)	0.0	(75.2)
(Loans to) repayments from affiliates	0.0	(0.8)	193.2	(1.7)	(190.7)	0.0
Net cash proceeds (payments) from divestitures and asset sales	0.0	1.3	0.0	1.6	0.0	2.9
Net cash used in investing activities	0.0	(22.8)	193.2	(52.0)	(190.7)	(72.3)
Cash provided by (used in) financing activities:						
Borrowings (repayments) of long-term debt	0.0	0.0	0.0	6.6	0.0	6.6
Borrowings of affiliated long-term debt	0.0	(191.5)	0.8	0.0	190.7	0.0
Deferred financing costs	0.0	(1.3)	0.0	0.0	0.0	(1.3)
Dividends paid	(20.5)	(38.5)	(324.0)	(14.7)	376.6	(21.1)
Stock issued and repurchased	(17.3)	0.0	0.0	0.0	0.0	(17.3)
Other financing receipts	0.0	0.5	0.0	2.3	0.0	2.8
Net cash provided by (used in) financing activities	(37.8)	(230.8)	(323.2)	(5.8)	567.3	(30.3)
Effect of exchange rates on cash	0.0	0.0	0.0	0.5	0.0	0.5
Net increase in cash and cash equivalents	0.0	25.1	0.1	(9.7)	0.0	15.5
Cash and cash equivalents at beginning of year	0.0	4.8	0.0	61.9	0.0	66.7
Cash and cash equivalents at end of period	\$ 0.0	\$ 29.9	\$ 0.1	\$ 52.2	\$ 0.0	\$ 82.2

[Table of Contents](#)

Condensed Consolidating Statement of Cash Flows
For the Year Ended December 31, 2012

	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
<i>(Dollars in millions)</i>						
Cash provided by (used in) operating activities	\$ 26.1	\$ 44.6	\$ 8.7	\$ 30.9	\$ (32.5)	\$ 77.8
Cash provided by (used in) investing activities:						
Capital expenditures and acquisitions	0.0	(21.3)	0.0	(21.6)	0.0	(42.9)
Loan repayment by related party	0.0	0.0	0.0	2.2	0.0	2.2
(Loans to) repayments from affiliates	0.0	0.3	(8.4)	(2.7)	10.8	0.0
Net cash proceeds (payments) from divestitures and asset sales	0.0	0.4	0.0	0.4	0.0	0.8
Net cash used in investing activities	0.0	(20.6)	(8.4)	(21.7)	10.8	(39.9)
Cash provided by (used in) financing activities:						
Repayments of long-term debt	0.0	(6.4)	0.0	0.0	0.0	(6.4)
Borrowings of affiliated long-term debt	0.0	13.3	(0.3)	(2.2)	(10.8)	0.0
Deferred financing costs	0.0	(0.1)	0.0	0.0	0.0	(0.1)
Dividends paid	(19.5)	(27.6)	0.0	(4.9)	32.5	(19.5)
Stock issued and repurchased	(6.6)	0.0	0.0	0.0	0.0	(6.6)
Other financing receipts	0.0	1.6	0.0	3.7	0.0	5.3
Net cash provided by (used in) financing activities	(26.1)	(19.2)	(0.3)	(3.4)	21.7	(27.3)
Effect of exchange rates on cash	0.0	0.0	0.0	2.0	0.0	2.0
Net increase in cash and cash equivalents	0.0	4.8	0.0	7.8	0.0	12.6
Cash and cash equivalents at beginning of year	0.0	0.0	0.0	54.1	0.0	54.1
Cash and cash equivalents at end of period	\$ 0.0	\$ 4.8	\$ 0.0	\$ 61.9	\$ 0.0	\$ 66.7

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, have evaluated the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as of the end of the period covered by this report. Based on that evaluation, our chief executive officer and chief financial officer have concluded that these controls and procedures were effective as of the end of the period covered by this report.

(b) Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

See Management Report on page 44 for management's annual report on internal control over financial reporting. See Report of Independent Registered Public Accounting Firm on page 46 for Ernst & Young LLP's attestation report on internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

On February 24, 2015, our management, development and compensation committee approved, and our board of directors ratified, the Koppers Annual Incentive Plan (the "Annual Incentive Plan"), which is the company's annual bonus/cash incentive plan beginning with fiscal year 2015. The Annual Incentive Plan replaces certain of the company's prior annual bonus/cash incentive plans, namely, our Senior Management Corporate Incentive Plan and our Management Incentive Plan.

Under the Annual Incentive Plan, eighty percent (80%) of a participant's incentive opportunity will be based on company performance goals, while the remaining twenty percent (20%) will be based solely on individual goals independent of company performance goals. The company performance goals are measured compared to targeted levels established at the beginning of each year. The performance goals are based on the earnings before interest, taxes, depreciation and amortization (or "EBITDA") at either the consolidated company level or a combination of the consolidated company level and applicable business unit level. EBITDA as measured under the Annual Incentive Plan may be adjusted by the management, development and compensation committee or the board of directors in its discretion to account for certain extraordinary items.

The preceding description of the Annual Incentive Plan is qualified and supplemented in all respects by the plan document, which is attached hereto as Exhibit 10.97 and is incorporated herein by reference.

On February 24, 2015, our management, development and compensation committee approved, and our board of directors ratified, a special incentive award to Walter W. Turner, a director of Koppers Holdings Inc. and former President and Chief Executive of Koppers Holdings Inc. and Koppers Inc., with a grant date of March 3, 2015. Mr. Turner's award consists of time-based restricted stock units valued at approximately \$161,500. Mr. Turner's award will vest twelve (12) months after the grant date provided, however, that if Mr. Turner's service as a director terminates, for any reason, prior to the vesting date, the stock units will vest ratably over the service period. There are special vesting provisions related to a change in control. Dividends declared on the Company's common stock during the restricted period of this award will be credited at equivalent value as additional stock units and become payable as additional common shares upon vesting.

The preceding description of Mr. Turner's award is qualified and supplemented in all respects by the award agreement, which is attached hereto as Exhibit 10.102 and is incorporated herein by reference.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by Item 401 of Regulation S-K with respect to directors is contained in our definitive Proxy Statement for our 2015 Annual Meeting of Shareholders (the "Proxy Statement") which we will file with the Securities and Exchange Commission, pursuant to Regulation 14A, not later than 120 days after the end of the Company's fiscal year under the caption "Proxy Item 1 – Proposal for Election of Directors", and is incorporated herein by reference.

The information required by this item concerning our executive officers is incorporated by reference herein from Part I of this report under "Executive Officers of the Company".

The information required by Item 405 of Regulation S-K is included in the Proxy Statement under the caption "General Matters – Section 16(a) Beneficial Ownership Reporting Compliance" and is incorporated herein by reference.

The information required by Item 407(c)(3) of Regulation S-K is included in the Proxy Statement under the caption "Corporate Governance Matters — Nomination Procedures" and is incorporated herein by reference.

The information required by Item 407(d)(4) and Item 407(d)(5) of Regulation S-K is included in the Proxy Statement under the caption "Board Meetings and Committees" and is incorporated herein by reference.

The audit committee and our board have approved and adopted a Code of Business Conduct and Ethics for all directors, officers and employees and a Code of Ethics Applicable to Senior Officers, copies of which are available on our website at www.koppers.com and upon written request by our shareholders at no cost. Requests should be sent to Koppers Holdings Inc., Attention: Corporate Secretary's Office, 436 Seventh Avenue, Suite 1550, Pittsburgh, Pennsylvania 15219. We will describe the date and nature of any amendment to our Code of Business Conduct and Ethics or Code of Ethics Applicable to Senior Officers or any waiver (implicit or explicit) from a provision of our Code of Business Conduct and Ethics or Code of Ethics Applicable to Senior Officers within four business days following the date of the amendment or waiver on our Internet website at www.koppers.com. We do not intend to incorporate the contents of our website into this report.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 is contained in the Proxy Statement under the captions "Executive Compensation" and "Committee Reports to Shareholders – Management Development and Compensation Committee Report" and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by Item 12 is contained in Part II, Item 5 of this report under "Equity Compensation Plans" and in the Proxy Statement under the captions "Common Stock Ownership" and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by Item 13 is contained in the Proxy Statement under the captions "Transactions with Related Persons" and "Corporate Governance Matters – Director Independence" and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by Item 14 is contained in the Proxy Statement under the caption "Auditors" and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) 1. Financial Statements

Financial statements filed as part of this report are included in "Item 8 – Financial Statements and Supplementary Data" as listed on the index on page 43.

(a) 2. Financial Statement Schedules

"Schedule II – Valuation and Qualifying Accounts and Reserves is included on page 97. All other schedules are omitted because they are not applicable or the required information is contained in the applicable financial statements or notes thereto.

(a) 3. Exhibits

EXHIBIT INDEX

<i>Exhibit No.</i>	<i>Exhibit</i>
2.1	Joint Venture Contract for the establishment of Koppers (Jiangsu) Carbon Chemical Company Limited between Koppers International B.V. and Yizhou Group Company Limited dated September 10, 2012 (incorporated by reference to exhibit 2.1 to the Company's Quarterly Report on Form 10-Q filed on November 9, 2012) (Commission File No. 001-32737).
2.2	Asset Purchase Agreement by and between Tolko Industries Ltd., Koppers Ashcroft Inc. and Koppers Inc., dated as of January 7, 2014 (incorporated by reference to exhibit 2.2 to the Company's Annual Report on Form 10-K for the year ended December 31, 2013 filed on March 3, 2014) (Commission File No. 001-32737).
2.3	Stock Purchase Agreement by and among Osmose Holdings, Inc., Osmose, Inc., Osmose Railroad Services, Inc., and Koppers Inc., dated as of April 13, 2014 (incorporated by reference to exhibit 2.3 to the Company's Quarterly Report on Form 10-Q filed on August 7, 2014) (Commission File No. 001-32737).
2.4	Amendment No. 1 to Stock Purchase Agreement, dated as of August 15, 2014, by and among Koppers Inc., Osmose Holdings, Inc., Osmose, Inc. and Osmose Railroad Services, Inc. (incorporated by reference to exhibit 2.4 to the Company's Quarterly Report on Form 10-Q filed on November 10, 2014) (Commission File No. 001-32737).
3.1	Amended and Restated Articles of Incorporation of the Company, as amended on May 2, 2014 (incorporated by reference to exhibit 3.1 to the Company's Quarterly Report on Form 10-Q filed on May 7, 2014) (Commission File No. 001-32737).
3.2	Amended and Restated Bylaws of the Company, as amended on August 6, 2014 (incorporated by reference to exhibit 3.2 to the Company's Quarterly Report on Form 10-Q filed on August 7, 2014) (Commission File No. 001-32737).
4.1	Indenture, by and among Koppers Inc., Koppers Holdings Inc., the Subsidiary Guarantors party thereto and Wells Fargo Bank, National Association, dated as of December 1, 2009 (incorporated by reference to exhibit 4.1 of the Company's Annual Report on Form 10-K for the year ended December 31, 2009 filed on February 19, 2010) (Commission File No. 001-32737).
4.2	Subscription Agreement by and between Koppers Inc. and Mr. Walter Turner dated December 1, 2009 (incorporated by reference to exhibit 4.2 of the Company's Annual Report on Form 10-K for the year ended December 31, 2009 filed on February 19, 2010) (Commission File No. 001-32737).
4.3	Exchange and Registration Rights Agreement by and among Koppers Inc., Koppers Holdings and the other guarantors party hereto, Goldman, Sachs & Co., Banc of America Securities LLC, RBS Securities Inc. and UBS Securities LLC, dated December 1, 2009 (incorporated by reference to exhibit 4.3 of the Company's Annual Report on Form 10-K for the year ended December 31, 2009 filed on February 19, 2010) (Commission File No. 001-32737).
4.4	Supplemental Indenture, dated as of February 24, 2010, to the Indenture dated as of December 1, 2009 among Koppers Ventures LLC, Koppers Inc., Koppers Holdings Inc., as Guarantor, each of the subsidiary guarantors party thereto and Wells Fargo Bank, National Association (incorporated by reference to exhibit 10.96 to the Company's Quarterly Report on Form 10-Q filed on November 10, 2014) (Commission File No. 001-32737).
4.5	Second Supplemental Indenture, dated as of August 15, 2014, to the Indenture dated as of December 1, 2009 among Koppers Inc., Koppers Holdings Inc., as Guarantor, each of the subsidiary guarantors party thereto and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to exhibit 10.97 to the Company's Quarterly Report on Form 10-Q filed on November 10, 2014) (Commission File No. 001-32737).
10.1	Asset Purchase Agreement by and between Koppers Inc. and Koppers Company, Inc., dated as of December 28, 1988 (incorporated by reference to respective exhibits to the Koppers Inc.'s Prospectus filed on February 7, 1994).
10.2	Asset Purchase Agreement Guarantee provided by Beazer PLC, dated as of December 28, 1988 (incorporated by reference to respective exhibits to the Koppers Inc.'s Prospectus filed on February 7, 1994).

Table of Contents

<i>Exhibit No.</i>	<i>Exhibit</i>
10.9*	Employment agreement with Steven R. Lacy dated April 5, 2002 (incorporated by reference to Exhibit 10.35 of the Koppers Inc. Form 10-K for the year ended December 31, 2002 filed on March 5, 2003) (Commission File No. 001-12716).
10.12*	Retirement Plan of Koppers Industries, Inc. and Subsidiaries for Salaried Employees (incorporated by reference to exhibits to the Koppers Inc. Prospectus filed on February 7, 1994 pursuant to Rule 424(b) of the Securities Act of 1933, as amended, in connection with the offering of the 8 1/2% Senior Notes due 2004).
10.13*	Koppers Industries, Inc. Non-contributory Long Term Disability Plan for Salaried Employees (incorporated by reference to respective exhibits to the Koppers Inc. Prospectus filed on February 7, 1994 pursuant to Rule 424(b) of the Securities Act of 1933, as amended, in connection with the offering of the 8 1/2% Senior Notes due 2004).
10.14*	Koppers Industries, Inc. Employee Savings Plan (incorporated by reference to respective exhibits to the Koppers Inc. Prospectus filed on February 7, 1994 pursuant to Rule 424(b) of the Securities Act of 1933, as amended, in connection with the offering of the 8 1/2% Senior Notes due 2004).
10.15*	Koppers Industries, Inc. Survivor Benefit Plan (incorporated by reference to respective exhibits to the Koppers Inc. Prospectus filed on February 7, 1994 pursuant to Rule 424(b) of the Securities Act of 1933, as amended, in connection with the offering of the 8 1/2% Senior Notes due 2004).
10.22*	Employment agreement with Brian H. McCurrie dated October 13, 2003 (incorporated by reference to exhibit 10.15 to the Koppers Inc. Form 10-K for the year ended December 31, 2003 filed on March 18, 2004) (Commission File No. 001-12716).
10.32	Amendment and Restatement to Article VII of the Asset Purchase Agreement by and between Koppers Inc. and Beazer East, Inc., dated July 15, 2004 (incorporated by reference to exhibit 10.33 to the Koppers Inc. Quarterly Report on Form 10-Q filed on August 6, 2004) (Commission File No. 001-12716).
10.34	Agreement and Plan of Merger dated as of November 18, 2004, by and among Koppers Inc., Merger Sub for KI Inc. and Koppers Holdings Inc. (f/k/a KI Holdings Inc.) (incorporated by reference to exhibit 10.34 to the Company's Registration Statement on Form S-4 filed on February 14, 2005) (Registration No. 333-122810).
10.37*	Koppers Holdings Inc. 2005 Long Term Incentive Plan, as Amended and Restated effective February 28, 2014 (incorporated by reference to Appendix B to the Company's Definitive Proxy Statement for its 2014 Annual Meeting of Shareholders filed on March 27, 2014) (Commission File No. 001-32737).
10.42	Asset Purchase Agreement dated April 28, 2006 between Reilly Industries, Inc. and Koppers Inc. (incorporated by reference to exhibit 99.1 to the Company's Current Report on Form 8-K filed on April 28, 2006) (Commission File No. 001-32737).
10.45	Joint Venture Contract in relation to the establishment of Tangshan Koppers Kailuan Carbon Chemical Co., LTD, among Kailuan Clean Coal Company Limited, Koppers Mauritius, and Tangshan Iron & Steel Co., Ltd. (incorporated by reference to exhibit 10.45 to the Company's Annual Report on Form 10-K for the year ended December 31, 2006 filed on February 22, 2007) (Commission File No. 001-32737).
10.48*	Koppers Holdings Inc. Benefit Restoration Plan (incorporated by reference to exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on August 9, 2007) (Commission File No. 001-32737).
10.49	Purchase Agreement dated as of August 3, 2008 by and among Koppers Inc., Carbon Investments, Inc., and ArcelorMittal S.A. (incorporated by reference to exhibit 10.49 to the Company's Quarterly Report on Form 10-Q filed on November 6, 2008) (Commission File No. 001-32737).
10.51*	Koppers Inc. Supplemental Executive Retirement Plan I (incorporated by reference to exhibit 10.51 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008 filed on February 20, 2009) (Commission File No. 001-32737).
10.52*	Koppers Inc. Supplemental Executive Retirement Plan II, as amended and restated (incorporated by reference to exhibit 10.93 to the Company's Quarterly Report on Form 10-Q filed on August 7, 2014) (Commission File No. 001-32737).

<i>Exhibit No.</i>	<i>Exhibit</i>
10.53*	Amendment to Employment Agreement with Steven R. Lacy effective as of January 1, 2009 (incorporated by reference to exhibit 10.53 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008 filed on February 20, 2009) (Commission File No. 001-32737).
10.54*	Amendment to Employment Agreement with Brian H. McCurrie effective as of January 1, 2009 (incorporated by reference to exhibit 10.54 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008 filed on February 20, 2009) (Commission File No. 001-32737).
10.55*	Amendment to Koppers Holdings Inc. Benefit Restoration Plan effective as of January 1, 2009 (incorporated by reference to exhibit 10.55 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008 filed on February 20, 2009) (Commission File No. 001-32737).
10.56*	Amendment to the Employee Savings Plan of Koppers Inc. and Subsidiaries effective as of January 1, 2008 (incorporated by reference to exhibit 10.56 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008 filed on February 20, 2009) (Commission File No. 001-32737).
10.57*	Amendment to the Retirement Plan for Koppers Inc. effective January 1, 2008 (incorporated by reference to exhibit 10.57 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008 filed on February 20, 2009) (Commission File No. 001-32737).
10.62*	Restricted Stock Unit Issuance Agreement – Time Vesting (incorporated by reference to exhibit 10.62 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012 filed on February 25, 2013) (Commission File No. 001-32737).
10.63*	Restricted Stock Unit Issuance Agreement – Performance Vesting (incorporated by reference to exhibit 10.63 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012 filed on February 25, 2013) (Commission File No. 001-32737).
10.64*	Notice of Grant of Stock Option (incorporated by reference to exhibit 10.64 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012 filed on February 25, 2013) (Commission File No. 001-32737).
10.65*	Amendment #2 to Employment Agreement with Brian H. McCurrie effective May 1, 2010 (incorporated by reference to exhibit 10.65 to the Company's Annual Report on Form 10-K for the year ended December 31, 2011 filed on February 22, 2011) (Commission File No. 001-32737).
10.66*	Form of Koppers Holdings Inc. Restricted Stock Unit Issuance Agreement Non-Employee Director –Time Vesting (incorporated by reference to exhibit 10.66 to the Company's Quarterly Report on Form 10-Q filed on May 5, 2011) (Commission File No. 001-32737).
10.68*	Summary of Terms and Conditions of Employment between Mark R. McCormack and Koppers (incorporated by reference to exhibit 10.68 to the Company's Quarterly Report on Form 10-Q filed on May 5, 2011) (Commission File No. 001-32737).
10.73*	Amendment No. 2 to Employment Agreement with Steven R. Lacy effective December 19, 2012 (incorporated by reference to exhibit 10.73 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012 filed on February 25, 2013) (Commission File No. 001-32737).
10.74*	Amendment No. 3 to Employment Agreement with Brian McCurrie effective December 19, 2012 (incorporated by reference to exhibit 10.74 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012 filed on February 25, 2013) (Commission File No. 001-32737).
10.75*	Employment Agreement between Koppers Inc. and Walter W. Turner effective January 1, 2013 (incorporated by reference to exhibit 10.75 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012 filed on February 25, 2013) (Commission File No. 001-32737).
10.76*	2013 Restricted Stock Unit Issuance Agreement – Time Vesting for Walter W. Turner (incorporated by reference to exhibit 10.76 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012 filed on February 25, 2013) (Commission File No. 001-32737).
10.77*	2013 Restricted Stock Unit Issuance Agreement – Performance Vesting for Walter W. Turner (incorporated by reference to exhibit 10.77 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012 filed on February 25, 2013) (Commission File No. 001-32737).
10.78*	2013 Notice of Grant of Stock Option for Walter W. Turner (incorporated by reference to exhibit 10.78 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012 filed on February 25, 2013) (Commission File No. 001-32737).

Table of Contents

<i>Exhibit No.</i>	<i>Exhibit</i>
10.80*	Form of Amended and Restated Change in Control Agreement entered into as of May 6, 2013 between the Company and the named Executive (incorporated by reference to exhibit 10.80 to the Company's Quarterly Report on Form 10-Q filed on August 8, 2013) (Commission File No. 001-32737).
10.81*	Amendment No. 3 to Employment Agreement with Steven R. Lacy effective August 7, 2013 (incorporated by reference to exhibit 10.81 to the Company's Quarterly Report on Form 10-Q filed on November 7, 2013) (Commission File No. 001-32737).
10.82*	Amendment No. 4 to Employment Agreement with Brian H. McCurrie effective August 7, 2013 (incorporated by reference to exhibit 10.82 to the Company's Quarterly Report on Form 10-Q filed on November 7, 2013) (Commission File No. 001-32737).
10.84*	2014 Restricted Stock Unit Issuance Agreement – Time Vesting (incorporated by reference to exhibit 10.84 to the Company's Annual Report on Form 10-K for the year ended December 31, 2013 filed on March 3, 2014) (Commission File No. 001-32737).
10.85*	2014 Restricted Stock Unit Issuance Agreement – Time Vesting for Walter W. Turner (incorporated by reference to exhibit 10.85 to the Company's Annual Report on Form 10-K for the year ended December 31, 2013 filed on March 3, 2014) (Commission File No. 001-32737).
10.86*	Senior Management Corporate Incentive Plan (incorporated by reference to exhibit 10.86 to the Company's Annual Report on Form 10-K for the year ended December 31, 2013 filed on March 3, 2014) (Commission File No. 001-32737).
10.87*	Management Incentive Plan (incorporated by reference to exhibit 10.87 to the Company's Annual Report on Form 10-K for the year ended December 31, 2013 filed on March 3, 2014) (Commission File No. 001-32737).
10.88*	EBIT Based Management Incentive Plan (incorporated by reference to exhibit 10.88 to the Company's Annual Report on Form 10-K for the year ended December 31, 2013 filed on March 3, 2014).
10.89*	Letter dated April 24, 2014 from Koppers Inc. to Brian H. McCurrie (incorporated by reference to exhibit 10.90 to the Company's Quarterly Report on Form 10-Q filed on May 7, 2014) (Commission File No. 001-32737).
10.90*	Agreement and General Release by and between Brian H. McCurrie and Koppers Inc., dated as of July 29, 2014 (incorporated by reference to exhibit 10.92 to the Company's Quarterly Report on Form 10-Q filed on August 7, 2014) (Commission File No. 001-32737).
10.91	Credit Agreement, dated as of August 15, 2014, by and among Koppers Inc., as Borrower, the Guarantors party thereto, the Lenders party thereto and PNC Bank, National Association, as Administrative Agent (incorporated by reference to exhibit 10.95 to the Company's Quarterly Report on Form 10-Q filed on November 10, 2014) (Commission File No. 001-32737).
10.92*	Key Employee Non-Competition Agreement, dated November 8, 2006, between Osmose Holdings, Inc. and Paul Goydan (incorporated by reference to exhibit 10.98 to the Company's Quarterly Report on Form 10-Q filed on November 10, 2014) (Commission File No. 001-32737).
10.93*	Amendment No. 1 to Key Employee Non-Competition Agreement, dated April 2, 2012, between Osmose Holdings, Inc. and Paul Goydan (incorporated by reference to exhibit 10.99 to the Company's Quarterly Report on Form 10-Q filed on November 10, 2014) (Commission File No. 001-32737).
10.94*	Employment Letter Agreement, dated March 14, 2012, between Osmose, Inc. and Paul Goydan (incorporated by reference to exhibit 10.100 to the Company's Quarterly Report on Form 10-Q filed on November 10, 2014) (Commission File No. 001-32737).
10.95*	Amendment to Employment Letter Agreement, dated June 25, 2014, by and among Osmose, Inc. and Paul Goydan (incorporated by reference to exhibit 10.101 to the Company's Quarterly Report on Form 10-Q filed on November 10, 2014) (Commission File No. 001-32737).
10.96***	First Amendment to Credit Agreement and Consent and Waiver, dated as of December 17, 2014 by and among Koppers Inc., the Guarantors party thereto, the Lenders party thereto and PNC Bank, National Association, as Administrative Agent.

<i>Exhibit No.</i>	<i>Exhibit</i>
10.97* ***	Koppers Annual Incentive Plan.
10.98* ***	Restricted Stock Unit Issuance Agreement – Time Vesting.
10.99* ***	Restricted Stock Unit Issuance Agreement – Performance Vesting.
10.100* ***	Notice of Grant of Stock Option.
10.101* ***	Executive Income Summary for Paul Goydan.
10.102* ***	2015 Restricted Stock Unit Issuance Agreement – Time Vesting for Walter W. Turner
12.1***	Computation of ratio of earnings to fixed charges.
21***	List of subsidiaries of the Company.
23.1***	Consent of Independent Registered Public Accounting Firm.
24***	Powers of Attorney.
31.1***	Certification of Chief Executive Officer pursuant to Rule 13a-14(a).
31.2***	Certification of Chief Financial Officer pursuant to Rule 13a-14(a).
32.1***	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 1350.
101.INS***	XBRL Instance Document
101.SCH***	XBRL Taxonomy Extension Schema Document
101.CAL***	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF***	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB***	XBRL Taxonomy Extension Label Linkbase Document
101.PRE***	XBRL Taxonomy Extension Presentation Linkbase Document

* Management Contract or Compensatory Plan.

*** Filed herewith.

[Table of Contents](#)

KOPPERS HOLDINGS INC.

SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS

For the years ended December 31, 2014, 2013 and 2012

	Balance at Beginning of Year	Business Acquisition	Increase (Decrease) to Expense	Net (Write- Offs) Recoveries	Currency Translation	Balance at End of Year
<i>(Dollars in millions)</i>						
2014						
Allowance for doubtful accounts	\$ 3.6	\$ 2.6	\$ (0.2)	\$ 0.0	\$ (0.4)	\$ 5.6
Inventory obsolescence reserves	\$ 1.7	\$ 0.8	\$ 1.0	\$ 0.0	\$ (0.1)	\$ 3.4
Deferred tax valuation allowance	\$ 19.7	\$ 1.5	\$ 11.4	\$ 0.0	\$ (0.2)	\$ 32.4
2013						
Allowance for doubtful accounts	\$ 3.7	\$ 0.0	\$ (0.2)	\$ 0.0	\$ 0.1	\$ 3.6
Inventory obsolescence reserves	\$ 1.1	\$ 0.0	\$ 0.7	\$ 0.0	\$ (0.1)	\$ 1.7
Deferred tax valuation allowance	\$ 17.4	\$ 0.0	\$ 2.6	\$ (0.2)	\$ (0.1)	\$ 19.7
2012						
Allowance for doubtful accounts	\$ 0.3	\$ 0.0	\$ 3.2	\$ 0.0	\$ 0.2	\$ 3.7
Inventory obsolescence reserves	\$ 1.4	\$ 0.0	\$ 0.5	\$ (0.8)	\$ 0.0	\$ 1.1
Deferred tax valuation allowance	\$ 10.2	\$ 0.0	\$ 8.8	\$ (1.6)	\$ 0.0	\$ 17.4

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, Koppers Holdings Inc. has duly caused this annual report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized.

KOPPERS HOLDINGS INC.

BY: /s/ MICHAEL J. ZUGAY
 Michael J. Zugay
 Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this annual report on Form 10-K has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

<i>Signature</i>	<i>Capacity</i>	<i>Date</i>
<u>/s/ LEROY M. BALL, JR.</u> Leroy M. Ball, Jr.	Director, President and Chief Executive Officer	March 2, 2015
<u>/s/ MICHAEL J. ZUGAY</u> Michael J. Zugay	Chief Financial Officer (Principal Financial and Principal Accounting Officer)	March 2, 2015
David M. Hillenbrand Cynthia A. Baldwin X. Sharon Feng Albert J. Neupaver Louis L. Testoni Stephen R. Tritch Walter W. Turner T. Michael Young	Director and Non-Executive Chairman of the Board Director Director Director Director Director Director Director	By <u>/s/ LEROY M. BALL, JR.</u> Leroy M. Ball, Jr. <i>Attorney-in-Fact</i> March 2, 2015

FIRST AMENDMENT TO CREDIT AGREEMENT AND CONSENT AND WAIVER

THIS FIRST AMENDMENT TO CREDIT AGREEMENT AND CONSENT AND WAIVER (the "Amendment"), dated as of December 17, 2014 by and among KOPPERS INC., a Pennsylvania corporation (the "Borrower"), the GUARANTORS (as defined in the Credit Agreement), the LENDERS (as defined in the Credit Agreement), and PNC BANK, NATIONAL ASSOCIATION, as Administrative Agent (in such capacity, the "Administrative Agent").

WITNESSETH:

WHEREAS, this Amendment, amends that certain Credit Agreement dated as of August 15, 2014 (the "Credit Agreement").

WHEREAS, Borrower has requested that the Lenders (i) modify the definition of Fixed Charge Coverage Ratio in the Credit Agreement and (ii) address certain corporate restructuring matters, and the Administrative Agent and the Lenders have agreed to such modifications as described in this Amendment. Capitalized terms not otherwise defined in this Amendment have the meanings given to them in the Credit Agreement.

NOW, THEREFORE, the parties hereto, in consideration of their mutual covenants and agreements herein contained and intending to be legally bound hereby, covenant and agree as follows:

1. Recitals. The foregoing recitals are true and correct and incorporated herein by reference.

2. Amendments to the Credit Agreement.

(a) Section 1.1 [Defined Terms]. Section 1.1 of the Credit Agreement is hereby amended to include the following defined terms in their appropriate alphabetical positions:

Foreign Restructuring shall mean the transfer of equity interests among certain Loan Parties and their Subsidiaries substantially in accordance with the narrative set forth on Schedule 1.1(F) attached hereto.

Foreign Restructuring Completion Date shall mean the date on which the Foreign Restructuring is completed, but such date shall not be later than May 31, 2015, as such date may be extended by the Administrative Agent in its reasonable discretion.

Foreign Restructuring Taxes shall mean cash taxes (net of foreign tax credits) in an amount not to exceed \$16 million incurred in connection with the Foreign Restructuring.

Koppers NZ shall mean Koppers NZ LLC (f/k/a Osmose NZ, LLC), a New York limited liability company.

(b) Section 1.1 [Defined Terms]. Section 1.1 of the Credit Agreement is hereby amended to amend and restate the following defined term in its entirety:

Fixed Charge Coverage Ratio shall mean the ratio of (i) Consolidated EBITDA *minus* Capital Expenditures of Holdings and its Subsidiaries *minus* cash taxes (other than Foreign Restructuring Taxes) of Holdings and its Subsidiaries, to (ii) Fixed Charges.

(c) Section 8.1.16 [Foreign Restructuring Matters]. Section 8.1 of the Credit Agreement is hereby amended to add a new Section 8.1.16 immediately following Section 8.1.15 as follows:

8.1.16 Foreign Restructuring Matters. The Loan Parties shall, within two (2) days of the Foreign Restructuring Completion Date, execute and deliver to the Collateral Agent an amended and restated Pledge Agreement in form and substance satisfactory to the Administrative Agent pursuant to which the Loan Parties will pledge all of the equity interests held by the Loan Parties of each then existing directly or indirectly wholly-owned Subsidiary (which pledge, in the case of the pledge of the voting capital stock of any first tier Foreign Subsidiary, shall be limited to 65% of the voting capital stock of such Foreign Subsidiary).

(d) Section 8.2.4(vi) [Loans and Investments]. Effective upon the Foreign Restructuring Completion Date, Section 8.2.4(vi) of the Credit Agreement is hereby amended and restated in its entirety as follows:

(vi) loans and advances to, and investments in, Foreign Subsidiaries created or acquired after the Foreign Restructuring Completion Date, and additional loans and advances to, and investments in, Foreign Subsidiaries in existence on the Foreign Restructuring Completion Date in excess of the amount of such investments in such Foreign Subsidiaries listed on Schedule 8.2.4, in an aggregate amount not exceeding \$100,000,000 at any one time outstanding;

(e) Section 8.2.4(vii) [Loans and Investments]. Section 8.2.4(vii) of the Credit Agreement is hereby amended by replacing the parenthetical “(excluding any loans and advances to, and investments in, Foreign Subsidiaries created after the Closing Date pursuant to clause (vi) of this Section 8.2.4)” and in its stead inserting the

parenthetical “(excluding any loans and advances to, and investments in, Foreign Subsidiaries created after the Foreign Restructuring Completion Date pursuant to clause (vi) of this Section 8.2.4)”.

(f) Section 8.2.6 [Liquidations, Mergers, Consolidations, Acquisitions]. Clause (i) of Section 8.2.6 of the Credit Agreement is hereby amended and restated in its entirety as follows:

(i)(a) any Loan Party other than the Borrower may consolidate or merge into the Borrower or into another Loan Party which is wholly-owned by one or more of the other Loan Parties and (b) Koppers NZ may be dissolved in connection with the Foreign Restructuring;

(g) Section 8.2.7 [Dispositions of Assets or Subsidiaries]. Clause (vi) of Section 8.2.7 of the Credit Agreement is hereby amended by deleting the word “or” at the end thereof, and the following clauses (vii) and (viii) are hereby inserted in Section 8.2.7 of the Credit Agreement in lieu of existing clause (vii):

(vii) any sale or transfer made in connection with the Foreign Restructuring; or

(viii) provided no Event of Default or Potential Default exists, any sale, transfer or lease of assets, other than those specifically excepted pursuant to clauses (i) through (vii) above, which in any one sale, transfer or lease of assets, or in any number of sales, transfers or leases of assets, involves the sale, transfer, or lease of assets having a book value of not more than twenty-five percent (25%) of the Consolidated Net Tangible Assets during the term of this Agreement (in each case, measured with respect to a series of sales, transfers or leases of assets on the day of the first sale); provided however, the Net Cash Proceeds of any such sale, transfer or lease of assets under this clause (vii) shall be applied as a mandatory prepayment in accordance with Section 5.7.1 hereof [Asset Sales and Recovery Events].

(h) Amendment to add Schedule 1.1(F) [Foreign Restructuring]. The Credit Agreement is hereby amended to add a new Schedule 1.1(F) to the Credit Agreement as set forth on Annex A hereto.

(i) Amendment of Schedule 6.1.1 [Qualifications to do Business]. Effective upon the Foreign Restructuring Completion Date, Schedule 6.1.1 of the Credit Agreement is hereby amended and restated in its entirety as set forth on Annex B hereto.

(j) Amendment of Schedule 6.1.3 [Subsidiaries]. Effective upon the Foreign Restructuring Completion Date, Schedule 6.1.3 of the Credit Agreement is hereby amended and restated in its entirety as set forth on Annex C hereto.

(k) Amendment of Schedule 6.1.17 [Partnership Agreements; LLC Agreements]. Effective upon the Foreign Restructuring Completion Date, Schedule 6.1.17 of the Credit Agreement is hereby amended and restated in its entirety as set forth on Annex D hereto.

(l) Amendment of Schedule 8.2.4 [Permitted Loans and Investments]. Effective upon the Foreign Restructuring Completion Date, Schedule 8.2.4 of the Credit Agreement is hereby amended and restated in its entirety as set forth on Annex E hereto.

3. Consents, Waivers and Releases. Subject to the satisfaction of the conditions precedent set forth in Section 4 below and in reliance on the representations, warranties and covenants set forth in Section 5 below, the Lenders hereby consent (to the extent such consent is required under the Credit Agreement) to the Foreign Restructuring and waive (solely to the extent necessary to permit the consummation of Foreign Restructuring) any covenant or other restriction set forth in the Credit Agreement or any other Loan Document, which would otherwise restrict the consummation of the Foreign Restructuring. Without limiting the generality of the foregoing, subject to the satisfaction of the conditions precedent set forth in Section 4 below and in reliance on the representations, warranties and covenants set forth in Section 5 below, the Lenders hereby waive, prior to the Foreign Restructuring Completion Date and solely with respect to those matters arising due to the Foreign Restructuring having commenced but not having been completed, the requirement under Section 6.2 of the Credit Agreement that the Borrower promptly provide revisions or updates to Schedules to correct any information or disclosures provided thereon that have become outdated or incorrect in any material respect.

In addition, the Loan Parties and the Lenders hereby acknowledge that the equity interests, debt instruments and evidences of indebtedness being transferred among the Loan Parties in connection with the Foreign Restructuring (other than the Released Assets (as hereinafter defined)) will be transferred subject to the security interests of the Collateral Agent and that, after giving effect to the Foreign Restructuring, such security interests shall remain in full force and effect. Subject to the satisfaction of the conditions precedent set forth in Section 4 below and in reliance on the representations, warranties and covenants set forth in Section 5 below, the Lenders hereby consent (i) to the execution and delivery by the Administrative Agent on behalf of the Lenders of such amendments or amendment and restatements of the Pledge Agreement and/or the Security Agreement as the Administrative Agent may determine to be necessary or appropriate to ratify and confirm the continuation of the security interests of the Administrative Agent in the equity interests, debt instruments and evidences of indebtedness referred to in the preceding sentence or otherwise in connection with the Foreign Restructuring, all such amendments and/or amendments and restatements to be in form and substance satisfactory to the Administrative Agent, and (ii) to the release by the Collateral Agent of its Liens on (A) certain of the equity interests being transferred in connection with the Foreign Restructuring due to the issuers of such equity interests no longer constituting first tier Foreign Subsidiaries of the Loan Parties and (B) certain debt instruments and evidences of indebtedness due to the holders of such debt instruments and evidences of indebtedness having contributed, assigned or otherwise transferred the same to their Subsidiaries (collectively, the "Released Assets"), in each case, solely to the extent necessary to effectuate the Foreign Restructuring, such releases to be in form and substance satisfactory to the Administrative Agent.

The parties acknowledge and agree that the foregoing consents and waivers constitute consents and waivers of the restrictions of the Credit Agreement and the other Loan Documents solely with respect to the Foreign Restructuring and do not constitute a consent or a waiver of any term or provision of the Credit Agreement or any other Loan Document for any other purpose or on any other occasion, do not constitute an amendment to any term or provision of the Credit Agreement or any other Loan Document and do not constitute a waiver of any Default or Event of Default which may now exist or hereafter arise or occur.

4. Conditions Precedent. The Borrower, the Guarantors and the Lenders acknowledge that this Amendment shall not be effective until the date each of the following conditions precedent has been satisfied:

- (a) The Borrower, the Guarantors, the Required Lenders, and the Administrative Agent shall have executed, and delivered to the Administrative Agent, this Amendment;
- (b) Since December 31, 2013, no Material Adverse Change shall have occurred with respect to the Borrower or any of the Guarantors;
- (c) No default or event of default shall have occurred or will occur under the terms of any other agreement involving borrowed money or the extension of credit or any other Indebtedness under which any Loan Party or Subsidiary of any Loan Party may be obligated as a borrower or guarantor as a result of and after giving effect to the transactions contemplated by this Amendment;
- (d) The Borrower and the Guarantors shall have obtained all approvals and consents necessary to consummate the transactions contemplated by this Amendment;
- (e) The Borrower shall have paid to the Administrative Agent all fees required to be paid in connection with this Amendment, and the Borrower shall have reimbursed the Administrative Agent all fees and expenses, including without limitation, attorneys' fees, for which the Administrative Agent is entitled to be reimbursed; and
- (f) All legal details and proceedings in connection with the transactions contemplated by this Amendment and all other Loan Documents to be delivered to the Lenders shall be in form and substance reasonably satisfactory to the Administrative Agent.

5. Representations, Warranties and Covenants. The Borrower and each Guarantor covenants and agrees with and represents and warrants to the Administrative Agent and the Lenders as follows:

- (a) the Borrower's and Guarantors' obligations under the Credit Agreement, as modified hereby, are and shall remain secured by the Collateral (other than the Released Assets), pursuant to the terms of the Credit Agreement and the other Loan Documents;
- (b) the Borrower and each of the Guarantors possesses all of the powers requisite for it to enter into and carry out the transactions of the Borrower and each

Guarantor referred to herein and to execute, enter into and perform the terms and conditions of this Amendment, the Credit Agreement and the other Loan Documents and any other documents contemplated herein that are to be performed by the Borrower or such Guarantor; any and all actions required or necessary pursuant to the Borrower's or such Guarantor's organizational documents or otherwise have been taken to authorize the due execution, delivery and performance by the Borrower and such Guarantor of the terms and conditions of this Amendment; the officers of the Borrower and each Guarantor executing this Amendment are the duly elected, qualified, acting and incumbent officers of such Loan Party and hold the titles set forth below their names on the signature lines of this Amendment; and such execution, delivery and performance will not conflict with, constitute a default under or result in a breach of any applicable law or any agreement, instrument, order, writ, judgment, injunction or decree to which the Borrower or such Guarantor is a party or by which the Borrower or such Guarantor or any of its properties is bound, and that all consents, authorizations and/or approvals required or necessary from any third parties in connection with the entry into, delivery and performance by the Borrower and such Guarantor of the terms and conditions of this Amendment, the Credit Agreement, the other Loan Documents and the transactions contemplated hereby have been obtained by the Borrower and such Guarantor and are full force and effect;

(c) this Amendment, the Credit Agreement, and the other Loan Documents constitute the valid and legally binding obligations of the Borrower and each Guarantor, enforceable against the Borrower and each Guarantor in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws and by general equitable principles, whether enforcement is sought by proceedings at law or in equity;

(d) except as specifically modified by this Amendment, all representations and warranties made by the Borrower and each Guarantor in the Credit Agreement and the other Loan Documents are true and correct in all material respects as of the date hereof, with the same force and effect as if all such representations and warranties were fully set forth herein and made as of the date hereof and the Borrower and each Guarantor has complied with all covenants and undertakings in the Credit Agreement and the other Loan Documents;

(e) this Amendment is not a substitution, novation, discharge or release of the Borrower's or any Guarantor's obligations under the Credit Agreement or any of the other Loan Documents, all of which shall and are intended to remain in full force and effect;

(f) no Event of Default or Potential Default has occurred and is continuing under the Credit Agreement or the other Loan Documents; there exist no defenses, offsets, counterclaims or other claims with respect to the Borrower's or any Guarantor's obligations and liabilities under the Credit Agreement or any of the other Loan Documents; and

(g) the Borrower and each Guarantor hereby ratifies and confirms in full its duties and obligations under the Credit Agreement, the Guaranty Agreement, and the other Loan Documents applicable to it, each as modified hereby.

6. Incorporation into Credit Agreement and other Loan Documents. This Amendment shall be incorporated into the Credit Agreement by this reference and each reference to the Credit Agreement that is made in the Credit Agreement or any other document executed or to be executed in connection therewith shall hereafter be construed as a reference to the Credit Agreement as amended hereby. The term "Loan Documents" as defined in the Credit Agreement shall include this Amendment.

7. Severability. If any one or more of the provisions contained in this Amendment, the Credit Agreement, or the other Loan Documents shall be held invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained in this Amendment, the Credit agreement or the other Loan Documents shall not in any way be affected or impaired thereby, and this Amendment shall otherwise remain in full force and effect.

8. Successors and Assigns. This Amendment shall apply to and be binding upon the Borrower and each Guarantor in all respects and shall inure to the benefit of each of the Administrative Agent and the Lenders and their respective successors and assigns, provided that neither the Borrower nor any Guarantor may assign, transfer or delegate its duties and obligations hereunder. Nothing expressed or referred to in this Amendment is intended or shall be construed to give any person or entity other than the parties hereto a legal or equitable right, remedy or claim under or with respect to this Amendment, the Credit Agreement or any of the other Loan Documents, it being the intention of the parties hereto that this Amendment and all of its provisions and conditions are for the sole and exclusive benefit of the Borrower, the Guarantors, the Administrative Agent and the Lenders.

9. Reimbursement of Expenses. The Borrower unconditionally agrees to pay and reimburse the Administrative Agent and save the Administrative Agent harmless against liability for the payment of reasonable out-of-pocket costs, expenses and disbursements, including without limitation, fees and expenses of counsel incurred by the Administrative Agent in connection with the development, preparation, execution, administration, interpretation or performance of this Amendment and all other documents or instruments to be delivered in connection herewith.

10. Counterparts. This Amendment may be executed by different parties hereto in any number of separate counterparts, each of which, when so executed and delivered shall be an original and all such counterparts shall together constitute one and the same instrument.

11. Entire Agreement. This Amendment sets forth the entire agreement and understanding of the parties with respect to the transactions contemplated hereby and supersedes all prior understandings and agreements, whether written or oral, between the parties hereto relating to the subject matter hereof. No representation, promise, inducement or statement of intention has been made by any party which is not embodied in this Amendment, and no party shall be bound by or liable for any alleged representation, promise, inducement or statement of intention not set forth herein.

12. Governing Law. This Amendment shall be deemed to be a contract under the laws of the State of New York and for all purposes shall be governed by and construed and enforced in accordance with the internal laws of the State of New York without regard to its conflict of laws principles.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
[SIGNATURE PAGES FOLLOW]**

[SIGNATURE PAGE TO
FIRST AMENDMENT TO CREDIT AGREEMENT AND CONSENT AND WAIVER]

IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed this Amendment as of the day and year first above written.

BORROWER:

KOPPERS INC.

By: /s/ Louann E. Tronsberg-Deihle

Name: Louann E. Tronsberg-Deihle

Title: Treasurer

GUARANTORS:

KOPPERS HOLDINGS INC.

KOPPERS DELAWARE, INC.

KOPPERS ASIA LLC

KOPPERS CONCRETE PRODUCTS, INC.

CONCRETE PARTNERS, INC.

By: /s/ Louann E. Tronsberg-Deihle

Name: Louann E. Tronsberg-Deihle

Title: Treasurer

**KOPPERS WORLD-WIDE VENTURES
CORPORATION**

By: /s/ Louann E. Tronsberg-Deihle

Name: Louann E. Tronsberg-Deihle

Title: Vice President

KOPPERS VENTURES LLC

By: /s/ Louann E. Tronsberg-Deihle

Name: Louann E. Tronsberg-Deihle

Title: Treasurer and Assistant Secretary

KOPPERS PERFORMANCE CHEMICALS, INC.,
a New York corporation

By: /s/ Louann E. Tronsberg-Deihle
Name: Louann E. Tronsberg-Deihle
Title: Treasurer

KOPPERS RAILROAD STRUCTURES INC.,
a Delaware corporation

By: /s/ Louann E. Tronsberg-Deihle
Name: Louann E. Tronsberg-Deihle
Title: Treasurer

KOPPERS-NEVADA LIMITED-LIABILITY COMPANY,
a Nevada limited liability company
KOPPERS NZ LLC,
a New York limited liability company
WOOD PROTECTION MANAGEMENT LLC,
a Nevada limited liability company

By: /s/ Steven R. Lacy
Name: Steven R. Lacy
Title: Manager

WOOD PROTECTION LP,
a Texas limited partnership

By: **WOOD PROTECTION MANAGEMENT LLC,**
as General Partner

By: /s/ Steven R. Lacy
Name: Steven R. Lacy
Title: Manager

ADMINISTRATIVE AGENT AND LENDERS:

PNC BANK, NATIONAL ASSOCIATION,
as a Lender and as Administrative Agent

By: /s/ Tracy J. DeCock

Name: Tracy J. DeCock

Title: Senior Vice President

[SIGNATURE PAGE TO
FIRST AMENDMENT TO CREDIT AGREEMENT AND CONSENT AND WAIVER]

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as a Lender and as Co-Syndication Agent

By: /s/ J. Barrett Donovan

Name: J. Barrett Donovan

Title: Senior Vice President

[SIGNATURE PAGE TO
FIRST AMENDMENT TO CREDIT AGREEMENT AND CONSENT AND WAIVER]

BANK OF AMERICA, N.A.,
as a Lender and as Co-Syndication Agent

By: /s/ Joseph E. Flynn

Name: Joseph E. Flynn

Title: Senior Vice President

[SIGNATURE PAGE TO
FIRST AMENDMENT TO CREDIT AGREEMENT AND CONSENT AND WAIVER]

CITIZENS BANK OF PENNSYLVANIA,
as a Lender and as Co-Syndication Agent

By: /s/ Sean McWhinnie

Name: Sean McWhinnie

Title: Duly Authorized Signatory

[SIGNATURE PAGE TO
FIRST AMENDMENT TO CREDIT AGREEMENT AND CONSENT AND WAIVER]

FIFTH THIRD BANK,
as a Lender and as Co-Documentation Agent

By: /s/ Michael S. Barnett

Name: Michael S. Barnett

Title: Managing Director

[SIGNATURE PAGE TO
FIRST AMENDMENT TO CREDIT AGREEMENT AND CONSENT AND WAIVER]

DEUTSCHE BANK AG NEW YORK BRANCH,
as a Lender

By: /s/ Marcus M. Tarkington
Name: Marcus M. Tarkington
Title: Director

DEUTSCHE BANK AG NEW YORK BRANCH,
as a Lender

By: /s/ Michael Shannon
Name: Michael Shannon
Title: Vice President

[SIGNATURE PAGE TO
FIRST AMENDMENT TO CREDIT AGREEMENT AND CONSENT AND WAIVER]

BARCLAYS BANK PLC,
as a Lender

By: /s/ May Huang

Name: May Huang

Title: Assistant Vice President

[SIGNATURE PAGE TO
FIRST AMENDMENT TO CREDIT AGREEMENT AND CONSENT AND WAIVER]

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.,
as a Lender

By: /s/ Belinda Tucker

Name: Belinda Tucker

Title: Managing Director

[SIGNATURE PAGE TO
FIRST AMENDMENT TO CREDIT AGREEMENT AND CONSENT AND WAIVER]

BMO HARRIS BANK N.A.,
as a Lender

By: /s/ Edward McGuire
Name: Edward McGuire
Title: Managing Director

[SIGNATURE PAGE TO
FIRST AMENDMENT TO CREDIT AGREEMENT AND CONSENT AND WAIVER]

FIRST NIAGARA BANK, N. A.,
as a Lender

By: /s/ Brad Johnston

Name: Brad Johnston

Title: Assistant Vice President

[SIGNATURE PAGE TO
FIRST AMENDMENT TO CREDIT AGREEMENT AND CONSENT AND WAIVER]

FIRST NATIONAL BANK OF PENNSYLVANIA,
as a Lender

By: /s/ Dennis F. Lennon

Name: Dennis F. Lennon

Title: Vice President

[SIGNATURE PAGE TO
FIRST AMENDMENT TO CREDIT AGREEMENT AND CONSENT AND WAIVER]

THE HUNTINGTON NATIONAL BANK,
as a Lender

By: /s/ Michael Kiss

Name: Michael Kiss

Title: Vice President

[SIGNATURE PAGE TO
FIRST AMENDMENT TO CREDIT AGREEMENT AND CONSENT AND WAIVER]

FIRST COMMONWEALTH BANK,
as a Lender

By: /s/ Joseph P. Hynds

Name: Joseph P. Hynds

Title: Senior Vice President

[SIGNATURE PAGE TO
FIRST AMENDMENT TO CREDIT AGREEMENT AND CONSENT AND WAIVER]

TRISTATE CAPITAL BANK,
as a Lender

By: /s/ Anne M. Westbrook
Name: Anne M. Westbrook
Title: Senior Vice President

ANNEX A

SCHEDULE 1.1(F)

FOREIGN RESTRUCTURING

CERTAIN PARTIES:

<u>ABBREVIATION</u>	<u>PARTY</u>
CV1	Koppers World Wide Holdings C.V.
New -CV (Europe)	Koppers Global Investments C.V.
New -CV (Australia)	Koppers Australasian Investments C.V.
New-BV (Australia)	Koppers Australasian B.V.
KIBV	Koppers International B.V.
KPC	Koppers Performance Chemicals Inc.
KPC-Australia	Koppers Performance Chemicals Australia Pty. Ltd.
KPC- Denmark	Osrose Denmark A/S
KPC- New Zealand	Koppers Performance Chemicals New Zealand
Koppers Australia Holdings	Koppers Australia Holding Company Pty. Ltd.
Koppers Australia	Koppers Australia Pty. Ltd.
Koppers Canada	Koppers Ashcroft Inc.
Koppers Denmark	Koppers Denmark ApS
Koppers Nevada	Koppers- Nevada Limited- Liability Company
Koppers- NZ	Koppers NZ LLC
Koppers New Zealand	Koppers New Zealand
Mauritius	Koppers Mauritius
UK Ltd.	Koppers UK Ltd.
UK NewCo	Koppers UK Investments Ltd
WWVC	Koppers World Wide Venture Corp.

STEP E1

<u>STEP</u>	<u>ACTION</u>
E1(a)	UK Ltd. enters into a binding commitment with KPC to exchange nonvoting shares to be received on the incorporation of UK NewCo for newly issued nonqualified preferred stock ("NQPS") of KPC.
E1(b)	UK Ltd. transfers all the outstanding shares of UK Specialty Chemicals Ltd. and UK Transport Ltd. to UK NewCo in exchange for two classes of common stock of UK NewCo: voting and nonvoting. The voting and nonvoting shares represent 99% and 1% of the total value, respectively.
E1(c)	Pursuant to the binding commitment, UK Ltd. exchanges the nonvoting shares received in the preceding step with KPC for equivalent value of NQPS of KPC.

STEP E2

STEP ACTION

- E2(a) WWVC forms New-CV (Europe)
- E2(b) Koppers Ventures LLC becomes the second partner and contributes less than \$10,000 for a 1% partnership interest in New-CV (Europe)
- E2(c) WWVC transfers CV1 to New-CV (Europe).

STEP A1

STEP ACTION

- A1 Mauritius declares an \$8 million dividend to Koppers Australia and issues an intercompany note to Koppers Australia in the same amount. Immediately upon receipt, Koppers Australia distributes the same intercompany note to Koppers Australia Holding and Koppers Australia Holding distributes the same intercompany note to WWVC.

STEP A2

STEP ACTION

- A2(a) WWVC forms a new Dutch partnership, New-CV (Australia).
- A2(b) Koppers Ventures LLC becomes a second partner and contributes less than \$10,000 for a 1% partnership interest in the New-CV (Australia).
- A2(c) New-CV (Australia) forms New-BV (Australia).
- A2(d) WWVC assigns the present intercompany debt due from Koppers Australia Holding (approximately AUS \$62 million)) and transfers the stock of Koppers Australia Holding to New-BV (Australia) in exchange for two notes (approximately AUS \$62 million and approximately \$196 million).
- A2(e) WWVC assigns as a contribution to New CV (Australia) the approximately AUS \$62 million note and the approximately \$196 million note.
- A2(f) New CV (Australia) assigns as a contribution to New BV (Australia) the approximately \$196 million note, with the note cancelled by operation of law.

STEP OA

STEP ACTION

- OA1 KPC sells KPC-Australia to Koppers Australia Holding for several notes totaling approximately \$20 million.
- OA2 KPC assigns note receivables from Koppers Australia Holding to New-CV (Australia) in exchange for several notes totaling approximately \$20 million from New-CV (Australia).
- OA3 New-CV (Australia) assigns to New-BV (Australia) the notes from Koppers Australia Holding in exchange for approximately \$20 million notes receivable from New-BV (Australia).

STEP NZ

<u>STEP</u>	<u>ACTION</u>
NZ1	Mattersmiths Holdings Ltd. re-charters under local law to an unlimited liability company to become an eligible entity for U.S. federal tax purposes.
NZ2	Mattersmiths Technology Ltd. re-charters under local law to an unlimited liability company to become an eligible entity for U.S. federal tax purposes.
NZ3	Koppers NZ sells all of the outstanding shares of KPC -New Zealand to New CV (Australia) for several notes totaling approximately \$39 million.
NZ4	New C.V.—Australia contributes approximately \$9 million in shares of KPC New Zealand to New B.V. Australia and sells remaining shares of KPC New Zealand to New B.V.—Australia for several notes totaling approximately \$30 million.
NZ5	New B.V. Australia forms Koppers New Zealand, a New Zealand entity, and contributes to Koppers New Zealand approximately \$9 million in shares of KPC- New Zealand and sells remaining shares of KPC New Zealand for several notes totaling approximately \$30 million.

STEP TS

<u>STEP</u>	<u>ACTION</u>
TS1	Koppers Nevada sells all of the outstanding shares of Timber Specialties Co. to CV1 for several notes totaling approximately \$22 million.

STEP B

<u>STEP</u>	<u>ACTION</u>
B1	KPC contributes its ownership in Technologies De Madeiras Brasieiras Comercio de Preservantes Ltda (“KPC-Osmose Brazil”) to Protim Solignum Ltd.
B2	Koppers Nevada sells its ownership in KPC-Osmose Brazil to Protim Ltd. for cash (approximate value is \$700).

STEP UK

<u>STEP</u>	<u>ACTION</u>
UK1	KPC sells all of the outstanding shares of Protim Solignum Ltd. and Protim Ltd (Dormant) to CV1 for several notes equal to approximately \$26 million.
UK2	CV1 sells Protim Solignum Ltd. and Protim Ltd. (Dormant) to KIBV for several notes totaling the same approximately \$26 million.
UK3	KIBV sells Protim Solignum Ltd. and Protim Ltd. (Dormant) to UK Holding Ltd. for several notes totaling the same approximately \$26 million.

STEP D

<u>STEP</u>	<u>ACTION</u>
D1	Osmose Denmark A/S is re-chartered to an ApS to become an eligible entity.

D2	KPC sells all of the outstanding shares of Osmose Denmark to CV1 for several notes totaling approximately \$5 million.
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D3	CV1 sells Osmose Denmark to KIBV for several notes totaling approximately \$5 million.
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D4	KIBV sells Osmose Denmark to Koppers Denmark for several notes totaling approximately \$5 million.
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ANNEX B

SCHEDULE 6.1.1

QUALIFICATIONS TO DO BUSINESS

	<u>Jurisdiction of Incorporation/Organization</u>	<u>Certain Jurisdictions in which Qualified to do Business as Foreign Corporation</u>
Koppers Inc.	Pennsylvania	Alabama, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota (as Koppers Inc.), Mississippi, Missouri, Nebraska, Nevada, New Hampshire, New Jersey, New York (as Koppers Industries, Inc.), North Carolina, Ohio, Oklahoma, Oregon, South Carolina, Tennessee, Texas, Virginia, Washington, West Virginia, Wisconsin
Koppers World-Wide Ventures Corporation	Delaware	
Koppers Delaware, Inc.	Delaware	
Koppers Assurance, Inc.	South Carolina	
Koppers Asia LLC	Delaware	
Koppers Holdings Inc.	Pennsylvania	
Koppers Ventures LLC	Delaware	
Koppers Concrete Products, Inc.	Delaware	Ohio
Concrete Partners, Inc.	Delaware	
Koppers Australia Holding Company Pty Ltd	Australia (Victoria)	
Koppers Australia Pty Limited	Australia (NSW)	
Koppers Wood Products Pty. Ltd.	Australia (NWS)	Philippines
Koppers Carbon Materials & Chemicals Pty Ltd.	Australia (NSW)	
Continental Carbon Australia Pty Ltd.	Australia (NSW)	
¹ Koppers Shipping Pty Ltd.	Australia (NSW)	
Koppers Ashcroft Inc.	Canada (British Columbia)	
Koppers Europe ApS	Denmark	
Koppers Denmark ApS	Denmark	
Koppers Tar Tech International ApS (formerly Koppers Trading Denmark A/S)	Denmark	
Koppers European Holdings ApS	Denmark	
Koppers Poland Sp. z.o.o	Poland (limited liability company)	
Koppers UK Holding Ltd.	English Limited Corporation	
Koppers UK Limited	English Limited Corporation	

	Jurisdiction of Incorporation/Organization	Certain Jurisdictions in which Qualified to do Business as Foreign Corporation
Koppers UK Transport Limited	English Limited Corporation	
Koppers Specialty Chemicals Limited	English Limited Corporation	
Koppers Luxembourg Sarl	Luxembourg	
Koppers International B.V.	The Netherlands (private limited liability company)	
Koppers Netherlands B.V.	The Netherlands (private limited liability company)	
Koppers World-Wide Holdings C.V.	The Netherlands (Limited Partnership)	
Koppers Global Investments C.V.	The Netherlands (Limited Partnership)	
Koppers Australasian Investments C.V.	The Netherlands (Limited Partnership)	
Koppers Australasian B.V.	The Netherlands (private limited liability company)	
Koppers UK Investments Ltd.	English Limited Corporation	
Tankrederij J.A. van Seumeren B.V.	The Netherlands (private limited liability company)	

¹ In process of being dissolved

Entity	Jurisdiction of Organization	Jurisdictions of Qualification
Koppers Performance Chemicals Inc.	New York	Georgia Michigan, South Carolina, Tennessee, Washington
Koppers Railroad Structures Inc.	Delaware	Alabama Arizona, Arkansas California, Colorado, Connecticut, District of Columbia, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming
Koppers Railroad Structures Canada Inc.	British Columbia, Canada	Alberta, Manitoba, Ottawa, Saskatchewan
Koppers-Nevada Limited-Liability Company	Nevada	
Wood Protection Management LLC	Nevada	

<u>Entity</u>	<u>Jurisdiction of Organization</u>	<u>Jurisdictions of Qualification</u>
Koppers Performance Chemicals Denmark ApS	Denmark	
Koppers Performance Chemicals Australia Pty Ltd.	Australia	
Osmose (Thailand) Ltd.	Thailand	
Protim Solignum Sdn Bhd	Malaysia	
Osmose Chile Limitada	Chile	
Protim Solignum Ltd.	United Kingdom	
Koppers NZ LLC	New York	
Timber Specialties Co.	Nova Scotia, Canada	Registered agents in Ontario, Alberta, British Columbia, Manitoba, Newfoundland, Quebec and Saskatchewan
Wood Protection LP	Texas	
Oy Koppers Finland Ab	Finland	
Koppers Sweden AB	Sweden	
Koppers Norway AS	Norway	
Koppers Deutschland GmbH	Germany	
Koppers Latvia SIA	Latvia	
Protim Solignum South Africa Pty Ltd.	South Africa	
Koppers Performance Chemicals New Zealand	New Zealand	
Koppers New Zealand	New Zealand	
Mattersmiths Technologies	New Zealand	
Mattersmiths Holdings	New Zealand	
[NewCo NZ]	New Zealand	
Protim Osmose Ltd.	Ireland	
Technologias DeMadeiras Brasileiras Comercio De Preservantes Ltda.	Brazil	
1172 North Thomas, LLC	Delaware	Tennessee
Retratar Espana S.L. (inactive)	Spain	

ANNEX C

SCHEDULE 6.1.3

SUBSIDIARIES¹

<u>Subsidiary Name</u>	<u>Jurisdiction of Incorporation/ Organization</u>	<u>Authorized Capital Stock</u>	<u>Issued and Outstanding Shares of Capital Stock</u>	<u>Holder of Issued and Outstanding Shares of Capital Stock</u>
Borrower's United States Subsidiaries:				
Concrete Partners, Inc.	Delaware Corporation	1,000 shares of common stock are currently authorized.	1,000 shares of common stock are currently issued.	Koppers Inc. owns 100% of the common stock of Concrete Partners, Inc.
Koppers Asia LLC	Delaware limited liability company	None	None	Koppers Inc. owns 100% of the membership interest in Koppers Asia LLC
Koppers Assurance, Inc.	South Carolina corporation	100,000 shares of common stock are currently authorized.	50,000 shares of common stock are currently issued.	Koppers Inc. owns 100% of the common stock of Koppers Assurance, Inc.
Koppers Concrete Products, Inc.	Delaware corporation	1,000 shares of common stock are currently authorized.	1,000 shares of common stock are currently issued.	Koppers Inc. owns 100% of the common stock of Koppers Concrete Products, Inc.
Koppers Delaware, Inc.	Delaware corporation	1,000 shares of common stock are currently authorized.	1,000 shares of common stock are currently issued.	Koppers Inc. owns 100% of the common stock of Koppers Delaware, Inc.
Koppers Ventures LLC	Delaware limited liability company	None	None	Koppers World-Wide Ventures Corporation owns 100% of the membership interest in Koppers Ventures LLC
Koppers World-Wide Ventures Corporation	Delaware corporation	1,000 shares of common stock are currently authorized.	1,000 shares of common stock are currently issued.	Koppers Inc. owns 100% of the common stock of Koppers World-Wide Ventures Corporation

¹ There are no options, warrants or other rights outstanding to purchase any of the Subsidiary Shares set forth on this Schedule 6.1.3.

<u>Subsidiary Name</u>	<u>Jurisdiction of Incorporation/ Organization</u>	<u>Authorized Capital Stock</u>	<u>Issued and Outstanding Shares of Capital Stock</u>	<u>Holders of Issued and Outstanding Shares of Capital Stock</u>
Borrower's Australian Subsidiaries:				
Koppers Australia Holding Company Pty Ltd.	Australian corporation (Victoria)	12 Ordinary Shares	12 Ordinary Shares \$1 each fully paid	Koppers Australasian B.V. owns 100% of the common stock of Koppers Australia Holding Co. Pty Ltd.
Koppers Australia Pty Ltd.	Australian corporation (NSW)		12,375,000 of ordinary shares of common stock are currently issued and 2,183,824 non-voting C shares	Koppers Australia Holding Company Pty Ltd. currently owns 100% of the ordinary shares of common stock of Koppers Australia Pty. And 100% of non-voting C shares. Koppers World-Wide Ventures Corporation owns 100% of the non-voting "C" shares of common stock of Koppers Australia Pty. Limited.
Koppers Wood Products Pty Ltd.	Australian corporation (NSW)		3,500,000 shares of nominal common stock are currently issued.	Koppers Australia Pty. Limited currently owns 100% of the shares of nominal common stock of Koppers Wood Products Pty Ltd. currently issued.
Koppers Carbon Materials & Chemicals Pty Ltd.	Australian corporation (NSW)		2,000,000 shares of nominal common stock are currently issued.	Koppers Australia Pty. Limited currently owns 100% of the shares of nominal common stock of Koppers Carbon Materials & Chemicals Pty Ltd.
Continental Carbon Australia Pty Ltd.	Australian corporation (NSW)		8,000,000 shares of nominal common stock are currently issued.	Koppers Australia Pty Limited currently owns 100% of the shares of nominal common stock of Continental Carbon Australia Pty Ltd.

<u>Subsidiary Name</u>	<u>Jurisdiction of Incorporation/ Organization</u>	<u>Authorized Capital Stock</u>	<u>Issued and Outstanding Shares of Capital Stock</u>	<u>Holders of Issued and Outstanding Shares of Capital Stock</u>
Koppers Shipping Pty Ltd.	Australian corporation (NSW)		2 shares of nominal common stock are currently issued.	Koppers Australia Pty Limited currently owns 100% of the shares of nominal common stock of Koppers Shipping Pty Ltd. currently issued.
Borrower's Canadian Subsidiaries:				
Koppers Ashcroft Inc.	Canadian corporation (British Columbia)	Unlimited shares of capital stock without par are currently authorized.	100 shares of common stock are currently issued.	Koppers World-Wide Ventures Corporation currently owns 100% of the issued shares of common stock of Koppers Ashcroft Inc.
Borrower's European Subsidiaries:				
Koppers Global Investments C.V.	The Netherlands – limited partnership			Koppers Ventures LLC owns 1% of the shares and Koppers World Wide Ventures Corp., owns 99% of the shares of Koppers Global Investments C.V.
Koppers UK Investments Ltd.	English limited corporation	shares of ordinary A shares and shares of ordinary B shares are authorized	197 ordinary A shares and 2 ordinary B shares of registered capital stock are currently issued.	Koppers UK Ltd. owns 100% of the issued capital stock of Koppers UK Investments Ltd.
Koppers Australasian Investments C.V.	The Netherlands – limited partnership			Koppers Ventures LLC owns 1% of the shares and Koppers Worldwide Ventures Corp., owns 99% of the shares of Koppers Australasian Investments C.V.
Koppers Australasian B.V.	The Netherlands – private limited liability company	shares are issued with a nominal value of EUR 1 per share_	shares are issued with a nominal value of EUR 1 per share	Koppers Australasian Investments C.V. owns 100% of the shares of Koppers Australasian B.V.

<u>Subsidiary Name</u>	<u>Jurisdiction of Incorporation/ Organization</u>	<u>Authorized Capital Stock</u>	<u>Issued and Outstanding Shares of Capital Stock</u>	<u>Holders of Issued and Outstanding Shares of Capital Stock</u>
Koppers Europe ApS	Danish corporation	DKK 8,375,000 shares of registered capital stock are currently authorized.	DKK 8,375,000 shares of registered capital stock are currently issued.	Koppers International B.V. currently owns 100% of the issued shares of registered capital stock of Koppers Europe ApS.
Koppers Denmark ApS	Danish corporation	DKK 70,000,000 shares of registered capital stock are currently authorized.	DKK 70,000,000 shares of registered capital stock are currently issued.	Koppers Europe ApS currently owns 100% of the issued shares of registered capital stock of Koppers Denmark ApS.
Koppers Tar Tech International ApS (formerly Koppers Trading Denmark A/S)	Danish corporation	DKK 70,000,000 shares of registered capital stock are currently authorized.	DKK 70,000,000 shares of registered capital stock are currently issued.	Koppers Denmark ApS currently owns 100% of the issued shares of registered capital stock of Koppers Tar Tech International ApS.
Koppers European Holdings ApS	Danish corporation	DKK 500,000 shares of registered capital stock are currently authorized.	DKK 500,000 shares of registered capital stock are currently issued.	Koppers Denmark ApS owns 100% of the issued shares of registered capital stock of Koppers European Holdings ApS.
Koppers Poland Sp. z.o.o.	Polish corporation (limited liability company)	PLN 1.700.000 (3,400 shares @ PLN 500 each) are currently authorized.	3,400 shares are currently issued.	Koppers European Holdings ApS currently owns 100% of the issued capital stock of Koppers Poland Sp. z.o.o.
Koppers UK Holding Ltd.	English limited corporation	3,900,000 shares of registered capital stock are currently authorized.	3,900,000 shares of registered capital stock are currently issued.	Koppers European Holdings ApS currently owns 100% of the issued capital stock of Koppers UK Holding Ltd.
Koppers UK Limited	English limited corporation	3,000,000 shares of registered capital stock are currently authorized.	1,560,000 shares of registered stock are currently issued.	Koppers UK Holding Ltd. currently owns 100% of the issued capital stock of Koppers UK Limited.

<u>Subsidiary Name</u>	<u>Jurisdiction of Incorporation/ Organization</u>	<u>Authorized Capital Stock</u>	<u>Issued and Outstanding Shares of Capital Stock</u>	<u>Holders of Issued and Outstanding Shares of Capital Stock</u>
Koppers UK Transport Limited	English limited corporation	20,000 shares of registered capital stock are currently authorized.	16,150 shares of registered capital stock are currently issued.	Koppers UK Investments Ltd currently owns 100% of the issued capital stock of Koppers UK Transport Limited
Koppers Specialty Chemicals Limited	English limited corporation	100,000 ordinary shares of registered capital stock are currently authorized at £1.	1 ordinary share of registered capital stock is currently issued.	Koppers UK Investments Ltd. currently owns 100% of the issued capital stock of Koppers Specialty Chemicals Limited.
Koppers Luxembourg Sarl	Limited Liability Company Grand Duchy of Luxembourg	USD\$19,950 registered capital	399 shares of registered capital stock at USD\$50 each are currently issued.	Koppers International B.V. currently owns 100% of the issued capital stock of Koppers Luxembourg Sarl.
Koppers International B.V.	The Netherlands – private limited liability company		18,000 shares are issued with a nominal value of EUR 1 per share	Koppers World-Wide Holdings C.V. owns 100% of the shares of Koppers International B.V.
Koppers Netherlands B.V.	The Netherlands – private limited liability company	EUR 6.750.000,00 divided into 15,000 shares with a par value of EUR 450 each are authorized.	EUR 3.150.000,00 divided into 7,000 shares with a par value of EUR 450 each are issued.	Koppers International B.V. owns 100% of the shares of Koppers Netherlands B.V.
Koppers World-Wide Holdings C.V.	The Netherlands – limited partnership	Koppers Ventures LLC- EUR 300 Koppers World-Wide Ventures Corporation EUR 29,700		Koppers Ventures LLC owns 1% of the shares and Koppers Global Investments C.V. owns 99% of the shares of Koppers World-Wide Holdings C.V.
Tankrederij J.A. van Seumeren B.V.	The Netherlands – private limited liability company	NLG 75,000 (Dutch guilders) divided into 75 shares of NLG at 1,000 each are authorized.	NLG 15,000 shares are issued.	Koppers Netherlands B.V. owns 100% of the shares of Tankrederij J.A. van Seumeren B.V.

<u>Subsidiary</u>	<u>Owner</u>	<u>Jurisdiction of Organization</u>	<u>Authorized Capital Stock</u>	<u>Issued and Outstanding Shares/Units</u>
Koppers Performance Chemicals Inc.	Koppers Inc.	New York	2,250,000	774,254
Koppers Railroad Structures, Inc.	Koppers Inc.	Delaware	3,000	100
Koppers Railroad Structures Canada Inc.	Koppers Railroad Structures Inc.	British Columbia, Canada	100	100
Koppers-Nevada Limited-Liability Company	Koppers Performance Chemicals Inc.	Nevada	N/A	N/A
Wood Protection Management LLC	Koppers Performance Chemicals Inc.	Nevada	N/A	N/A
Koppers Performance Chemicals Denmark ApS	Koppers Denmark ApS	Denmark		10
Koppers Performance Chemicals Australia Pty Ltd.	Koppers Australia Holding Company Pty. Ltd.	Australia		4
Osmose (Thailand) Ltd.	Koppers Performance Chemicals Inc. – 75% Protim Solignum Ltd. – 25%	Thailand		20,000
Protim Solignum Sdn Bhd	Koppers Performance Chemicals Inc. – 50% Protim Solignum Ltd. – 50%	Malaysia		2
Osmose Chile Limitada	Koppers Performance Chemicals Inc.– 99.9% Attorney in Chile – 0.1% (as Nominee)	Chile	N/A	N/A
Protim Solignum Ltd.	Koppers UK Holding Ltd. ,	United Kingdom		2,020,001
Koppers NZ LLC	Koppers Performance Chemicals Inc.	New York	N/A	N/A
Timber Specialties Co.	Koppers International B.V.	Nova Scotia, Canada		2

<u>Subsidiary</u>	<u>Owner</u>	<u>Jurisdiction of Organization</u>	<u>Authorized Capital Stock</u>	<u>Issued and Outstanding Shares/Units</u>
Wood Protection LP	Koppers-Nevada Limited-Liability Company – 99.99%	Texas	N/A	N/A
	Wood Protection Management LLC – 0.01%			
Oy Koppers Finland Ab	Koppers Performance Chemicals Denmark ApS	Finland		234
Koppers Sweden AB	Koppers Performance Chemicals Denmark ApS	Sweden		1 – 50000 SEK
Koppers Norway AS	Koppers Performance Chemicals Denmark ApS	Norway		1 – 50000 NOK
Koppers Deutschland GmbH	Koppers Performance Chemicals Denmark ApS	Germany		1 – 25.000 €
Koppers Latvia SIA	Koppers Performance Chemicals Denmark ApS	Latvia		1 – 2.000 LVL
Protim Solignum South Africa Pty Ltd.	Koppers Performance Chemicals Denmark ApS	South Africa		120
Koppers Performance Chemicals New Zealand	Koppers New Zealand	New Zealand		5,071,900
Koppers New Zealand	Koppers Australasian B.V.	New Zealand		—
Mattersmiths Technologies	Koppers Performance Chemicals New Zealand	New Zealand		10,000
Mattersmiths Holdings	Koppers Performance Chemicals New Zealand	New Zealand		1,000
Protim Osmose Ltd.	Protim Solignum Ltd.	Ireland		100
Technologias DeMadeiras Brasileiras Comerico De Preservantes Ltda.	Protim Solignum Ltd. – 99.99%	Brazil		8,909,218 quotas
	Protim Ltd. – .01%			

2 In process of being dissolved.

SCHEDULE 6.1.17

PARTNERSHIP AGREEMENTS; LLC AGREEMENTS

Koppers Asia LLC Operating Agreement, dated as of November 20, 2007, by and between Koppers Inc. and Koppers Asia LLC

Koppers Ventures LLC Operating Agreement dated February 2, 2010, by Koppers World-Wide Ventures Corporation

Operating Agreement of Koppers-Nevada Limited-Liability Company

Operating Agreement of Wood Protection Management LLC

Operating Agreement of KoppersNZ LLC

Agreement of Limited Partnership of Wood Protection LP

Limited Partnership Agreement of Koppers Australasian Investments C.V.

Limited Partnership Agreement of Koppers Global Investments C.V.

SCHEDULE 8.2.4

PERMITTED LOANS AND INVESTMENTS

North America (currency as noted) –

Investment by Koppers Inc. in Koppers Assurance, Inc. – US\$0.5 million

Investment by Koppers World-Wide Ventures Corporation in Koppers Australia Holding Company Pty. Ltd. – US\$3.5 million

Investment by Koppers World-Wide Ventures Corporation in Koppers Ventures LLC – US\$21.8 million

Investment by Koppers World-Wide Ventures Corporation in Koppers World-Wide Holdings C.V. – US\$0.1 million

Investment by Koppers Ventures LLC in Koppers World-Wide Holdings C.V. – US\$21.8 million (related to the Investment by Koppers World-Wide Ventures Corporation in Koppers Ventures LLC of US\$21.8 million)

Investment by Koppers Concrete Products, Inc. in KSA Limited Partnership – US\$33,170

Investment by Concrete Partners, Inc. in KSA Limited Partnership – US\$1.9 million

Loan by Koppers Concrete Products, Inc. in KSA Limited Partnership – US\$4,500

Loan by Concrete Partners, Inc. in KSA Limited Partnership – US\$220,500

Loan by Koppers World-Wide Ventures Corporation to Koppers Australia Holding Company Pty. Ltd. – AU\$64 million

Loan by Koppers World-Wide Ventures Corporation to Koppers Mauritius US\$4.1 million

Loan by Koppers World-Wide Ventures Corporation to Koppers Ashcroft CAD \$18.8 million

Loan by Koppers Assurance, Inc. to Koppers Inc. – US\$40.8 million

Advance accounts (loans) by Koppers Inc. to wood raw material suppliers totaling US\$ 2,009,541.28

Loan by Timber Specialties Co to Tecnologias De Madeiras Brasileiras Participacoes Ltda CDN \$3.1 million

Australia (all amounts in Australian Dollars)

Investment by Koppers Australia Holding Company Pty. Ltd. in Koppers Australia Pty. Ltd. – AU\$81.5 million

Investment by Koppers Australia Pty. Ltd. in Koppers Carbon Materials & Chemicals Pty. Ltd. – AU\$9.2 million

Investment by Koppers Australia Pty. Ltd. in Continental Carbon Australia Pty. Ltd. – AU\$8.7 million

Investment by Koppers Australia Pty. Ltd. in Koppers Wood Products Pty. Ltd. – AU\$7.1 million

Investment by Koppers Australia Pty. Ltd. in Koppers Mauritius – AU\$19.5 million

Investment by Koppers Australia Pty. Ltd. in Koppers (Beijing) Chemical Co., Ltd. – AU\$0.1 million

Investment by Koppers Australia Holding Company Pty. Ltd. in stock of Koppers Performance Chemicals Australia Pty. Ltd. US\$20 million (1) (OA1)

Investment by Koppers Australasian Investments C.V. in stock of Koppers Performance Chemicals New Zealand US\$ 39 million (1)(NZ3)

Investment by Koppers Australasian B.V. in stock of Koppers Performance Chemicals New Zealand US\$ 39 million (1)(NZ4)

Investment by Koppers New Zealand in stock of Koppers Performance Chemicals New Zealand US\$ 39 million (1)(NZ5)

Europe (currency as noted)

Investment by Koppers Europe ApS in Koppers Denmark ApS – DKK 49.0 million

Investment by Koppers Denmark ApS in Koppers Tar Tech International ApS – DKK 0.2 million

Investment by Koppers Denmark ApS in Koppers European Holdings ApS – DKK 0.6 million

Investment by Koppers European Holdings ApS in Koppers Poland Sp. Z.o.o. – DKK 0.5 million

Investment by Koppers European Holdings ApS in Koppers UK Holding Ltd. – DKK 6 million

Investment by Koppers UK Holding Ltd. in Koppers UK Limited – GBP 11.8 million

Investment by Koppers UK Limited in Koppers Specialty Chemicals Ltd. – GBP 0.1 million

Investment by Koppers UK Limited in Koppers UK Transport Ltd. – GBP 0.3 million

Investment by Koppers World-Wide Holdings C.V. in Koppers International B.V. – Euro 9.7 million

Investment by Koppers International B.V. in Koppers Netherlands B.V. – Euro 18.0 million

Investment by Koppers International B.V. in Koppers Europe ApS – Euro 21.4 million

Investment by Koppers International B.V. in Koppers S.a.r.l. Luxembourg – Euro 0.1 million

Investment by Koppers International B.V. in Koppers (Tianjin) Trading Co., Ltd (China) – USD 1.0 million

Investment by Koppers International B.V. in Koppers (Jiangsu) Carbon Chemical Co., Ltd (China) – Euro 16.0 million

Investment by Koppers World Wide Ventures Corp. in Koppers Global Investments C.V. – equity of Koppers World Wide Holdings C.V. and 1 Euro (1)(E2(c))

Investment by Koppers Ventures LLC in Koppers Global Investments C.V. 1 Euro (1)(E2(b))

Investment by Koppers World Wide Ventures Corp. in Koppers Australasian B.V. – Equity of Koppers Australia Holding Company Pty. Ltd. (US\$ 196 Million) and Intercompany debt owed by Koppers Australia Holding Company Pty. Ltd. to Koppers World Wide Ventures Corp. (AUS 62 million)(1)(A2(d))

Investment by Koppers World Wide Ventures Corp in Koppers Australia Investments C.V. – Intercompany Notes made by Koppers Australasian B.V. (US\$196 million and AUS \$62 million) and 99 Euros (1)(A2(a) and A2(d))

Investment by Koppers Ventures LLC in Koppers Australasian Investments C.V. 1 Euro (1)(A2(b))

Investment by Koppers Australasian Investments C.V. in Koppers Australasian B.V. Promissory Note made by Koppers Australasian B.V. (US\$196 million) (1)(A2(f))

Investment by Koppers UK Ltd. in Koppers UK Investments Ltd. – Equity of Koppers UK Transport Limited and Koppers Specialty Chemicals Limited (1)(E1(b))

Investment by Koppers UK Ltd. in non-qualified preferred stock of Koppers Performance Chemicals, Inc. (1)(E1(c))

Investment by Koppers Performance Chemicals, Inc. in non-voting stock of Koppers UK Investments, Ltd. (1)(E1(c))

Investment by Koppers World Wide Holding C.V. in stock Timber Specialties Co. US\$22 million (1)(TS1)

Investment by Protim Solignum Ltd. in Technologies De Madeiras Brasieiras Solignum Ltd. US\$7 million (1)(B1 and B2)

Investment by Koppers World Wide Holdings C.V. in equity of Protim Solignum Ltd. and Protim Ltd. US\$26 million (1)(UK1)

Investment by Koppers Netherlands B.V. in equity of Protim Solignum Ltd. and Protim Ltd. US\$26 million(1)(UK2)

Investment by Koppers UK Holding Ltd. in equity of Protim Solignum Ltd. and Protim Ltd. US\$26 million(1)(UK3)

Investment by Koppers World Wide Holdings C.V. in equity of Koppers Performance Chemicals Denmark ApS US\$5 million(1)(D1)

Investment by Koppers International B.V. in equity of Koppers Performance Chemicals Denmark ApS US\$5 million (1)(D2)

Investment by Koppers Denmark Aps in equity of Koppers Performance Chemicals Denmark ApS US\$5 million (1)(D3)

Loan by Koppers European Holdings ApS to Koppers Denmark ApS – DKK 0.6 million

Loan by Koppers Europe ApS to Koppers Denmark ApS to – DKK 2.4 million

Loan by Koppers Denmark ApS to Koppers International B.V. – DKK 91.8 million

Loan by Koppers Tar Tech International ApS to Koppers Denmark ApS – DKK 3.0 million

Loan by Koppers UK Ltd to Koppers International B.V. GBP 17 million

Loan by Koppers World Wide Ventures Corp. (as assignee of Koppers Australian Holdings Pty. Ltd, as assignee of Koppers Australia Pty. Ltd.) to Koppers Mauritius US\$8 million (1)(A1)

Loan by Koppers Australian Investments C.V. (as assignee of Koppers World Wide Ventures Corp) to Koppers Australasian B.V. AUS \$ 62 million (1) (A2(d) and A2(e))

Loan by Koppers Australasian B.V. (as assignee of Koppers Australasian Investments C.V. which was assignee of Koppers Performance Chemicals, Inc.) to Koppers Australia Holding Company Pty. Ltd. US\$ 20 million (1)(OA2 and OA3)

Loan by Koppers Performance Chemicals Inc. to Koppers Australasian Investments C.V. US\$20 million (1)(OA-1)

Loan by Koppers-Nevada Limited- Liability Company to Koppers World Wide Holding C.V. US\$22 million (1)(TS1)

Loan by Koppers Australasian Investments C.V. to Koppers Australasian B.V. US\$ 20 million (1)(OA3)

Loan by Koppers NZ LLC to Koppers Australasian Investments C.V US\$39 million (1)(NZ3)

Loan by Koppers Australasian Investments C.V. to Koppers Australasian B.V. US\$ 30 million (1)(NZ4)

Loan by Koppers Australasian B.V. to Koppers New Zealand US\$ 30 million (1)(NZ5)

Loan by Koppers Performance Chemicals to Koppers World Wide Holdings C.V. US\$26 million (1)(UK1)

Loan by Koppers World Wide Holdings C.V.to Koppers International B.V. US\$26 million (1)(UK2)

Loan by Koppers International B.V. to Koppers UK Holding Ltd. US\$26 million (1)(UK3)

Loan by Koppers Performance Chemicals, Inc. to Koppers World Wide Holding C.V, US\$5 million (1)(D1)

Loan by Koppers World Wide Holding C.V, to Koppers International C.V. US\$5 million(1)(D2)

Loan by Koppers International B.V. to Koppers Demark ApS. US\$5 million (1)(D3)

Related to 2104 Restructuring Transaction



Koppers Annual Incentive Plan

Purpose:

The purpose of the Koppers Annual Incentive Plan is three fold:

- To attract, motivate and retain key employees.
- To stimulate these employees to use their innate creativity and entrepreneurial thinking in carrying out the responsibilities of their present assignments.
- To enhance the business growth and profitability of Koppers Inc. and its subsidiaries (the "Company") by providing employees in key roles with an opportunity for additional compensation based upon their contributions to the achievement of the business goals of the Company.

Eligibility:

To be eligible for participation in the Koppers Annual Incentive Plan, an employee must meet the following criteria:

- The employee must have a salary grade of at least 25 or higher.
- For employees hired on or before June 30th of the relevant Plan Year – eligibility for a pro-rata award in the current Plan Year will be subject to the discretion of the Chief Executive Officer of Koppers Inc. (the "CEO"). For purposes of this plan, Plan Year shall mean a calendar year during which the Plan is in effect.
- For employees hired after June 30th of the relevant Plan Year – no eligibility for a pro-rata award in the current Plan Year, but eligible for consideration in the following Plan Year.
- Notwithstanding the above, participation in the Plan is at the discretion of the CEO.

Incentive Plan Goals:

- To align our employees' goals with those of our shareholders.
- To foster a spirit of teamwork and mutual supportiveness among key employees by emphasizing the importance of division performance and individual contributions made to the Company as a whole.
- To reinforce the principle of continual improvement and tie employee compensation to continual improvement of company profitability and the creation of shareholder value.

- To encourage a sustained high level of personal performance among all Plan participants and to provide additional motivation for them to remain with the Company on a long-term basis as key members of our organization.

Incentive Plan Threshold Events:

- Any payments under this incentive plan will be subject to the Company's compliance with its debt covenants, including interest obligations and scheduled repayment of debt.
- The participant's job performance during the period in question must meet acceptable standards and be in accordance with Company policy before the participant shall receive any award under this incentive plan.
- Notwithstanding anything in this incentive plan to the contrary, the decision to make any payments under this incentive plan and the amount of such payments will be subject to the discretion of the CEO, Management Development & Compensation Committee (the "Committee") and/or Board of Directors (the "Board") of the Company.
- Unless otherwise approved by the Committee or the Board, gains and losses arising from non-recurring and non-operating transactions (such as, but not limited to, restructuring charges/reversals, impact of lawsuit outcomes, unbudgeted sales/divestitures and changes in accounting rules) will be excluded from performance calculations under this Plan.

Incentive Pool Funding:

80% of a participant's incentive opportunity will be based on company performance goals, while 20% will be based solely on individual goals independent of company performance goals.

Company Performance Goals (80%) – For each Plan Year, the Committee shall define performance units and establish a threshold, target and maximum for each performance unit. These goals are subject to any adjustments approved by the Committee or the Board. Achievement of the threshold performance will result in the threshold payout being contributed to the incentive pool (awards for performance between the threshold and the target are determined by interpolation). Achievement of the target performance will result in the target payout being contributed to the incentive pool. Achievement of the maximum performance will result the maximum payout being contributed to the incentive pool (awards for performance between target and maximum are determined by interpolation).

A matrix will be distributed to participants in the incentive plan at the beginning of each Plan Year, which matrix will list the applicable threshold, target and maximum performance and payout amounts.

Individual Performance Goals (20%) – For each plan year, the full target payout will be contributed to the incentive pool.

Payout Procedure:

Any incentive payments will be paid in cash within 2.5 months after the end of the Plan Year after all of the following:

- The CEO has had sufficient opportunity to review the performance of the participant during the Plan Year.
- The CEO has recommended allocations from the incentive pool to incentive plan participants.
- The Committee has received, reviewed and approved the audited incentive payment proposals.

Administrative Notes:

- If a Plan participant voluntarily terminates his/her employment during the Plan Year or if the Participant is terminated for cause before the payment occurs, no payment shall be made under the terms of this plan.
- If a Plan participant voluntarily terminates his/her employment after the Plan Year but before the payment occurs, payment of the participant's incentive award will be subject to the sole discretion of the CEO (as approved by the Committee and the Board).
- If a Plan participant's employment is terminated involuntarily without cause during the Plan Year, payment of a pro-rata share of the incentive award to which he/she would otherwise have been entitled at year-end will be subject to the sole discretion of the CEO (as approved by the Committee and the Board).
- If a Plan participant retires during the Plan Year, payment of a pro-rata share of the incentive award to which he/she would otherwise have been entitled at year-end will be subject to the discretion of the CEO (as approved by the Committee and the Board).
- If a Plan participant dies during the Plan Year, a pro-rata share of the incentive award to which he/she would otherwise have been entitled at year-end will be paid to the Plan participant's named beneficiary early in the following year.

KOPPERS HOLDINGS INC.

RESTRICTED STOCK UNIT ISSUANCE AGREEMENT – TIME VESTING

RECITALS

A. The Board has adopted the Plan for the purpose of retaining the services of selected Employees, non-employee members of the Board (or the board of directors of any Parent or Subsidiary) and consultants and other independent advisors who provide services to the Corporation (or any Parent or Subsidiary).

B. Participant is to render valuable services to the Corporation (or a Parent or Subsidiary), and this Agreement is executed pursuant to, and is intended to carry out the purposes of, the Plan in connection with the Corporation's issuance of shares of Common Stock to Participant under the Plan.

C. All capitalized terms in this Agreement shall have the meaning assigned to them in the attached Appendix A.

NOW, THEREFORE, it is hereby agreed as follows:

1. Grant of Restricted Stock Units. The Corporation hereby awards to Participant, as of the Award Date, Restricted Stock Units under the Plan. Each Restricted Stock Unit represents the right to receive one share of Common Stock on the specified issuance date following the vesting of that unit. The number of shares of Common Stock subject to the awarded Restricted Stock Units, the applicable vesting schedule for those shares, the date on which those vested shares shall become issuable to Participant and the remaining terms and conditions governing the award (the "Award") shall be as set forth in this Agreement.

AWARD SUMMARY

Award Date: March , 2015

Number of Shares Subject to Award: shares of Common Stock (the "Shares")

Vesting Schedule: 25% of the Shares shall vest upon Participant's completion of a consecutive twelve (12)-month period of Service measured from the Award Date. 25% of the Shares shall vest upon Participant's completion of a consecutive twenty-four (24)-month period of Service measured from the Award Date. 25% of the Shares shall vest upon Participant's completion of a consecutive thirty-six (36)-month period of Service measured from the Award Date. 25% of the Shares shall vest upon Participant's completion of a consecutive forty-eight (48)-month period of Service measured from the Award Date. However, one or more Shares may be subject to accelerated vesting in accordance with the provisions of Paragraph 5 of this Agreement.

Issuance Schedule:

The Shares in which Participant vests in accordance with the foregoing Vesting Schedule shall become issuable immediately upon vesting (the "Issue Date"). The actual issuance of the Shares shall be subject to the Corporation's collection of all applicable Withholding Taxes and shall be effected on the applicable Issue Date or as soon as administratively practicable thereafter, but in no event later than the close of the calendar year in which such Issue Date occurs or (if later) the fifteenth (15th) day of the third (3rd) calendar month following such Issue Date. The procedures pursuant to which the applicable Withholding Taxes are to be collected are set forth in Paragraph 7 of this Agreement.

2. Limited Transferability. Prior to the actual issuance of the Shares which vest hereunder, Participant may not transfer any interest in the Award or the underlying Shares; provided, however, any Shares which vest hereunder but which otherwise remain unissued at the time of Participant's death may be transferred pursuant to the provisions of Participant's will or the laws of inheritance or to Participant's designated beneficiary or beneficiaries of this Award. Participant may make a beneficiary designation for this Award at any time by filing the appropriate form with the Plan Administrator or its designee.

3. Cessation of Service. Except as otherwise provided in Paragraph 5 below, should Participant cease Service for any reason prior to vesting in one or more Shares subject to this Award, then the Award will be immediately cancelled with respect to those unvested Shares, and the number of Restricted Stock Units will be reduced accordingly. Participant shall thereupon cease to have any right or entitlement to receive any Shares under those cancelled units.

4. Stockholder Rights and Dividend Equivalents

(a) The holder of this Award shall not have any stockholder rights, including voting or dividend rights, with respect to the Shares subject to the Award until Participant becomes the record holder of those Shares following their actual issuance upon the Corporation's collection of the applicable Withholding Taxes.

(b) Notwithstanding the foregoing, should any stock dividend, whether regular or extraordinary, be declared and paid on the outstanding Common Stock while one or more Shares remain subject to this Award (i.e., those Shares are not otherwise issued and outstanding for purposes of entitlement to the dividend or distribution), then Participant shall automatically be credited with an additional number of Restricted Stock Units equal to the number of shares of Common Stock which would have been paid on the Shares (plus the number of additional shares previously credited to Participant pursuant to the dividend equivalent right provisions of this Paragraph 4) at the time subject to this Award had those Shares been actually issued and outstanding and entitled to that dividend. The additional Restricted Stock Units so credited shall vest at the same time as the Shares to which they relate and shall be distributed to Participant concurrently with the issuance of those Shares on the applicable Issue Date. However, each such distribution shall be subject to the Corporation's collection of the Withholding Taxes applicable to that distribution.

(c) Notwithstanding the foregoing, should any cash dividend, whether regular or extraordinary, be declared and paid on the outstanding Common Stock while one or more Shares remain subject to this Award (i.e., those Shares are not otherwise issued and outstanding for purposes of entitlement to the dividend or distribution), then a special book account shall be established for Participant and credited with a dollar amount equal to the amount of that dividend paid per share multiplied by the number of Restricted Stock Units at the time subject to this Award (plus the number of additional shares previously credited to Participant pursuant to the dividend equivalent right provisions of this Paragraph 4) as of the record date for the dividend. As of the first business day in January each year, the cash dividend amounts credited to the special book account during the immediately preceding calendar year shall be converted into a book entry of an additional number of Restricted Stock Units determined by dividing (i) those cash dividend equivalent amounts by (ii) the average of the Fair Market Value per share of Common Stock on each of the dates in the immediately preceding calendar year on which those dividends on the outstanding Common Stock were paid. The additional Restricted Stock Units so credited shall vest at the same time as the Shares to which they relate and shall be distributed to Participant concurrently with the issuance of those Shares on the applicable Issue Date. However, each such distribution shall be subject to the Corporation's collection of the Withholding Taxes applicable to that distribution.

5. Accelerated Vesting/Change in Control.

(a) Should Participant's Service terminate by reason of his or her Retirement, death or Permanent Disability prior to final vesting date set forth in Paragraph 1, then Participant shall immediately vest in the additional number of Shares (if any) in which Participant would have been vested at the time of such termination had 25% of the Shares that were scheduled to be vested on the next anniversary of the Award Date instead vested in a series of twelve (12) successive equal monthly installments over the duration of the twelve (12) month period preceding such Award Date.

(b) Any Restricted Stock Units subject to this Award at the time of a Change in Control may be assumed by the successor entity or otherwise continued in full force and effect or may be replaced with a cash retention program of the successor entity which preserves the Fair Market Value of the unvested shares of Common Stock subject to the Award at the time of the Change in Control and provides for subsequent payout of that value in accordance with the same (or more favorable) vesting schedule in effect for the Award at the time of such Change in Control. In the event of such assumption or continuation of the Award or such replacement of the Award with a cash retention program, no accelerated vesting of the Restricted Stock Units shall occur at the time of the Change in Control.

(c) In the event the Award is assumed or otherwise continued in effect, the Restricted Stock Units subject to the Award shall be adjusted immediately after the consummation of the Change in Control so as to apply to the number and class of securities into which the Shares subject to those units immediately prior to the Change in Control would have been converted in consummation of that Change in Control had those Shares actually been issued and outstanding at that time. To the extent the actual holders of the outstanding Common Stock receive cash consideration for their Common Stock in consummation of the Change in Control, the successor corporation (or parent entity) may, in connection with the assumption or continuation of the Restricted Stock Units subject to the Award at that time, substitute one or more shares of its own common stock with a fair market value equivalent to the cash consideration paid per share of Common Stock in the Change in Control transaction, provided such common stock is readily tradable on an established U.S. securities exchange or market.

(d) If the Restricted Stock Units subject to this Award at the time of the Change in Control are not assumed or otherwise continued in effect or replaced with a cash retention program in accordance with Paragraph 5(a), then those units will vest immediately prior to the closing of the Change in Control. The Shares subject to those vested units, together with any other Shares in which Participant is at that time vested, will be issued on the Issue Date triggered by the Change in Control (or otherwise converted into the right to receive the same consideration per share of Common Stock payable to the other stockholders of the Corporation in consummation of that Change in Control and distributed at the same time as such stockholder payments), subject to the Corporation's collection of the applicable Withholding Taxes pursuant to the provisions of Paragraph 7. For purposes of this Section 5(d), the Issue Date shall be the effective date of the Change in Control so long as it qualifies as a "change in the ownership or effective control" of the Corporation within the meaning of Section 409A(a)(2)(A)(v) of the Code and regulations thereunder. If it does not so qualify, the Issue Date shall be the date that is three (3) years from the Award Date.

(e) Upon an involuntary termination of Participant's Service for reasons other than Misconduct within twenty-four (24) months following a Change in Control transaction which does not otherwise result in the accelerated vesting of the Restricted Stock Units pursuant to the provisions of subparagraph (d) of this Paragraph 5, all unvested Restricted Stock Units hereunder shall immediately vest at that time. Any unvested cash account maintained on Participant's behalf pursuant to the cash retention program established in accordance with subparagraph (b) of this Paragraph 5 shall also vest at the time of such involuntary termination. The Issue Date for such vested Shares or cash shall be six months after the date of termination (or, if earlier, the date that is three (3) years from the Award Date), so long as the Change in Control qualifies as a "change in the ownership or effective control" of the Corporation within the meaning of Section 409A(a)(2)(A)(v) of the Code and regulations thereunder. If it does not so qualify, the Issue Date shall be the date that is three (3) years from the Award Date.

(f) This Agreement shall not in any way affect the right of the Corporation to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

6. Adjustment in Shares. In the event of any of the following transactions affecting the outstanding shares of Common Stock as a class without the Corporation's receipt of consideration: any stock split, stock dividend, spin-off transaction, extraordinary distribution (whether in cash, securities or other property), recapitalization, combination of shares, exchange of shares or other similar transaction affecting the outstanding Common Stock as a class without the Corporation's receipt of consideration or in the event of a substantial reduction to the value of the outstanding shares of Common Stock by reason of a spin-off transaction or extraordinary distribution, then equitable adjustments shall be made to the total number and/or class of securities issuable pursuant to this Award in such manner as the Plan Administrator deems appropriate in order to reflect such change and thereby prevent the dilution or enlargement of benefits hereunder. In determining such adjustments, the Plan Administrator shall take into account any amounts credited to Participant pursuant to the dividend equivalent right provisions of Paragraph 4 in connection with such transaction, and the determination of the Plan Administrator shall be final, binding and conclusive.

7. Collection of Withholding Taxes.

(a) Upon the applicable Issue Date, the Corporation shall issue to or on behalf of Participant a certificate (which may be in electronic form) for the applicable number of underlying shares of Common Stock, subject, however, to the Corporation's collection of the applicable Withholding Taxes.

(b) Until such time as the Corporation provides Participant with written or electronic notice to the contrary, the Corporation shall collect Withholding Taxes required to be withheld with respect to the vesting or issuance of the vested Shares hereunder (including shares attributable to the dividend equivalent rights provided under Paragraph 4) through an automatic share withholding procedure pursuant to which the Corporation will withhold, at the time of such vesting or issuance, a portion of the Shares with a Fair Market Value (measured as of the vesting or issuance date) equal to the amount of those taxes (the "Share Withholding Method"); provided, however, that the amount of any Shares so withheld shall not exceed the amount necessary to satisfy the Corporation's required tax withholding obligations using the minimum statutory withholding rates for federal and state tax purposes that are applicable to supplemental taxable income. Participant shall be notified in writing or electronically in the event such Share Withholding Method is no longer available.

(c) Should any Shares (including shares attributable to the dividend equivalent rights provided under Paragraph 4) be vested or be issued at a time when the Share Withholding Method is not available, then the Withholding Taxes required to be withheld with respect to those Shares shall be collected from Participant through either of the following alternatives:

- Participant's delivery of his or her separate check payable to the Corporation in the amount of such taxes, or
- the use of the proceeds from a next-day sale of the Shares issued to Participant, provided and only if (i) such a sale is permissible under the Corporation's trading policies governing the sale of Common Stock, (ii) Participant makes an irrevocable commitment, on or before the Issue Date for those Shares, to effect such sale of the Shares and (iii) the transaction is not otherwise deemed to constitute a prohibited loan under Section 402 of the Sarbanes-Oxley Act of 2002.

(d) Except as otherwise provided in Paragraph 4 and Paragraph 5(b) the settlement of all Restricted Stock Units which vest under the Award shall be made solely in shares of Common Stock. In no event, however, shall any fractional shares be issued. Accordingly, the total number of shares of Common Stock to be issued pursuant to the Award shall, to the extent necessary, be rounded down to the next whole share in order to avoid the issuance of a fractional share.

8. Compliance with Laws and Regulations. The issuance of shares of Common Stock pursuant to the Award shall be subject to compliance by the Corporation and Participant with all applicable requirements of law relating thereto and with all applicable regulations of any stock exchange on which the Common Stock may be listed for trading at the time of such issuance.

9. Additional Conditions.

(a) The Corporation may cancel this Award, and Participant shall cease to have any further right to the underlying Shares, at any time Participant is not in compliance with this Agreement, the Plan and the following conditions:

(i) Participant shall not render services for any organization or engage, directly or indirectly, in any business which, in the judgment of the Plan Administrator or, if delegated by the Plan Administrator to the Chief Executive Officer, in the judgment of such officer, is or becomes competitive with the Corporation or any Affiliate, or which is or becomes otherwise prejudicial to or in conflict with the interests of the Corporation or any Affiliate. Such judgment shall be based on Participant's positions and responsibilities while employed by the Corporation or an Affiliate, Participant's post-Service responsibilities and position with the other organization or business, the extent of past, current and potential competition or conflict between the Corporation or an Affiliate and the other organization or business, the effect on customers, suppliers and competitors of Participant's assuming the post-Service position and such other considerations as are deemed relevant given the applicable facts and circumstances. Participant shall be free, however, to purchase as an investment or otherwise, stock or other securities of such organization or business so long as they are listed upon a recognized securities exchange or traded over the counter, and such investment does not represent a substantial investment to Participant or a greater than one percent (1%) equity interest in the organization or business.

(ii) Participant shall not, without prior written authorization from the Corporation, disclose to anyone outside the Corporation, or use in other than the Corporation's business, any secret or confidential information, knowledge or data, relating to the business of the Corporation or an Affiliate in violation of his or her agreement with the Corporation or the Affiliate.

(iii) Participant shall disclose promptly and assign to the Corporation or the Affiliate all right, title and interest in any invention or idea, patentable or not, made or conceived by Participant during employment by the Corporation or the Affiliate, relating in any manner to the actual or anticipated business, research or development work of the Corporation or the Affiliate and shall do anything reasonably necessary to enable the Corporation or the Affiliate to secure a patent where appropriate in the United States and in foreign countries.

(iv) Participant shall not in any way, directly or indirectly (a) induce or attempt to induce any employee of the Corporation to quit employment with the Corporation; (b) otherwise interfere with or disrupt the Corporation's relationship with its employees; (c) solicit, entice, or hire away any employee of the Corporation; or (d) hire or engage any employee of the Corporation or any former employee of the Company whose employment with the Corporation ceased less than one (1) year before the date of such hiring or engagement.

(v) Participant will not divert or attempt to divert from the Corporation any business the Corporation had enjoyed or solicited from its customers during the two (2) years prior to the diversion or attempted diversion of such business.

(vi) Participant shall not make any disparaging statements about the Corporation to any of the Corporation's past, present, or future customers, employees, clients, contractors, vendors, or to the media or to any other person either orally or by any other medium of communication, including internet communication. As used herein, the term "disparaging statement" means any communication, oral or written, which would cause or tend to cause humiliation or embarrassment or to cause a recipient of such communication to question the business condition, integrity, product, service, quality, confidence, or good character of the Corporation.

(b) Notwithstanding any other provision of the Plan or this Agreement, the Plan Administrator in its sole discretion may cancel this Award at any time prior to the issuance of the Shares, if the employment of Participant shall be terminated, other than by reason of death, unless the conditions in this Section 9 are met.

(c) Failure to comply with the conditions of this Section 9 prior to, or during the six months after, any payment or delivery pursuant to this Award shall cause the issuance of the Shares to be rescinded. The Corporation shall notify Participant in writing of any such rescission within two (2) years after delivery of the Shares, and within ten (10) days after receiving such notice, Participant shall either return the delivered Shares to the Corporation or pay to the Corporation the amount of the proceeds recognized upon any sale or other disposition of those Shares.

(d) Upon delivery of the Shares pursuant to this Award, the Plan Administrator may require Participant to certify on a form acceptable to the Plan Administrator, that Participant is in compliance with the terms and conditions of the Plan and this Agreement.

(e) This Award, and the right to receive and retain any Shares or cash payments covered by this Award, shall be subject to rescission, cancellation or recoupment, in whole or part, if and to the extent so provided under any "clawback" or similar policy of the Corporation in effect on the Award Date or that may be established thereafter, including any modification or amendment thereto, or as required by the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or other applicable law.

10. Notices. Any notice required to be given or delivered to the Corporation under the terms of this Agreement shall be in writing and addressed to the Secretary of the Corporation at its principal corporate office at 436 Seventh Avenue, Pittsburgh, PA 15219. Except to the extent electronic notice is expressly authorized hereunder, any notice required to be given or delivered to Participant shall be in writing and addressed to Participant at the address indicated below Participant's signature line on this Agreement. All notices shall be deemed effective upon personal delivery (or electronic delivery to the extent authorized hereunder) or upon deposit in the U.S. mail, postage prepaid and properly addressed to the party to be notified.

11. Successors and Assigns. Except to the extent otherwise provided in this Agreement, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the Corporation and its successors and assigns and Participant, Participant's assigns, the legal representatives, heirs and legatees of Participant's estate and any beneficiaries of the Award designated by Participant.

12. Construction. This Agreement and the Award evidenced hereby are made and granted pursuant to the Plan and are in all respects limited by and subject to the terms of the Plan. All decisions of the Plan Administrator with respect to any question or issue arising under the Plan or this Agreement shall be conclusive and binding on all persons having an interest in the Award.

13. Governing Law. The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the Commonwealth of Pennsylvania without resort to Pennsylvania's conflict-of-laws rules.

14. Employment at Will. Nothing in this Agreement or in the Plan shall confer upon Participant any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Corporation (or any Parent or Subsidiary employing or retaining Participant) or of Participant, which rights are hereby expressly reserved by each, to terminate Participant's Service at any time for any reason, with or without cause, unless such rights have otherwise been limited pursuant to a separate agreement between the Corporation (or any Parent or Subsidiary) and Participant.

15. Section 409A. This Award is intended to be excepted from coverage under, or compliant with the provisions of, Section 409 of the Code and the regulations promulgated thereunder ("Section 409A") and shall be construed accordingly. Notwithstanding the foregoing or any provision of the Plan to the contrary, if the Award is subject to the provisions of Section 409A (and not excepted therefrom), the provisions of the Plan and this Agreement shall be administered, interpreted and construed in a manner necessary to comply with Section 409A (or disregarded to the extent such provision cannot be so administered, interpreted, or construed). If any payments or benefits hereunder may be deemed to constitute nonconforming deferred compensation subject to taxation under the provisions of Section 409A, Participant agrees that the Corporation may, without the consent of Participant, modify the Agreement and the Award to the extent and in the manner the Corporation deems necessary or advisable or take such other action or actions, including an amendment or action with retroactive effect, that the Corporation deems appropriate in order either to preclude any such payments or benefits from being deemed "deferred compensation" within the meaning of Section 409A or to provide such payments or benefits in a manner that complies with the provisions of Section 409A such that they will not be taxable thereunder. Notwithstanding, the Corporation makes no representations and/or warranties with respect to compliance with Section 409A, and Participant recognizes and acknowledges that Section 409A could potentially impose upon Participant certain taxes or interest charges for which Participant is and shall remain solely responsible.

IN WITNESS WHEREOF, the parties have executed this Agreement on the Award Date indicated above.

KOPPERS HOLDINGS INC.

By: _____

Title: _____

«Participant»

Signature: _____

Address: _____

APPENDIX A

DEFINITIONS

The following definitions shall be in effect under the Agreement:

- A. Affiliate means any entity that, directly or through one or more intermediaries, is controlled by the Corporation, and any entity in which the Corporation has a significant equity interest as determined by the Plan Administrator.
- B. Agreement shall mean this Restricted Stock Unit Issuance Agreement.
- C. Award shall mean the award of restricted stock units made to Participant pursuant to the terms of this Agreement.
- D. Award Date shall mean the date the restricted stock units are awarded to Participant pursuant to the Agreement and shall be the date indicated in Paragraph 1 of the Agreement.
- E. Board shall mean the Corporation's Board of Directors.
- F. Change in Control of the Corporation shall have occurred in the event that:
- (i) a person, partnership, joint venture, corporation or other entity, or two or more of any of the foregoing acting as a "person" within the meaning of Sections 13(d)(3) of the 1934 Act, other than the Corporation, a majority-owned subsidiary of the Corporation or an employee benefit plan of the Corporation or such subsidiary (or such plan's related trust), become(s) the "beneficial owner" (as defined in Rule 13d-3 under the Act) of fifty percent (50%) or more of the then outstanding voting stock of the Corporation;
 - (ii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board (together with any new Board member whose election by the Corporation's Board or whose nomination for election by the Corporation's stockholders, was approved by a vote of at least two-thirds of the Board members then still in office who either were Board members at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board members then in office;
 - (iii) all or substantially all of the business of the Corporation is disposed of pursuant to a merger, consolidation or other transaction in which the Corporation is not the surviving corporation or the Corporation combines with another company and is the surviving corporation (unless the Corporation's stockholders immediately following such merger, consolidation, combination, or other transaction beneficially own, directly or indirectly, more than fifty percent (50%) of the aggregate voting stock or other ownership interests of (x) the entity or entities, if any, that succeed to the business of the Corporation or (y) the combined company);

(iv) the closing of the sale of all or substantially all of the assets of the Corporation or a liquidation or dissolution of the Corporation; or

(v) the acquisition, directly or indirectly, by any person or related group of persons (other than the Corporation or a person that directly or indirectly controls, is controlled by, or is under common control with, the Corporation of beneficial ownership (within the meaning of Rule 13d-3 of the Act) of securities possessing more than twenty percent (20%) of the total combined voting power of the Corporation's outstanding securities pursuant to a tender or exchange offer made directly to the Corporation's stockholders which the Board does not recommend such stockholders to accept.

G. Code shall mean the Internal Revenue Code of 1986, as amended.

H. Common Stock shall mean shares of the Corporation's common stock.

I. Corporation shall mean Koppers Holdings Inc., a Pennsylvania corporation, and any successor corporation to all or substantially all of the assets or voting stock of Koppers Holdings Inc. which shall by appropriate action adopt the Plan.

J. Employee shall mean an individual who is in the employ of the Corporation (or any Parent or Subsidiary), subject to the control and direction of the employer entity as to both the work to be performed and the manner and method of performance.

K. Fair Market Value per share of Common Stock on any relevant date shall be determined in accordance with the following provisions:

(i) If the Common Stock is at the time traded on the Nasdaq Global Market, then the Fair Market Value shall be the closing selling price per share of Common Stock at the close of regular hours trading (i.e., before after-hours trading begins) on the Nasdaq Global Market on the date in question, as such price is reported by the National Association of Securities Dealers for that particular Stock Exchange. If there is no closing selling price for the Common Stock on the date in question, then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists.

(ii) If the Common Stock is at the time listed on any other Stock Exchange, then the Fair Market Value shall be the closing selling price per share of Common Stock at the close of regular hours trading (i.e., before after-hours trading begins) on the date in question on the Stock Exchange determined by the Plan Administrator to be the primary market for the Common Stock, as such price is officially quoted in the composite tape of transactions on such exchange. If there is no closing selling price for the Common Stock on the date in question, then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists.

L. Misconduct shall mean the commission of any act of fraud, embezzlement or dishonesty by Participant, any unauthorized use or disclosure by Participant of confidential information or trade secrets of the Corporation (or any Parent or Subsidiary), or any other intentional misconduct by Participant adversely affecting the business or affairs of the Corporation (or any Parent or Subsidiary) in a material manner. The foregoing definition shall not in any way preclude or restrict the right of the Corporation (or any Parent or Subsidiary) to discharge or dismiss Participant or any other person in the Service of the Corporation (or any Parent or Subsidiary) for any other acts or omissions, but such other acts or omissions shall not be deemed, for purposes of the Plan or this Agreement, to constitute grounds for termination for Misconduct.

M. 1934 Act shall mean the Securities Exchange Act of 1934, as amended from time to time.

N. Participant shall mean the person to whom the Award is made pursuant to the Agreement.

O. Parent shall mean any corporation (other than the Corporation) in an unbroken chain of corporations ending with the Corporation, provided each corporation in the unbroken chain (other than the Corporation) owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

P. Permanent Disability shall mean the inability of a Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which is expected to result in death or to be of continuous duration of twelve (12) months or more.

Q. Plan shall mean the Corporation's Amended and Restated 2005 Long-Term Incentive Plan.

R. Plan Administrator shall mean the committee(s) designated by the Board to administer the Plan.

S. Retirement shall mean Participant's voluntary termination from Service (i) on or after his attainment of age sixty five (65), or (ii) on or after his attainment of age 55 with at least ten (10) years of service, or involuntary termination from Service with at least thirty (30) years of service other than in connection with a termination for Misconduct. "Years of service" means Participant's total number of years of "accumulated service" as such term is defined with respect to salaried employees under the Retirement Plan for Koppers Inc. (regardless of whether Participant is eligible to receive a benefit under such plan).

T. Service shall mean Participant's performance of services for the Corporation (or any Parent or Subsidiary) in the capacity of an Employee, a non-employee member of the board of directors or a consultant or independent advisor. For purposes of this Agreement, Participant shall be deemed to cease Service immediately upon the occurrence of either of the following events: (i) Participant no longer performs services in any of the foregoing capacities for the Corporation (or any Parent or Subsidiary) or (ii) the entity for which Participant performs such services ceases to remain a Parent or Subsidiary of the Corporation, even though Participant may subsequently continue to perform services for that entity. Service shall not be deemed to cease during a period of military leave, sick leave or other personal leave approved by the Corporation; provided, however, that except to the extent otherwise required by law or expressly authorized by the Plan Administrator or by the Corporation's written policy on leaves of absence, no Service credit shall be given for vesting purposes for any period Participant is on a leave of absence.

U. Stock Exchange shall mean the American Stock Exchange, the Nasdaq Global Market or the New York Stock Exchange.

V. Subsidiary shall mean any corporation (other than the Corporation) in an unbroken chain of corporations beginning with the Corporation, provided each corporation (other than the last corporation) in the unbroken chain owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

W. Withholding Taxes shall mean the federal, state and local income and employment taxes required to be withheld by the Corporation in connection with the vesting and concurrent issuance of the shares of Common Stock under the Award, including any additional shares resulting from the dividend equivalent right provisions of the Award.

KOPPERS HOLDINGS INC.

RESTRICTED STOCK UNIT ISSUANCE AGREEMENT- PERFORMANCE VESTING

RECITALS

A. The Board has adopted the Plan for the purpose of retaining the services of selected Employees, non-employee members of the Board (or the board of directors of any Parent or Subsidiary) and consultants and other independent advisors who provide services to the Corporation (or any Parent or Subsidiary).

B. Participant is to render valuable services to the Corporation (or a Parent or Subsidiary), and this Agreement is executed pursuant to, and is intended to carry out the purposes of, the Plan in connection with the Corporation's issuance of shares of Common Stock to Participant under the Plan.

C. All capitalized terms in this Agreement shall have the meaning assigned to them in the attached Appendix A.

NOW, THEREFORE, it is hereby agreed as follows:

1. Grant of Restricted Stock Units. The Corporation hereby awards to Participant, as of the Award Date, Restricted Stock Units under the Plan. Except as otherwise provided in this Agreement, the Restricted Stock Units shall vest on March , 2018, provided (i) the Participant continues in Service until March , 2018 and (ii) the pre-established performance objective tied to the Corporation's Cumulative Koppers Value Added (as defined in Schedule I attached hereto) measured over a specified period is attained. Each Restricted Stock Unit which so vests shall entitle Participant to receive one share of Common Stock on the specified issue date. The number of shares of Common Stock subject to the awarded Restricted Stock Units, the applicable performance target for the vesting of those shares, the alternative and special vesting provisions which may become applicable to such shares, the date on which the vested shares shall become issuable to Participant and the remaining terms and conditions governing the award (the "Award") shall be as set forth in this Agreement.

AWARD SUMMARY

Award Date: March , 2015

Target Number of Shares Subject to Award: shares of Common Stock (the "Shares"); provided, however, that the actual number of Restricted Stock Units shall be determined in accordance with the provisions of Schedule I attached hereto.

Vesting Schedule:

The Shares shall vest on March _____, 2018, provided (i) the Participant continues in Service until March _____, 2018 and (ii) the Performance Objective set forth in the attached Schedule I is attained over the Measurement Period. However, the Shares may also vest in accordance with the special vesting provisions of Paragraph 5 of this Agreement.

Issuance Schedule:

The Shares in which Participant vests in accordance with the foregoing Vesting Schedule shall become issuable on March _____, 2018 (or upon the date of an earlier Change in Control, or six months after the date of an earlier involuntary termination other than for Misconduct following a Change in Control, if so provided herein) (the "Issue Date"). The actual issuance of the Shares shall be subject to the Corporation's collection of all applicable Withholding Taxes and shall be effected on the applicable Issue Date or as soon as administratively practicable thereafter, but in no event later than the close of the calendar year in which such Issue Date occurs or (if later) the fifteenth (15th) day of the third (3rd) calendar month following such Issue Date. The procedures pursuant to which the applicable Withholding Taxes are to be collected are set forth in Paragraph 7 of this Agreement.

2. Limited Transferability. Prior to the actual issuance of the Shares which vest hereunder, Participant may not transfer any interest in the Award or the underlying Shares; provided, however, any Shares which vest hereunder but which otherwise remain unissued at the time of Participant's death may be transferred pursuant to the provisions of Participant's will or the laws of inheritance or to Participant's designated beneficiary or beneficiaries of this Award. Participant may make a beneficiary designation for this Award at any time by filing the appropriate form with the Plan Administrator or its designee.

3. Cessation of Service. Except as otherwise provided in Paragraph 5 below, should Participant cease Service for any reason prior to vesting in one or more Shares subject to this Award, then the Award will be immediately cancelled with respect to those unvested Shares. Participant shall thereupon cease to have any right or entitlement to receive any Shares under those cancelled units.

4. Stockholder Rights and Dividend Equivalents

(a) The holder of this Award shall not have any stockholder rights, including voting or dividend rights, with respect to the Shares subject to the Award until Participant becomes the record holder of those Shares following their actual issuance upon the Corporation's collection of the applicable Withholding Taxes.

(b) Notwithstanding the foregoing, should any stock dividend, whether regular or extraordinary, be declared and paid on the outstanding Common Stock while one or more Shares remain subject to this Award (i.e., those Shares are not otherwise issued and outstanding for purposes of entitlement to the dividend or distribution), then Participant shall automatically be credited with an additional number of Restricted Stock Units equal to the number of shares of Common Stock which would have been paid on the Shares (plus the number of additional shares previously credited to Participant pursuant to the dividend equivalent right provisions of this Paragraph 4) at the time subject to this Award had those Shares been actually issued and outstanding and entitled to that dividend. The additional

Restricted Stock Units so credited shall vest at the same time as the Shares to which they relate and shall be distributed to Participant concurrently with the issuance of those Shares on the applicable Issue Date. However, each such distribution shall be subject to the Corporation's collection of the Withholding Taxes applicable to that distribution.

(c) Notwithstanding the foregoing, should any cash dividend, whether regular or extraordinary, be declared and paid on the outstanding Common Stock while one or more Shares remain subject to this Award (i.e., those Shares are not otherwise issued and outstanding for purposes of entitlement to the dividend or distribution), then a special book account shall be established for Participant and credited with a dollar amount equal to the amount of that dividend paid per share multiplied by the number of Restricted Stock Units at the time subject to this Award (plus the number of additional shares previously credited to Participant pursuant to the dividend equivalent right provisions of this Paragraph 4) as of the record date for the dividend. As of the first business day in January each year, the cash dividend amounts credited to the special book account during the immediately preceding calendar year shall be converted into a book entry of an additional number of Restricted Stock Units determined by dividing (i) those cash dividend equivalent amounts by (ii) the average of the Fair Market Value per share of Common Stock on each of the dates in the immediately preceding calendar year on which those dividends on the outstanding Common Stock were paid. The additional Restricted Stock Units so credited shall vest at the same time as the Shares to which they relate and shall be distributed to Participant concurrently with the issuance of those Shares on the applicable Issue Date. However, each such distribution shall be subject to the Corporation's collection of the Withholding Taxes applicable to that distribution.

5. Special Vesting/Change in Control.

(a) Should Participant's Service terminate by reason of his or her Retirement, death or Permanent Disability prior to March _____, 2018, then on March _____, 2018, Participant shall vest in a number of Shares equal to the number of Shares (if any) in which Participant would have been vested at March _____, 2018 had Participant continued in the Corporation's Service through March _____, 2018 *multiplied by a fraction*, the numerator of which is the number of full months of Service Participant completed between the Award Date and the termination of Participant's Service, and the denominator of which is thirty-six (36). In the event of the termination of Participant's Service due to Participant's Retirement, such vesting shall be conditioned upon Participant's compliance with the conditions of Section 9 through March _____, 2018.

(b) Any Restricted Stock Units subject to this Award at the time of a Change in Control may be assumed by the successor entity or otherwise continued in full force and effect or may be replaced with a cash retention program of the successor entity which preserves the Fair Market Value of the unvested shares of Common Stock subject to the Award at the time of the Change in Control and provides for subsequent payout of that value in accordance with the same (or more favorable) vesting schedule in effect for the Award at the time of such Change in Control. In the event of such assumption or continuation of the Award or such replacement of the Award with a cash retention program, no accelerated vesting of the Restricted Stock Units shall occur at the time of the Change in Control. However, in the event that the Change in Control occurs prior to the end of the Measurement Period, the vesting provisions in effect for the Award following the Change in Control shall no longer be tied to the attainment of the full Performance Objective set forth in Schedule I and shall instead be converted into the following vesting schedule: The Award (whether in its assumed or continued

form or as converted into a cash retention program) shall vest with respect to the number of Shares (or the amount of cash) determined under Section 5(c) below upon Participant's continuation in Service through March , 2018. Following the completion of such Service vesting period, the securities, cash or other property underlying the vested Award shall be issued on the applicable Issue Date. The Award may also vest in accordance with the special vesting provisions of Paragraphs 5(a) and (e) of this Agreement.

(c) In the event the Award is assumed or otherwise continued in effect, the Restricted Stock Units subject to the Award shall be adjusted immediately after the consummation of the Change in Control so as to apply to the number and class of securities into which the Shares subject to those units immediately prior to the Change in Control would have been converted in consummation of that Change in Control had those Shares actually been issued and outstanding at that time. However, in the event that the Change in Control occurs within the first eighteen (18) months of the Measurement Period, the Award shall remain outstanding and eligible for Service vesting under the terms of this Agreement with respect only to the number of Shares (as so adjusted) that would have been earned pursuant to the Performance Objective identified in Schedule I if the Corporation's performance at the end of the Measurement Period was at the Target level. In the event that the Change in Control occurs on or after the first day of the nineteenth (19th) month of the Measurement Period and prior to the end of the Measurement Period, the Award shall remain outstanding and eligible for Service vesting under the terms of this Agreement only with respect to the number of Shares (as so adjusted) that would have been earned pursuant to the Performance Objective identified in Schedule I (prorated through the date of the Change in Control) based on the Corporation's actual performance through the effective date of the Change in Control. To the extent the actual holders of the outstanding Common Stock receive cash consideration for their Common Stock in consummation of the Change in Control, the successor corporation (or parent entity) may, in connection with the assumption or continuation of the Restricted Stock Units subject to the Award at that time, substitute one or more shares of its own common stock with a fair market value equivalent to the cash consideration paid per share of Common Stock in the Change in Control transaction, provided such common stock is readily tradable on an established U.S. securities exchange or market. In the event the Award is converted into a cash retention program, the amount of cash subject to the Award under such program shall be equal to the value of the number of Shares determined in accordance with the foregoing provisions of this Section 5(c) as of the effective date of the Change in Control (based on the per-share value of the consideration received by holders of the outstanding Common Stock in connection with the Change in Control), plus credited interest or earnings through the Issue Date as determined under the terms of such cash retention program.

(d) If (i) the Change in Control occurs on or after the end of the Measurement Period but prior to March , 2018 or (ii) if the Change in Control occurs prior to the end of the Measurement Period but the Restricted Stock Units subject to this Award at the time of the Change in Control are not assumed or otherwise continued in effect or replaced with a cash retention program in accordance with Paragraph 5(b), then (i) if the Change in Control occurs within the first eighteen (18) months of the Measurement Period, a number of units equal to the number of Shares that would have been earned pursuant to the Performance Objective identified in Schedule I if the Corporation's performance at the end of the Measurement Period was at the Target level (less any Shares in which Participant is at the time vested) will vest immediately prior to the closing of the Change in Control and (ii) if the Change in Control occurs on or after the first day of the nineteenth (19th) month of the Measurement Period, a number of

units equal to the number of Shares that have been earned pursuant to the Performance Objective identified in Schedule I (pro-rated through the date of the Change in Control if it occurs prior to the end of the Measurement Period) based on the Corporation's actual performance through the earlier of the effective date of the Change in Control or the end of the Measurement Period will vest immediately prior to the closing of the Change in Control. The Shares that vest under this subparagraph (d) will be issued on the Issue Date triggered by the Change in Control (or otherwise converted into the right to receive the same consideration per share of Common Stock payable to the other stockholders of the Corporation in consummation of that Change in Control and distributed at the same time as such stockholder payments), subject to the Corporation's collection of the applicable Withholding Taxes pursuant to the provisions of Paragraph 7. For purposes of this Section 5(d), the Issue Date shall be the effective date of the Change in Control so long as it qualifies as a "change in the ownership or effective control" of the Corporation within the meaning of Section 409A(a)(2)(A)(v) of the Code and regulations thereunder. If it does not so qualify, the Issue Date shall be March , 2018.

(e) Upon an involuntary termination of Participant's Service for reasons other than Misconduct within twenty-four (24) months following a Change in Control transaction which does not otherwise result in the accelerated vesting of the Restricted Stock Units pursuant to the provisions of subparagraph (d) of this Paragraph 5 and prior to March , 2018, a number of units equal to the number of Shares that would have been earned pursuant to Section 5(c) shall vest on such date of termination. Any unvested cash account maintained on Participant's behalf pursuant to the cash retention program established in accordance with subparagraph (b) of this Paragraph 5 shall also vest at the time of such involuntary termination. The Issue Date for such vested Shares or cash shall be six months after the date of termination (or, if earlier, March , 2018), so long as the Change in Control qualifies as a "change in the ownership or effective control" of the Corporation within the meaning of Section 409A(a)(2)(A)(v) of the Code and regulations thereunder. If it does not so qualify, the Issue Date shall be March , 2018.

(f) This Agreement shall not in any way affect the right of the Corporation to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

6. Adjustment in Shares. In the event of any of the following transactions affecting the outstanding shares of Common Stock as a class without the Corporation's receipt of consideration: any stock split, stock dividend, spin-off transaction, extraordinary distribution (whether in cash, securities or other property), recapitalization, combination of shares, exchange of shares or other similar transaction affecting the outstanding Common Stock as a class without the Corporation's receipt of consideration or in the event of a substantial reduction to the value of the outstanding shares of Common Stock by reason of a spin-off transaction or extraordinary distribution, then equitable adjustments shall be made to the total number and/or class of securities issuable pursuant to this Award in such manner as the Plan Administrator deems appropriate in order to reflect such change and thereby prevent the dilution or enlargement of benefits hereunder. In determining such adjustments, the Plan Administrator shall take into account any amounts credited to Participant pursuant to the dividend equivalent right provisions of Paragraph 4 in connection with such transaction, and the determination of the Plan Administrator shall be final, binding and conclusive.

7. Collection of Withholding Taxes.

(a) Upon the applicable Issue Date, the Corporation shall issue to or on behalf of Participant a certificate (which may be in electronic form) for the applicable number of underlying shares of Common Stock, subject, however, to the Corporation's collection of the applicable Withholding Taxes.

(b) Until such time as the Corporation provides Participant with written or electronic notice to the contrary, the Corporation shall collect Withholding Taxes required to be withheld with respect to the vesting or issuance of the vested Shares hereunder (including shares attributable to the dividend equivalent rights provided under Paragraph 4) through an automatic share withholding procedure pursuant to which the Corporation will withhold, at the time of such vesting or issuance, a portion of the Shares with a Fair Market Value (measured as of the vesting or issuance date, as applicable) equal to the amount of those taxes (including taxes resulting from such withholding) (the "Share Withholding Method"); provided, however, that the amount of any Shares so withheld shall not exceed the amount necessary to satisfy the Corporation's required tax withholding obligations using the minimum statutory withholding rates for federal and state tax purposes that are applicable to supplemental taxable income. Participant shall be notified in writing or electronically in the event such Share Withholding Method is no longer available.

(c) Should any Shares (including shares attributable to the dividend equivalent rights provided under Paragraph 4) vest or be issued at a time when the Share Withholding Method is not available, then the Withholding Taxes required to be withheld with respect to those Shares shall be collected from Participant through either of the following alternatives:

- Participant's delivery of his or her separate check payable to the Corporation in the amount of such taxes, or

- the use of the proceeds from a next-day sale of the Shares issued to Participant, provided and only if (i) such a sale is permissible under the Corporation's trading policies governing the sale of Common Stock, (ii) Participant makes an irrevocable commitment, on or before the Issue Date for those Shares, to effect such sale of the Shares and (iii) the transaction is not otherwise deemed to constitute a prohibited loan under Section 402 of the Sarbanes-Oxley Act of 2002.

(d) Except as otherwise provided in Paragraph 5 and Paragraph 4, the settlement of all Restricted Stock Units which vest under the Award shall be made solely in shares of Common Stock. In no event, however, shall any fractional shares be issued. Accordingly, the total number of shares of Common Stock to be issued pursuant to the Award shall, to the extent necessary, be rounded down to the next whole share in order to avoid the issuance of a fractional share.

8. Compliance with Laws and Regulations. The issuance of shares of Common Stock pursuant to the Award shall be subject to compliance by the Corporation and Participant with all applicable requirements of law relating thereto and with all applicable regulations of any stock exchange on which the Common Stock may be listed for trading at the time of such issuance.

9. Additional Conditions.

(a) The Corporation may cancel this Award, and Participant shall cease to have any further right to the underlying shares at any time Participant is not in compliance with this Agreement, the Plan and the following conditions:

(i) Participant shall not render services for any organization or engage, directly or indirectly, in any business which, in the judgment of the Plan Administrator or, if delegated by the Plan Administrator to the Chief Executive Officer, in the judgment of such officer, is or becomes competitive with the Corporation or any Affiliate, or which is or becomes otherwise prejudicial to or in conflict with the interests of the Corporation or any Affiliate. Such judgment shall be based on Participant's positions and responsibilities while employed by the Corporation or an Affiliate, Participant's post-Service responsibilities and position with the other organization or business, the extent of past, current and potential competition or conflict between the Corporation or an Affiliate and the other organization or business, the effect on customers, suppliers and competitors of Participant's assuming the post-Service position and such other considerations as are deemed relevant given the applicable facts and circumstances. Participant shall be free, however, to purchase as an investment or otherwise, stock or other securities of such organization or business so long as they are listed upon a recognized securities exchange or traded over the counter, and such investment does not represent a substantial investment to Participant or a greater than one percent (1%) equity interest in the organization or business.

(ii) Participant shall not, without prior written authorization from the Corporation, disclose to anyone outside the Corporation, or use in other than the Corporation's business, any secret or confidential information, knowledge or data, relating to the business of the Corporation or an Affiliate in violation of his or her agreement with the Corporation or the Affiliate.

(iii) Participant shall disclose promptly and assign to the Corporation or the Affiliate all right, title and interest in any invention or idea, patentable or not, made or conceived by Participant during employment by the Corporation or the Affiliate, relating in any manner to the actual or anticipated business, research or development work of the Corporation or the Affiliate and shall do anything reasonably necessary to enable the Corporation or the Affiliate to secure a patent where appropriate in the United States and in foreign countries.

(iv) Participant shall not in any way, directly or indirectly (a) induce or attempt to induce any employee of the Corporation to quit employment with the Corporation; (b) otherwise interfere with or disrupt the Corporation's relationship with its employees; (c) solicit, entice, or hire away any employee of the Corporation; or (d) hire or engage any employee of the Corporation or any former employee of the Company whose employment with the Corporation ceased less than one (1) year before the date of such hiring or engagement.

(v) Participant will not divert or attempt to divert from the Corporation any business the Corporation had enjoyed or solicited from its customers during the two (2) years prior to the diversion or attempted diversion of such business.

(vi) Participant shall not make any disparaging statements about the Corporation to any of the Corporation's past, present, or future customers, employees, clients, contractors, vendors, or to the media or to any other person either orally or by any other medium of communication, including internet communication. As used herein, the term "disparaging statement" means any communication, oral or written, which would cause or tend to cause humiliation or embarrassment or to cause a recipient of such communication to question the business condition, integrity, product, service, quality, confidence, or good character of the Corporation.

(b) Notwithstanding any other provision of the Plan or this Agreement, the Plan Administrator in its sole discretion may cancel this Award at any time prior to the issuance of the Shares, if the employment of Participant shall be terminated, other than by reason of death, unless the conditions in this Section 9 are met.

(c) Failure to comply with the conditions of this Section 9 prior to, or during the six months after, any payment or delivery pursuant to this Award shall cause the issuance of the Shares to be rescinded. The Corporation shall notify Participant in writing of any such rescission within two (2) years after such delivery of the Shares and within ten (10) days after receiving such notice, Participant shall either return the delivered Shares to the Corporation or pay to the Corporation the amount of the proceeds recognized upon any sale or other disposition of those Shares.

(d) Upon delivery of the Shares pursuant to this Award, the Plan Administrator may require Participant to certify on a form acceptable to the Plan Administrator, that Participant is in compliance with the terms and conditions of the Plan and this Agreement.

(e) This Award, and the right to receive and retain any Shares or cash payments covered by this Award, shall be subject to rescission, cancellation or recoupment, in whole or part, if and to the extent so provided under any "clawback" or similar policy of the Corporation in effect on the Award Date or that may be established thereafter, including any modification or amendment thereto, or as required by the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or other applicable law.

10. Notices. Any notice required to be given or delivered to the Secretary of the Corporation under the terms of this Agreement shall be in writing and addressed to the Corporation at its principal corporate office at 436 Seventh Avenue, Pittsburgh, PA 15219. Except to the extent electronic notice is expressly authorized hereunder, any notice required to be given or delivered to Participant shall be in writing and addressed to Participant at the address indicated below Participant's signature line on this Agreement. All notices shall be deemed effective upon personal delivery (or electronic delivery to the extent authorized hereunder) or upon deposit in the U.S. mail, postage prepaid and properly addressed to the party to be notified.

11. Successors and Assigns. Except to the extent otherwise provided in this Agreement, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the Corporation and its successors and assigns and Participant, Participant's assigns, the legal representatives, heirs and legatees of Participant's estate and any beneficiaries of the Award designated by Participant.

12. Construction. This Agreement and the Award evidenced hereby are made and granted pursuant to the Plan and are in all respects limited by and subject to the terms of the Plan. All decisions of the Plan Administrator with respect to any question or issue arising under the Plan or this Agreement shall be conclusive and binding on all persons having an interest in the Award.

13. Governing Law. The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the Commonwealth of Pennsylvania without resort to Pennsylvania's conflict-of-laws rules.

14. Employment at Will. Nothing in this Agreement or in the Plan shall confer upon Participant any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Corporation (or any Parent or Subsidiary employing or retaining Participant) or of Participant, which rights are hereby expressly reserved by each, to terminate Participant's Service at any time for any reason, with or without cause, unless such rights are otherwise limited pursuant to a separate agreement between the Corporation (or any Parent or Subsidiary) and Participant.

15. Section 409A. This Award is intended to be excepted from coverage under, or compliant with the provisions of, Section 409 of the Code and the regulations promulgated thereunder ("Section 409A") and shall be construed accordingly. Notwithstanding the foregoing or any provision of the Plan to the contrary, if the Award is subject to the provisions of Section 409A (and not excepted therefrom), the provisions of the Plan and this Agreement shall be administered, interpreted and construed in a manner necessary to comply with Section 409A (or disregarded to the extent such provision cannot be so administered, interpreted, or construed). If any payments or benefits hereunder may be deemed to constitute nonconforming deferred compensation subject to taxation under the provisions of Section 409A, Participant agrees that the Corporation may, without the consent of Participant, modify the Agreement and the Award to the extent and in the manner the Corporation deems necessary or advisable or take such other action or actions, including an amendment or action with retroactive effect, that the Corporation deems appropriate in order either to preclude any such payments or benefits from being deemed "deferred compensation" within the meaning of Section 409A or to provide such payments or benefits in a manner that complies with the provisions of Section 409A such that they will not be taxable thereunder. Notwithstanding, the Corporation makes no representations and/or warranties with respect to compliance with Section 409A, and Participant recognizes and acknowledges that Section 409A could potentially impose upon Participant certain taxes or interest charges for which Participant is and shall remain solely responsible.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first indicated above.

KOPPERS HOLDINGS INC.

By: _____

Title: _____

_____, PARTICIPANT

Signature: _____

Address: _____

APPENDIX A

DEFINITIONS

The following definitions shall be in effect under the Agreement:

A. Affiliate means any entity that, directly or through one or more intermediaries, is controlled by the Corporation, and any entity in which the Corporation has a significant equity interest as determined by the Plan Administrator.

B. Agreement shall mean this Restricted Stock Unit Issuance Agreement.

C. Award shall mean the award of restricted stock units made to Participant pursuant to the terms of this Agreement.

D. Award Date shall mean the date the restricted stock units are awarded to Participant pursuant to the Agreement and shall be the date indicated in Paragraph 1 of the Agreement.

E. Board shall mean the Corporation's Board of Directors.

F. Change in Control of the Corporation shall have occurred in the event that:

(i) a person, partnership, joint venture, corporation or other entity, or two or more of any of the foregoing acting as a "person" within the meaning of Sections 13(d)(3) of the 1934 Act, other than the Corporation, a majority-owned subsidiary of the Corporation or an employee benefit plan of the Corporation or such subsidiary (or such plan's related trust), become(s) the "beneficial owner" (as defined in Rule 13d-3 under the Act) of fifty percent (50%) or more of the then outstanding voting stock of the Corporation;

(ii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board (together with any new Board member whose election by the Corporation's Board or whose nomination for election by the Corporation's stockholders, was approved by a vote of at least two-thirds of the Board members then still in office who either were Board members at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board members then in office;

(iii) all or substantially all of the business of the Corporation is disposed of pursuant to a merger, consolidation or other transaction in which the Corporation is not the surviving corporation or the Corporation combines with another company and is the surviving corporation (unless the Corporation's stockholders immediately following such merger, consolidation, combination, or other transaction beneficially own, directly or indirectly, more than fifty percent (50%) of the aggregate voting stock or other ownership interests of (x) the entity or entities, if any, that succeed to the business of the Corporation or (y) the combined company);

(iv) the closing of the sale of all or substantially all of the assets of the Corporation or a liquidation or dissolution of the Corporation; or

(v) the acquisition, directly or indirectly, by any person or related group of persons (other than the Corporation or a person that directly or indirectly controls, is controlled by, or is under common control with, the Corporation of beneficial ownership (within the meaning of Rule 13d-3 of the Act) of securities possessing more than twenty percent (20%) of the total combined voting power of the Corporation's outstanding securities pursuant to a tender or exchange offer made directly to the Corporation's stockholders which the Board does not recommend such stockholders to accept.

G. Code shall mean the Internal Revenue Code of 1986, as amended.

H. Common Stock shall mean shares of the Corporation's common stock.

I. Corporation shall mean Koppers Holdings Inc., a Pennsylvania corporation, and any successor corporation to all or substantially all of the assets or voting stock of Koppers Holdings Inc. which shall by appropriate action adopt the Plan.

J. Employee shall mean an individual who is in the employ of the Corporation (or any Parent or Subsidiary), subject to the control and direction of the employer entity as to both the work to be performed and the manner and method of performance.

K. Fair Market Value per share of Common Stock on any relevant date shall be determined in accordance with the following provisions:

(i) If the Common Stock is at the time traded on the Nasdaq Global Market, then the Fair Market Value shall be the closing selling price per share of Common Stock at the close of regular hours trading (i.e., before after-hours trading begins) on the Nasdaq Global Market on the date in question, as such price is reported by the National Association of Securities Dealers for that particular Stock Exchange. If there is no closing selling price for the Common Stock on the date in question, then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists.

(ii) If the Common Stock is at the time listed on any other Stock Exchange, then the Fair Market Value shall be the closing selling price per share of Common Stock at the close of regular hours trading (i.e., before after-hours trading begins) on the date in question on the Stock Exchange determined by the Plan Administrator to be the primary market for the Common Stock, as such price is officially quoted in the composite tape of transactions on such exchange. If there is no closing selling price for the Common Stock on the date in question, then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists.

L. Measurement Period shall mean the period over which the Performance Objective is to be measured. That period shall be the three (3)-year period measured from January 1, 2015 to December 31, 2017.

M. Misconduct shall mean the commission of any act of fraud, embezzlement or dishonesty by Participant, any unauthorized use or disclosure by Participant of confidential information or trade secrets of the Corporation (or any Parent or Subsidiary), or any other intentional misconduct by Participant adversely affecting the business or affairs of the Corporation (or any Parent or Subsidiary) in a material manner. The foregoing definition shall not in any way preclude or restrict the right of the Corporation (or any Parent or Subsidiary) to discharge or dismiss Participant or any other person in the Service of the Corporation (or any Parent or Subsidiary) for any other acts or omissions, but such other acts or omissions shall not be deemed, for purposes of the Plan or this Agreement, to constitute grounds for termination for Misconduct.

N. 1934 Act shall mean the Securities Exchange Act of 1934, as amended from time to time.

O. Participant shall mean the person to whom the Award is made pursuant to the Agreement.

P. Parent shall mean any corporation (other than the Corporation) in an unbroken chain of corporations ending with the Corporation, provided each corporation in the unbroken chain (other than the Corporation) owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

Q. Permanent Disability shall mean the inability of Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which is expected to result in death or to be of continuous duration of twelve (12) months or more.

R. Plan shall mean the Corporation's Amended and Restated 2005 Long-Term Incentive Plan.

S. Plan Administrator shall mean the committee(s) designated by the Board to administer the Plan.

T. Retirement shall mean Participant's voluntary termination from Service (i) on or after his attainment of age sixty five (65), or (ii) on or after his attainment of age 55 with at least ten (10) years of service, or involuntary termination from Service with at least thirty (30) years of service other than in connection with a termination for Misconduct. "Years of service" means Participant's total number of years of "accumulated service" as such term is defined with respect to salaried employees under the Retirement Plan for Koppers Inc. (regardless of whether Participant is eligible to receive a benefit under such plan).

U. Service shall mean Participant's performance of services for the Corporation (or any Parent or Subsidiary) in the capacity of an Employee, a non-employee member of the board of directors or a consultant or independent advisor. For purposes of this Agreement, Participant shall be deemed to cease Service immediately upon the occurrence of either of the following events: (i) Participant no longer performs services in any of the foregoing capacities for the Corporation (or any Parent or Subsidiary) or (ii) the entity for which Participant performs such services ceases to remain a Parent or Subsidiary of the Corporation, even though Participant may subsequently continue to perform services for that entity. Service shall not be

deemed to cease during a period of military leave, sick leave or other personal leave approved by the Corporation; provided, however, that except to the extent otherwise required by law or expressly authorized by the Plan Administrator or by the Corporation's written policy on leaves of absence, no Service credit shall be given for vesting purposes for any period the Participant is on a leave of absence.

V. Stock Exchange shall mean the American Stock Exchange, the Nasdaq Global Market or the New York Stock Exchange.

W. Subsidiary shall mean any corporation (other than the Corporation) in an unbroken chain of corporations beginning with the Corporation, provided each corporation (other than the last corporation) in the unbroken chain owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

X. Withholding Taxes shall mean the federal, state and local income and employment taxes required to be withheld by the Corporation in connection with the vesting and concurrent issuance of the shares of Common Stock under the Award, including any additional shares resulting from the dividend equivalent right provisions of the Award.

SCHEDULE I

PERFORMANCE OBJECTIVE

One hundred percent (100%) of the Restricted Stock Units shall vest on March _____, 2018 and (ii) the realization of “Cumulative Koppers Value Added” of \$ _____, 2018, provided (i) the Participant continues in Service until March _____, 2018 over the three (3)-year period measured from January 1, 2015 to December 31, 2017 (the “Measurement Period”).

The actual number of Restricted Stock Units to vest on March _____, 2018 (provided Participant continues in Service until March _____, 2018) shall be determined in accordance with the following chart:

<u>Performance Level</u>	<u>Performance % of Target</u>	<u>Cumulative Koppers Value Added</u>	<u>% of Restricted Stock Units Vesting</u>
Outstanding	120% or more	\$ _____	200%
Target	100%	\$ _____	100%
Threshold	80%	\$ _____	50%
Below Threshold	less than 80%		0%

If the Corporation’s performance falls within the range of the Threshold and Target or the Target and Outstanding achievement levels, then the number of Restricted Stock Units will be calculated based on a linear interpolation between the 80% and 100% levels or the 100% and the 120% levels, respectively.

The term, “Cumulative Koppers Value Added” shall mean the cumulative Koppers Value Added over the Measurement Period.

The term “Koppers Value Added” shall mean the Corporation’s earnings before the deduction of interest and taxes minus a capital charge of 15% times the amount of capital committed to the Corporation, subject to such exclusions as may be approved by the Corporation’s Management Development and Compensation Committee in its discretion.

KOPPERS HOLDINGS INC.

NOTICE OF GRANT OF STOCK OPTION

Notice is hereby given of the following option grant (the "Option") to purchase shares of the Common Stock of Koppers Holdings Inc. (the "Corporation"):

Optionee:

Grant Date:

Vesting Commencement Date:

Exercise Price:

Number of Option Shares:

Expiration Date:

Type of Option: _____ Incentive Stock Option
 _____ Non-Statutory Stock Option

Vesting Schedule: The Option shall become exercisable for 25% of the Option Shares upon Optionee's completion of a consecutive twelve (12)-month period of Service measured from the Vesting Commencement Date. The Option shall become exercisable for 25% of the Option Shares upon Optionee's completion of a consecutive twenty-four (24)-month period of Service measured from the Vesting Commencement Date. The Option shall become exercisable for 25% of the Option Shares upon Optionee's completion of a consecutive thirty-six (36)-month period of Service measured from the Vesting Commencement Date. The Option shall become exercisable for 25% of the Option Shares upon Optionee's completion of a consecutive forty-eight (48)-month period of Service measured from the Vesting Commencement Date. However, one or more Option Shares may be subject to accelerated vesting in accordance with Section 6 of the Stock Option Agreement. In no event shall the Option become exercisable for any additional Option Shares after Optionee's cessation of Service.

Optionee understands and agrees that the Option is granted subject to and in accordance with the terms of the Koppers Holdings Inc. Amended and Restated 2005 Long Term Incentive Plan (the "Plan"). Optionee further agrees to be bound by the terms of the Plan and the terms of the Option as set forth in the Stock Option Agreement attached hereto as Exhibit A. Optionee hereby acknowledges the receipt of a copy of the official prospectus for the Plan in the form attached hereto as Exhibit B. A copy of the Plan is available upon request made to the Corporate Secretary at the Corporation's principal offices.

Employment at Will. Nothing in this Notice or in the attached Stock Option Agreement or in the Plan shall confer upon Optionee any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Corporation (or any Parent or Subsidiary employing or retaining Optionee) or of Optionee, which rights are hereby expressly reserved by each, to terminate Optionee's Service at any time for any reason, with or without cause, unless such rights have otherwise been limited pursuant to a separate agreement between the Corporation (or any Parent or Subsidiary) and the Participant.

Definitions. All capitalized terms in this Notice shall have the meaning assigned to them in this Notice or in the attached Stock Option Agreement.

DATED: _____

KOPPERS HOLDINGS INC.

By: _____

Title: _____

Address: _____

ATTACHMENTS

Exhibit A - Stock Option Agreement

Exhibit B - Plan Prospectus

STOCK OPTION AGREEMENT

RECITALS

A. The Board has adopted the Plan for the purpose of retaining the services of selected Employees, non-employee members of the Board (or the board of directors of any Parent or Subsidiary) and consultants and other independent advisors who provide services to the Corporation (or any Parent or Subsidiary).

B. Optionee is to render valuable services to the Corporation (or a Parent or Subsidiary), and this Agreement is executed pursuant to, and is intended to carry out the purposes of, the Plan in connection with the Corporation's grant of an option to Optionee.

C. All capitalized terms in this Agreement shall have the meaning assigned to them in the attached Appendix.

NOW, THEREFORE, it is hereby agreed as follows:

Grant of Option. The Corporation hereby grants to Optionee, as of the Grant Date, an option to purchase up to the number of Option Shares specified in the Grant Notice. The Option Shares shall be purchasable from time to time during the option term specified in Paragraph 2 at the Exercise Price.

Option Term. This option shall have a maximum term of ten (10) years measured from the Grant Date and shall accordingly expire at the close of business on the Expiration Date, unless sooner terminated in accordance with Paragraph 5, 6 or 11.

Limited Transferability.

This option shall be neither transferable nor assignable by Optionee other than by will or the laws of inheritance following Optionee's death and may be exercised, during Optionee's lifetime, only by Optionee. However, Optionee may designate one or more persons as the beneficiary or beneficiaries of this option, and this option shall, in accordance with such designation, automatically be transferred to such beneficiary or beneficiaries upon the Optionee's death while holding this option. Such beneficiary or beneficiaries shall take the transferred option subject to all the terms and conditions of this Agreement, including (without limitation) the limited time period during which this option may, pursuant to Paragraph 5, be exercised following Optionee's death.

If this option is designated a Non-Statutory Option in the Grant Notice, then this option may be assigned in whole or in part during Optionee's lifetime to one or more of the Optionee's Family Members or to a trust established for the exclusive benefit of Optionee and/or one or more such Family Members, to the extent such assignment is in connection with the Optionee's estate plan or pursuant to a domestic relations order. The assigned portion shall be exercisable only by the person or persons who acquire a proprietary interest in the option pursuant to such assignment. The terms applicable to the assigned portion shall be the same as those in effect for this option immediately prior to such assignment.

Dates of Vesting. This option shall become exercisable for the Option Shares in one or more installments in accordance with the Vesting Schedule set forth in the Grant Notice. As the option becomes exercisable for such installments, those installments shall accumulate, and the option shall remain exercisable for the accumulated installments until the Expiration Date or sooner termination of the option term under Paragraph 5, 6 or 11.

Cessation of Service. The option term specified in Paragraph 2 shall terminate (and this option shall cease to be outstanding) prior to the Expiration Date should any of the following provisions become applicable:

Except as otherwise provided in subparagraphs (b), (c), (d), (e) and (h) of this Paragraph 5, should Optionee cease to remain in Service for any reason while this option is outstanding, then Optionee (or any person or persons to whom this option is transferred pursuant to a permitted transfer under Paragraph 3) shall have a ninety (90)-day period measured from the date of such cessation of Service during which to exercise this option, but in no event shall this option be exercisable at any time after the Expiration Date.

Should Optionee cease to remain in Service due to Optionee's voluntary resignation while this option is outstanding, then Optionee (or any person or persons to whom this option is transferred pursuant to a permitted transfer under Paragraph 3) shall have a thirty (30)-day period measured from the date of such cessation of Service during which to exercise this option, but in no event shall this option be exercisable at any time after the Expiration Date.

Should Optionee die while this option is outstanding, then this option may be exercised by (i) the personal representative of Optionee's estate or (ii) the person or persons to whom the option is transferred pursuant to Optionee's will or the laws of inheritance following Optionee's death or to whom the option is transferred during Optionee's lifetime pursuant to a permitted transfer under Paragraph 3, as the case may be. However, if Optionee dies while holding this option and has an effective beneficiary designation in effect for this option at the time of his or her death, then the designated beneficiary or beneficiaries shall have the exclusive right to exercise this option following Optionee's death. Any such right to exercise this option shall lapse, and this option shall cease to be outstanding, upon the earlier of (i) the expiration of the twelve (12)-month period measured from the date of Optionee's death or (ii) the Expiration Date.

Should Optionee cease Service by reason of Permanent Disability while this option is outstanding, then Optionee (or any person or persons to whom this option is transferred pursuant to a permitted transfer under Paragraph 3) shall have a twelve (12)-month period measured from the date of such cessation of Service during which to exercise this option. In no event shall this option be exercisable at any time after the Expiration Date.

Should Optionee cease Service by reason of Retirement while this option is outstanding, then Optionee (or any person or persons to whom this option is transferred pursuant to a permitted transfer under Paragraph 3) shall have a three (3)-year period measured from the date of Optionee's Retirement during which to exercise this option. In no event shall this option be exercisable at any time after the Expiration Date.

The applicable period of post-Service exercisability in effect pursuant to the foregoing provisions of this Paragraph 5 shall automatically be extended by an additional period of time equal in duration to any interval within such post-Service exercise period during which the exercise of this option or the immediate sale of the Option Shares acquired under this option cannot be effected in compliance with applicable federal and state securities laws, but in no event shall such an extension result in the extension of this option beyond the Expiration Date.

During the limited period of post-Service exercisability, this option may not be exercised in the aggregate for more than the number of Option Shares for which this option is, at the time of Optionee's cessation of Service, vested and exercisable pursuant to the Exercise Schedule specified in the Grant Notice or the special vesting acceleration provisions of Paragraph 6. This option shall not vest or become exercisable for any additional Option Shares, whether pursuant to the normal Exercise Schedule specified in the Grant Notice or the special vesting acceleration provisions of Paragraph 6, following the Optionee's cessation of Service, except to the extent (if any) specifically authorized by the Plan Administrator pursuant to an express written agreement with the Optionee. Upon the expiration of such limited exercise period or (if earlier) upon the Expiration Date, this option shall terminate and cease to be outstanding for any exercisable Option Shares for which the option has not otherwise been exercised.

Should Optionee's Service be terminated for Misconduct or should Optionee otherwise engage in any Misconduct while this option is outstanding, then this option shall terminate immediately and cease to remain outstanding.

Special Acceleration of Option.

Should the Optionee's Service terminate by reason of his or her Retirement, death or Permanent Disability prior to the final vesting date for the Option, then the Option shall immediately vest in the additional number of Option Shares (if any) in which the Optionee would have been vested at the time of such termination had 25% of the Option Shares that were scheduled to be vested on the next anniversary of the Vesting Commencement Date instead vested in a series of twelve (12) successive equal monthly installments over the duration of the twelve (12) month period preceding such anniversary.

This option, to the extent outstanding at the time of a Change in Control but not otherwise fully exercisable, shall automatically accelerate so that this option shall, immediately prior to the effective date of such Change in Control, become exercisable for all of the Option Shares at the time subject to this option and may be exercised for any or all of those Option Shares as fully vested shares of Common Stock. However, this option shall *not* become exercisable on such an accelerated basis, if and to the extent: (i) this option is to be assumed by the successor corporation (or parent thereof) or is otherwise to be continued in full force and effect pursuant to the terms of the Change in Control transaction or (ii) this option is to be replaced with a cash retention program of the successor corporation which preserves the spread existing at the time of the Change in Control on any Option Shares for which this option is not otherwise at that time exercisable (the excess of the Fair Market Value of those Option Shares over the aggregate Exercise Price payable for such shares) and provides for subsequent payout of that spread in accordance with the same Vesting Schedule for those Option Shares as set forth in the Grant Notice.

Immediately following the Change in Control, this option shall terminate and cease to be outstanding, except to the extent assumed by the Successor Corporation (or parent thereof) or otherwise continued in effect pursuant to the terms of the Change in Control transaction.

If this option is assumed in connection with a Change in Control or otherwise continued in effect, then this option shall be appropriately adjusted, immediately after such Change in Control, to apply to the number and class of securities into which the shares of Common Stock subject to this option would have been converted in consummation of such Change in Control had those shares actually been outstanding at the time. Appropriate adjustments shall also be made to the Exercise Price, provided the aggregate Exercise Price shall remain the same. To the extent the actual holders of the Corporation's outstanding Common Stock receive cash consideration for their Common Stock in consummation of the Change in Control, the successor corporation may, in connection with the assumption or continuation of this option, substitute one or more shares of its own common stock with a fair market value equivalent to the cash consideration paid per share of Common Stock in such Change in Control, provided such common stock is readily tradable on an established U.S. securities exchange or market.

In the event the Optionee's Service is involuntarily terminated for reasons other than Misconduct within twenty-four (24) months following a Change in Control transaction which does not result in the accelerated vesting of this option pursuant to the provisions of subparagraph (b) of this Paragraph 6, then the option (as assumed or continued in effect) shall automatically vest in full on an accelerated basis so that such option shall immediately become exercisable for all the Option Shares as fully-vested shares and may be exercised for any or all of those Option Shares as vested shares.

This Agreement shall not in any way affect the right of the Corporation to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

Adjustment in Option Shares. In the event of any of the following transactions affecting the outstanding Common Stock as a class without the Corporation's receipt of consideration: any stock split, stock dividend, spin-off transaction, extraordinary distribution (whether in cash, securities or other property), recapitalization, combination of shares, exchange of shares or other similar transaction affecting the outstanding Common Stock without the Corporation's receipt of consideration or in the event of a substantial reduction to the value of the outstanding shares of Common Stock by reason of a spin-off transaction or extraordinary distribution, then equitable adjustments shall be made to (i) the total number and/or class of securities subject to this option and (ii) the Exercise Price in such manner as the Plan Administrator deems appropriate in order to reflect such change and thereby prevent the dilution or enlargement of benefits hereunder.

Stockholder Rights. The holder of this option shall not have any stockholder rights with respect to the Option Shares until such person shall have exercised the option, paid the Exercise Price and become a holder of record of the purchased shares.

Manner of Exercising Option.

In order to exercise this option with respect to all or any part of the Option Shares for which this option is at the time exercisable, Optionee (or any other person or persons exercising the option) must take the following actions:

Execute and deliver to the Corporation a Notice of Exercise for the Option Shares for which the option is exercised or comply with such other procedures as the Corporation may establish for notifying the Corporation of the exercise of this option for one or more Option Shares.

Pay the aggregate Exercise Price for the purchased shares in one or more of the following forms:

cash or check made payable to the Corporation;

shares of Common Stock valued at Fair Market Value on the Exercise Date and held by Optionee (or any other person or persons exercising the option) for any required period necessary to avoid a charge to the Corporation's earnings for financial reporting purposes; or

through a special sale and remittance procedure pursuant to which Optionee (or any other person or persons exercising the option) shall concurrently provide irrevocable instructions (i) to a brokerage firm (reasonably satisfactory to the Corporation for purposes of administering such procedure in accordance with the Corporation's pre-clearance/pre-notification policies) to effect the immediate sale of the purchased shares and remit to the Corporation, out of the sale proceeds available on the settlement date, sufficient funds to cover the aggregate Exercise Price payable for the purchased shares plus all applicable income and employment taxes required to be withheld by the Corporation by reason of such exercise and (ii) to the Corporation to deliver the certificates (which may be in electronic form) for the purchased shares directly to such brokerage firm on such settlement date in order to complete the sale.

Except to the extent the sale and remittance procedure is utilized in connection with the option exercise, payment of the Exercise Price must accompany the Notice of Exercise (or other notification procedure) delivered to the Corporation in connection with the option exercise.

Furnish to the Corporation appropriate documentation that the person or persons exercising the option (if other than Optionee) have the right to exercise this option.

Make appropriate arrangements with the Corporation (or Parent or Subsidiary employing or retaining Optionee) for the satisfaction of all applicable income and employment tax withholding requirements applicable to the option exercise.

As soon as practical after the Exercise Date, the Corporation shall issue to or on behalf of Optionee (or any other person or persons exercising this option) a certificate (which may be in electronic form) for the purchased Option Shares, with the appropriate legends affixed thereto.

In no event may this option be exercised for any fractional shares.

Compliance with Laws and Regulations.

The exercise of this option and the issuance of the Option Shares upon such exercise shall be subject to compliance by the Corporation and Optionee with all applicable requirements of law relating thereto and with all applicable regulations of any stock exchange on which the Common Stock may be listed for trading at the time of such exercise and issuance.

The inability of the Corporation to obtain approval from any regulatory body having authority deemed by the Corporation to be necessary to the lawful issuance and sale of any Common Stock pursuant to this option shall relieve the Corporation of any liability with respect to the non-issuance or sale of the Common Stock as to which such approval shall not have been obtained. The Corporation, however, shall use commercially reasonable efforts to obtain all such approvals.

Additional Conditions.

(a) The Corporation may cancel this option, and the Optionee shall thereupon cease to have any further right to acquire any shares of Common Stock under such cancelled option, at any time the Optionee is not in compliance with this Agreement, the Plan and the following conditions:

(i) Participant shall not render services for any organization or engage, directly or indirectly, in any business which, in the judgment of the Plan Administrator or, if delegated by the Plan Administrator to the Chief Executive Officer, in the judgment of such officer, is or becomes competitive with the Corporation or any Affiliate, or which is or becomes otherwise prejudicial to or in conflict with the interests of the Corporation or any Affiliate. Such judgment shall be based on Participant's positions and responsibilities while employed by the Corporation or an Affiliate, Participant's post-Service responsibilities and position with the other organization or business, the extent of past, current and potential competition or conflict between the Corporation or an Affiliate and the other organization or business, the effect on customers, suppliers and competitors of Participant's assuming the post-Service position and such other considerations as are deemed relevant given the applicable facts and circumstances. Participant shall be free, however, to purchase as an investment or otherwise, stock or other securities of such organization or business so long as they are listed upon a recognized securities exchange or traded over the counter, and such investment does not represent a substantial investment to Participant or a greater than one percent (1%) equity interest in the organization or business.

(ii) Participant shall not, without prior written authorization from the Corporation, disclose to anyone outside the Corporation, or use in other than the Corporation's business, any secret or confidential information, knowledge or data, relating to the business of the Corporation or an Affiliate in violation of his or her agreement with the Corporation or the Affiliate.

(iii) Participant shall disclose promptly and assign to the Corporation or the Affiliate all right, title and interest in any invention or idea, patentable or not, made or conceived by Participant during employment by the Corporation or the Affiliate, relating in any manner to the actual or anticipated business, research or development work of the Corporation or the Affiliate and shall do anything reasonably necessary to enable the Corporation or the Affiliate to secure a patent where appropriate in the United States and in foreign countries.

(iv) Participant shall not in any way, directly or indirectly (a) induce or attempt to induce any employee of the Corporation to quit employment with the Corporation; (b) otherwise interfere with or disrupt the Corporation's relationship with its employees; (c) solicit, entice, or hire away any employee of the Corporation; or (d) hire or engage any employee of the Corporation or any former employee of the Corporation whose employment with the Corporation ceased less than one (1) year before the date of such hiring or engagement.

(v) Participant will not divert or attempt to divert from the Corporation any business the Corporation had enjoyed or solicited from its customers during the two (2) years prior to the diversion or attempted diversion of such business.

(b) Notwithstanding any other provision of the Plan or this Agreement, the Plan Administrator in its sole discretion may cancel this option at any time prior to the exercise thereof, if the employment of the Optionee shall be terminated, other than by reason of death, unless the conditions in this Section 11 are met.

(c) Failure to comply with the conditions of this Section 11 prior to, or during the six months after, any exercise of this option shall cause the exercise to be rescinded. The Corporation shall notify the Optionee in writing of any such rescission within two (2) years after such exercise and within ten (10) days after receiving such notice, the Optionee shall pay to the Corporation the amount of any gain realized or payment received as a result of the exercise rescinded. Such payment shall be made either in cash or by returning to the Corporation the number of shares that the Optionee received in connection with the rescinded exercise.

(d) Upon exercise of this option, the Plan Administrator may require the Optionee to certify on a form acceptable to the Plan Administrator, that the Optionee is in compliance with the terms and conditions of the Plan and this Agreement.

(e) This option, and the right to receive and retain any Option Shares or cash payments covered by this option, shall be subject to rescission, cancellation or recoupment, in whole or part, if and to the extent so provided under any "clawback" or similar policy of the Corporation in effect on the Grant Date or that may be established thereafter, including any modification or amendment thereto, or as required by the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or other applicable law.

Successors and Assigns. Except to the extent otherwise provided in Paragraphs 3 and 6, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the Corporation and its successors and assigns and Optionee, Optionee's assigns, the legal representatives, heirs and legatees of Optionee's estate and any beneficiaries of this option designated by Optionee.

Notices. Any notice required to be given or delivered to the Secretary of the Corporation under the terms of this Agreement shall be in writing and addressed to the Corporation at its principal corporate office at 436 Seventh Avenue, Pittsburgh, PA 15219. Any notice required to be given or delivered to Optionee shall be in writing and addressed to Optionee at the address indicated below Optionee's signature line on the Grant Notice. All notices shall be deemed effective upon personal delivery or upon deposit in the U.S. mail, postage prepaid and properly addressed to the party to be notified.

Construction. This Agreement and the option evidenced hereby are made and granted pursuant to the Plan and are in all respects limited by and subject to the terms of the Plan. All decisions of the Plan Administrator with respect to any question or issue arising under the Plan or this Agreement shall be conclusive and binding on all persons having an interest in this option.

Governing Law. The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the Commonwealth of Pennsylvania without resort to Pennsylvania's conflict-of-laws rules.

Excess Shares. If the Option Shares covered by this Agreement exceed, as of the Grant Date, the number of shares of Common Stock which may without stockholder approval be issued under the Plan, then this option shall be void with respect to those excess shares, unless stockholder approval of an amendment sufficiently increasing the number of shares of Common Stock issuable under the Plan is obtained in accordance with the provisions of the Plan. In no event shall the Option be exercisable with respect to any of the excess Option Shares unless and until such stockholder approval is obtained.

Additional Terms Applicable to an Incentive Option. In the event this option is designated an Incentive Option in the Grant Notice, the following terms and conditions shall also apply to the grant:

This option shall cease to qualify for favorable tax treatment as an Incentive Option if (and to the extent) this option is exercised for one or more Option Shares: (A) more than three (3) months after the date Optionee ceases to be an Employee for any reason other than death or Permanent Disability or (B) more than twelve (12) months after the date Optionee ceases to be an Employee by reason of Permanent Disability.

No installment under this option shall qualify for favorable tax treatment as an Incentive Option if (and to the extent) the aggregate Fair Market Value (determined at the Grant Date) of the Common Stock for which such installment first becomes exercisable hereunder would, when added to the aggregate value (determined as of the respective date or dates of grant) of the Common Stock or other securities for which this option or any other Incentive Options granted to Optionee prior to the Grant Date (whether under the Plan or any other option plan of the Corporation or any Parent or Subsidiary) first become exercisable during the same calendar year, exceed One Hundred Thousand Dollars (\$100,000) in the aggregate. Should such One Hundred Thousand Dollar (\$100,000) limitation be exceeded in any calendar year, this option shall nevertheless become exercisable for the excess shares in such calendar year as a Non-Statutory Option.

Should the exercisability of this option be accelerated upon a Change in Control, then this option shall qualify for favorable tax treatment as an Incentive Option only to the extent the aggregate Fair Market Value (determined at the Grant Date) of the Common Stock for which this option first becomes exercisable in the calendar year in which the Change in Control transaction occurs does not, when added to the aggregate value (determined as of the respective date or dates of grant) of the Common Stock or other securities for which this option or one or more other Incentive Options granted to Optionee prior to the Grant Date (whether under the Plan or any other option plan of the Corporation or any Parent or Subsidiary) first become exercisable during the same calendar year, exceed One Hundred Thousand Dollars (\$100,000) in the aggregate. Should the applicable One Hundred Thousand Dollar (\$100,000) limitation be exceeded in the calendar year of such Change in Control, the option may nevertheless be exercised for the excess shares in such calendar year as a Non-Statutory Option.

Should Optionee hold, in addition to this option, one or more other options to purchase Common Stock which become exercisable for the first time in the same calendar year as this option, then for purposes of the foregoing limitations on the exercisability of such options as Incentive Options, this option and each of those other options shall be deemed to become first exercisable in that calendar year, on the basis of the chronological order in which such options were granted, except to the extent otherwise provided under applicable law or regulation.

APPENDIX

The following definitions shall be in effect under the Agreement:

Affiliate means any entity that, directly or through one or more intermediaries, is controlled by the Corporation, and any entity in which the Corporation has a significant equity interest as determined by the Plan Administrator.

Agreement shall mean this Stock Option Agreement.

Board shall mean the Corporation's Board of Directors.

Change in Control of the Corporation shall have occurred in the event that:

(i) a person, partnership, joint venture, corporation or other entity, or two or more of any of the foregoing acting as a "person" within the meaning of Sections 13(d)(3) of the 1934 Act, other than the Corporation, a majority-owned subsidiary of the Corporation or an employee benefit plan of the Corporation or such subsidiary (or such plan's related trust), become(s) the "beneficial owner" (as defined in Rule 13d-3 under the Act) of fifty percent (50%) or more of the then outstanding voting stock of the Corporation;

(ii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board (together with any new Board member whose election by the Corporation's Board or whose nomination for election by the Corporation's stockholders, was approved by a vote of at least two-thirds of the Board members then still in office who either were Board members at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board members then in office;

(iii) all or substantially all of the business of the Corporation is disposed of pursuant to a merger, consolidation or other transaction in which the Company is not the surviving corporation or the Corporation combines with another company and is the surviving corporation (unless the Corporation's stockholders immediately following such merger, consolidation, combination, or other transaction beneficially own, directly or indirectly, more than fifty percent (50%) of the aggregate voting stock or other ownership interests of (x) the entity or entities, if any, that succeed to the business of the Corporation or (y) the combined company);

(iv) the closing of the sale of all or substantially all of the assets of the Corporation or a liquidation or dissolution of the Corporation; or

(v) the acquisition, directly or indirectly, by any person or related group of persons (other than the Corporation or a person that directly or indirectly controls, is controlled by, or is under common control with, the Corporation) of beneficial ownership (within the meaning of Rule 13d-3 of the Act) of securities possessing more than twenty percent (20%) of the total combined voting power of the Corporation's outstanding securities pursuant to a tender or exchange offer made directly to the Corporation's stockholders which the Board does not recommend such stockholders to accept.

Code shall mean the Internal Revenue Code of 1986, as amended.

Common Stock shall mean shares of the Corporation's common stock.

Corporation shall mean Koppers Holdings Inc., a Pennsylvania corporation, and any successor corporation to all or substantially all of the assets or voting stock of Koppers Holdings Inc. which shall by appropriate action adopt the Plan.

Employee shall mean an individual who is in the employ of the Corporation (or any Parent or Subsidiary), subject to the control and direction of the employer entity as to both the work to be performed and the manner and method of performance.

Exercise Date shall mean the date on which the option shall have been exercised in accordance with Paragraph 9 of the Agreement.

Exercise Price shall mean the exercise price per Option Share as specified in the Grant Notice.

Expiration Date shall mean the date on which the option expires as specified in the Grant Notice.

Fair Market Value per share of Common Stock on any relevant date shall be determined in accordance with the following provisions:

If the Common Stock is at the time traded on the Nasdaq Global Market, then the Fair Market Value shall be the closing selling price per share of Common Stock at the close of regular hours trading (i.e., before after-hours trading begins) on the Nasdaq Global Market on the date in question, as such price is reported by the National Association of Securities Dealers for that particular Stock Exchange. If there is no closing selling price for the Common Stock on the date in question, then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists.

If the Common Stock is at the time listed on any other Stock Exchange, then the Fair Market Value shall be the closing selling price per share of Common Stock at the close of regular hours trading (i.e., before after-hours trading begins) on the date in question on the Stock Exchange determined by the Plan Administrator to be the primary market for the Common Stock, as such price is officially quoted in the composite tape of transactions on such exchange. If there is no closing selling price for the Common Stock on the date in question, then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists.

Family Member shall mean any of the following members of the Optionee's family: any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law.

Grant Date shall mean the date of grant of the option as specified in the Grant Notice.

Grant Notice shall mean the Notice of Grant of Stock Option accompanying the Agreement, pursuant to which Optionee has been informed of the basic terms of the option evidenced hereby.

Incentive Option shall mean an option which satisfies the requirements of Code Section 422.

Misconduct shall mean the commission of any act of fraud, embezzlement or dishonesty by Optionee, any unauthorized use or disclosure by Optionee of confidential information or trade secrets of the Corporation (or any Parent or Subsidiary), or any other intentional misconduct by Optionee adversely affecting the business or affairs of the Corporation (or any Parent or Subsidiary) in a material manner. The foregoing definition shall not in any way preclude or restrict the right of the Corporation (or any Parent or Subsidiary) to discharge or dismiss Optionee or any other person in the Service of the Corporation (or any Parent or Subsidiary) for any other acts or omissions, but such other acts or omissions shall not be deemed, for purposes of the Plan or this Agreement, to constitute grounds for termination for Misconduct.

Non-Statutory Option shall mean an option not intended to satisfy the requirements of Code Section 422.

Notice of Exercise shall mean the notice of option exercise in the form prescribed by the Corporation.

Option Shares shall mean the number of shares of Common Stock subject to the option as specified in the Grant Notice.

Optionee shall mean the person to whom the option is granted as specified in the Grant Notice.

Parent shall mean any corporation (other than the Corporation) in an unbroken chain of corporations ending with the Corporation, provided each corporation in the unbroken chain (other than the Corporation) owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

Permanent Disability shall mean the inability of Optionee to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which is expected to result in death or to be of continuous duration of twelve (12) months or more.

Plan shall mean the Corporation's Amended and Restated 2005 Long Term Incentive Plan.

Plan Administrator shall mean the committee(s) designated by the Board to administer the Plan.

Retirement shall mean the Participant's voluntary termination from Service (i) on or after his attainment of age sixty five (65), or (ii) on or after his attainment of age 55 with at least ten (10) years of service, or involuntary termination from Service with at least thirty (30) years of service other than in connection with a termination for Misconduct. "Years of service" means the Participant's total number of years of "accumulated service" as such term is defined with respect to salaried employees under the Retirement Plan for Koppers Inc. (regardless of whether the Participant is eligible to receive a benefit under such plan).

Service shall mean the Optionee's performance of services for the Corporation (or any Parent or Subsidiary, whether now existing or subsequently established) by a person in the capacity of an Employee, a non-employee member of the board of directors or a consultant or independent advisor. However, the Optionee shall be deemed to cease Service immediately upon the occurrence of either of the following events: (i) the Optionee no longer performs services in any of the foregoing capacities for the Corporation or any Parent or Subsidiary or (ii) the entity for which the Optionee is performing such services ceases to remain a Parent or Subsidiary of the Corporation, even though the Optionee may subsequently continue to perform services for that entity. Service shall not be deemed to cease during a period of military leave, sick leave or other personal leave approved by the Corporation; provided, however, that should such leave of absence exceed three (3) months, then for purposes of determining the period within which the option may be exercised as an Incentive Stock Option under the federal tax laws (if the option is designated as such in the Grant Notice), the Optionee's Service shall be deemed to cease on the first day immediately following the expiration of such three (3)-month period, unless the Optionee is provided, either by statute or by written contract, with the right to return to Service following such leave. Except to the extent otherwise required by law or expressly authorized by the Plan Administrator or by the Corporation's written policy on leaves of absence, no Service credit shall be given for vesting purposes for any period the Optionee is on a leave of absence.

Stock Exchange shall mean the American Stock Exchange, the Nasdaq Global Market or the New York Stock Exchange.

Subsidiary shall mean any corporation (other than the Corporation) in an unbroken chain of corporations beginning with the Corporation, provided each corporation (other than the last corporation) in the unbroken chain owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

Vesting Schedule shall mean the schedule set forth in the Grant Notice pursuant to which the option is to become exercisable for the Option Shares in one or more installments over the Optionee's period of Service.

CONFIDENTIAL
Osmose
EXECUTIVE INCOME SUMMARY

Name: **Paul Goydan, President, Osmose, Inc.**

Year: 2013	Base:	\$ 350,000	
	Mg't. Fee:	\$ 737,929	(Final fee reconciliation and payment to follow audited financial statements)
	Total	\$1,087,929	

Basis of Management Fee: 2.15% of the Operating profit (or loss) contributed by the following profit centers (and any new Osmose, Inc. profit centers) and shown on the 2013 Summary of Profit Centers and Subsidiaries: U.S. Wood Preservative Group, Wood Protection LLC, Timber Specialties, Co., Central America, Brazil, Chile, Europe, Australasia and Asia. Fee basis will adjusted as in the past for relevant extraordinary expenses and claims. See attached. A weighted average cost of capital factor will apply to new acquisitions.

Total Compensation Range:

Minimum: \$ 714,000 Second Tier Point: \$ 1,020,000

Year: **2014** Base: \$13,461.54 per pay period (biweekly)

Basis of Management Fee: 2.15% of the Operating profit (or loss) contributed by the following profit centers (and any new Osmose, Inc. profit centers) and shown on the 2014 Summary of Profit Centers and Subsidiaries: U.S. Wood Preservative Group, Wood Protection LLC, Timber Specialties, Co., Central America, Brazil, Chile, Europe, Australasia and Asia. Fee basis will adjusted as in the past for relevant extraordinary expenses and claims. A weighted average cost of capital factor will apply to new acquisitions.

Your fee calculation will be prorated should the pending sale of Osmose, Inc. and its subsidiaries close in 2014. If a sale transaction completes in 2014, your Management Fee will prorated based on the portion of the year Osmose, Inc., is owned by Osmose Holdings. Seasonal adjustments to the fee basis may be necessary.

Total Compensation Range:

Minimum: \$ Same as 2013 Second Tier Point: Same as 2013

Note 1: Osmose reserves the right to change base and bonus rates at any time based on changes to the employee's assigned duties and responsibilities, the employee's performance and/or the company's financial results.

Note 2: If total calculated compensation exceeds the Second Tier Point in any year, the Fee will be adjusted by dividing calculated compensation over the Second Tier Point in half and adding result to the Second Tier Point for that year.

Note 3: If an employee does not remain employed for the full year, base salary and any previous or current year management fee payments will be governed by the terms of an executive employment agreement.

Accepted by: /s/ Paul Goydan

Date: 3/28/14

Approved by: _____

Date: _____

KOPPERS HOLDINGS INC.

RESTRICTED STOCK UNIT ISSUANCE AGREEMENT
NON-EMPLOYEE DIRECTOR—TIME VESTING

RECITALS

A. The Board has adopted the Plan for the purpose of retaining the services of selected employees, non-employee members of the Board (or the board of directors of any Parent or Subsidiary) and consultants and other independent advisors who provide services to the Corporation (or any Parent or Subsidiary).

B. Participant is to render valuable services to the Corporation, and this Agreement is executed pursuant to, and is intended to carry out the purposes of, the Plan in connection with the Corporation's issuance of shares of Common Stock to Participant under the Plan.

C. All capitalized terms in this Agreement shall have the meaning assigned to them in this Agreement or the attached Appendix A.

NOW, THEREFORE, it is hereby agreed as follows:

1. Grant of Restricted Stock Units. The Corporation hereby awards Restricted Stock Units to the Participant under the Plan. The number of shares of Common Stock subject to the awarded Restricted Stock Units, the vesting provisions for those shares, the date on which the vested shares shall become issuable to Participant and the remaining terms and conditions governing the Award shall be as set forth in this Agreement.

AWARD SUMMARY

Award Date: March 3, 2015

Number of Shares Subject to Award: _____ shares of Common Stock (the "Shares").

Vesting Schedule: The Shares shall vest twelve (12) months from the Award Date, provided that the Participant remains in continuous Service as a director of the Corporation during such period (the "Vesting Date"). However, some or all of the Shares may vest earlier in accordance with the special vesting provisions of Paragraph 4.

Issuance Schedule: The Shares in which Participant vests in accordance with the foregoing Vesting Schedule shall become issuable on the Vesting Date (or upon the date of earlier vesting pursuant to a Change in Control or termination of Service, if so provided herein) (the "Issue Date"). The actual issuance of the Shares shall be effected on the applicable Issue Date or as soon as administratively practicable thereafter, but in no event later than the close of the calendar year in which such Issue Date occurs or (if later) the fifteenth day of the third calendar month following such Issue Date.

2. Limited Transferability. Prior to the actual issuance of the Shares which vest hereunder, Participant may not transfer any interest in the Award or the underlying Shares; provided, however, any Shares which vest hereunder but which otherwise remain unissued at the time of Participant's death may be transferred pursuant to the provisions of Participant's will or the laws of inheritance or to Participant's designated beneficiary or beneficiaries of this Award. Participant may make a beneficiary designation for this Award at any time by filing the appropriate form with the Plan Administrator or its designee.

3. Stockholder Rights and Dividend Equivalents

(a) The holder of this Award shall not have any stockholder rights, including voting or dividend rights, with respect to the Shares subject to the Award until Participant becomes the record holder of those Shares following their actual issuance.

(b) Notwithstanding the foregoing, should any stock dividend, whether regular or extraordinary, be declared and paid on the outstanding Common Stock while one or more Shares remain subject to this Award (i.e., those Shares are not otherwise issued and outstanding for purposes of entitlement to the dividend or distribution), then Participant shall automatically be credited with an additional number of Restricted Stock Units equal to the number of shares of Common Stock which would have been paid on the Shares (plus the number of additional shares previously credited to Participant pursuant to the dividend equivalent right provisions of this Paragraph 3) at the time subject to this Award had those Shares been actually issued and outstanding and entitled to that dividend. The additional Restricted Stock Units so credited shall vest at the same time as the Shares to which they relate and shall be distributed to Participant concurrently with the issuance of those Shares on the applicable Issue Date.

(c) Notwithstanding the foregoing, should any cash dividend, whether regular or extraordinary, be declared and paid on the outstanding Common Stock while one or more Shares remain subject to this Award (i.e., those Shares are not otherwise issued and outstanding for purposes of entitlement to the dividend or distribution), then a special book account shall be established for Participant and credited with a dollar amount equal to the amount of that dividend paid per share multiplied by the number of Restricted Stock Units at the time subject to this Award (plus the number of additional shares previously credited to Participant pursuant to the dividend equivalent right provisions of this Paragraph 3) as of the record date for the dividend. As of the fifteenth business day in April each year, the cash dividend amounts credited to the special book account since the Award Date shall be converted into a book entry of an additional number of Restricted Stock Units determined by dividing (i) those cash dividend equivalent amounts by (ii) the average of the Fair Market Value per share of Common Stock on each of the dates since the Award Date on which those dividends on the outstanding Common Stock were paid. The additional Restricted Stock Units so credited shall vest at the same time as the Shares to which they relate and shall be distributed to Participant concurrently with the issuance of those Shares on the applicable Issue Date.

4. Special Vesting/Change in Control.

(a) Should Participant's Service terminate for any reason prior to the Vesting Date, then, on the date of such termination, Participant shall vest in a number of Shares equal to the number of Shares in which Participant would have been vested on the Vesting Date had Participant continued in the Corporation's Service through the Vesting Date *multiplied by a fraction*, the numerator of which is the number of days of Service Participant completed between the Award Date and the termination of Participant's Service, and the denominator of which is three hundred sixty-five (365).

(b) Immediately prior to the closing of a Change in Control, Participant shall vest in a number of Shares equal to the number of Shares in which Participant would have vested on the Vesting Date. The Shares that vest under this subparagraph (b) will be issued on the Issue Date triggered by the Change in Control (or otherwise converted into the right to receive the same consideration per share of Common Stock payable to the other stockholders of the Corporation in consummation of that Change in Control and distributed at the same time as such stockholder payments). For purposes of this Section 4(b), the Issue Date shall be the effective date of the Change in Control so long as it qualifies as a “change in the ownership or effective control” of the Corporation within the meaning of Section 409A(a)(2)(A)(v) of the Code and regulations thereunder. If it does not so qualify, the Issue Date shall be the Vesting Date.

(c) This Agreement shall not in any way affect the right of the Corporation to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

5. Adjustment in Shares. In the event of any of the following transactions affecting the outstanding shares of Common Stock as a class without the Corporation’s receipt of consideration: any stock split, stock dividend, spin-off transaction, extraordinary distribution (whether in cash, securities or other property), recapitalization, combination of shares, exchange of shares or other similar transaction affecting the outstanding Common Stock as a class without the Corporation’s receipt of consideration or in the event of a substantial reduction to the value of the outstanding shares of Common Stock by reason of a spin-off transaction or extraordinary distribution, then equitable adjustments shall be made to the total number and/or class of securities issuable pursuant to this Award in such manner as the Plan Administrator deems appropriate in order to reflect such change and thereby prevent the dilution or enlargement of benefits hereunder. In determining such adjustments, the Plan Administrator shall take into account any amounts credited to Participant pursuant to the dividend equivalent right provisions of Paragraph 3 in connection with such transaction, and the determination of the Plan Administrator shall be final, binding and conclusive.

6. Compliance with Laws and Regulations. The issuance of shares of Common Stock pursuant to the Award shall be subject to compliance by the Corporation and Participant with all applicable requirements of law relating thereto and with all applicable regulations of any stock exchange on which the Common Stock may be listed for trading at the time of such issuance.

7. Notices. Any notice required to be given or delivered to the Secretary of the Corporation under the terms of this Agreement shall be in writing and addressed to the Corporation at its principal corporate office at 436 Seventh Avenue, Pittsburgh, PA 15219. Except to the extent electronic notice is expressly authorized hereunder, any notice required to be given or delivered to Participant shall be in writing and addressed to Participant at the address indicated below Participant’s signature line on this Agreement. All notices shall be deemed effective upon personal delivery (or electronic delivery to the extent authorized hereunder) or upon deposit in the U.S. mail, postage prepaid and properly addressed to the party to be notified.

8. Successors and Assigns. Except to the extent otherwise provided in this Agreement, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the Corporation and its successors and assigns and Participant, Participant's assigns, the legal representatives, heirs and legatees of Participant's estate and any beneficiaries of the Award designated by Participant.

9. Construction. This Agreement and the Award evidenced hereby are made and granted pursuant to the Plan and are in all respects limited by and subject to the terms of the Plan. All decisions of the Plan Administrator with respect to any question or issue arising under the Plan or this Agreement shall be conclusive and binding on all persons having an interest in the Award.

10. Governing Law. The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the Commonwealth of Pennsylvania without resort to Pennsylvania's conflict-of-laws rules.

11. Service at Will. Nothing in this Agreement or in the Plan shall confer upon Participant any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Corporation (or any Parent or Subsidiary employing or retaining Participant) or of Participant, which rights are hereby expressly reserved by each, to terminate Participant's Service at any time for any reason, with or without cause, unless such rights are otherwise limited pursuant to a separate agreement between the Corporation (or any Parent or Subsidiary) and Participant.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first indicated above.

KOPPERS HOLDINGS INC.

Walter W. Turner

By: _____

Signature

Steven R. Lacy
Senior Vice President,
Administration, General Counsel
and Secretary

296 Linden Road
Canonsburg, PA 15317

APPENDIX A

DEFINITIONS

The following definitions shall be in effect under the Agreement:

- A. Affiliate means any entity that, directly or through one or more intermediaries, is controlled by the Corporation, and any entity in which the Corporation has a significant equity interest as determined by the Plan Administrator.
- B. Agreement shall mean this Restricted Stock Unit Issuance Agreement.
- C. Award shall mean the award of restricted stock units made to Participant pursuant to the terms of this Agreement.
- D. Award Date shall mean the date the restricted stock units are awarded to Participant pursuant to the Agreement and shall be the date indicated in Paragraph 1 of the Agreement.
- E. Board shall mean the Corporation's Board of Directors.
- F. Change in Control of the Corporation shall have occurred in the event that:

(i) a person, partnership, joint venture, corporation or other entity, or two or more of any of the foregoing acting as a "person" within the meaning of Sections 13(d)(3) of the 1934 Act, other than the Corporation, a majority-owned subsidiary of the Corporation or an employee benefit plan of the Corporation or such subsidiary (or such plan's related trust), become(s) the "beneficial owner" (as defined in Rule 13d-3 under the Act) of fifty percent (50%) or more of the then outstanding voting stock of the Corporation;

(ii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board (together with any new Board member whose election by the Corporation's Board or whose nomination for election by the Corporation's stockholders, was approved by a vote of at least two-thirds of the Board members then still in office who either were Board members at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board members then in office;

(iii) all or substantially all of the business of the Corporation is disposed of pursuant to a merger, consolidation or other transaction in which the Corporation is not the surviving corporation or the Corporation combines with another company and is the surviving corporation (unless the Corporation's stockholders immediately following such merger, consolidation, combination, or other transaction beneficially own, directly or indirectly, more than fifty percent (50%) of the aggregate voting stock or other ownership interests of (x) the entity or entities, if any, that succeed to the business of the Corporation or (y) the combined company);

(iv) the closing of the sale of all or substantially all of the assets of the Corporation or a liquidation or dissolution of the Corporation; or

(v) the acquisition, directly or indirectly, by any person or related group of persons (other than the Corporation or a person that directly or indirectly controls, is controlled by, or is under common control with, the Corporation of beneficial ownership (within the meaning of Rule 13d-3 of the Act) of securities possessing more than twenty percent (20%) of the total combined voting power of the Corporation's outstanding securities pursuant to a tender or exchange offer made directly to the Corporation's stockholders which the Board does not recommend such stockholders to accept.

G. Code shall mean the Internal Revenue Code of 1986, as amended.

H. Common Stock shall mean shares of the Corporation's common stock.

I. Corporation shall mean Koppers Holdings Inc., a Pennsylvania corporation, and any successor corporation to all or substantially all of the assets or voting stock of Koppers Holdings Inc. which shall by appropriate action adopt the Plan.

J. Fair Market Value per share of Common Stock on any relevant date shall be determined in accordance with the following provisions:

(i) If the Common Stock is at the time traded on the Nasdaq Global Market, then the Fair Market Value shall be the closing selling price per share of Common Stock at the close of regular hours trading (i.e., before after-hours trading begins) on the Nasdaq Global Market on the date in question, as such price is reported by the National Association of Securities Dealers for that particular Stock Exchange. If there is no closing selling price for the Common Stock on the date in question, then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists.

(ii) If the Common Stock is at the time listed on any other Stock Exchange, then the Fair Market Value shall be the closing selling price per share of Common Stock at the close of regular hours trading (i.e., before after-hours trading begins) on the date in question on the Stock Exchange determined by the Plan Administrator to be the primary market for the Common Stock, as such price is officially quoted in the composite tape of transactions on such exchange. If there is no closing selling price for the Common Stock on the date in question, then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists.

K. 1934 Act shall mean the Securities Exchange Act of 1934, as amended from time to time.

L. Participant shall mean the person to whom the Award is made pursuant to the Agreement.

M. Parent shall mean any corporation (other than the Corporation) in an unbroken chain of corporations ending with the Corporation, provided each corporation in the unbroken chain (other than the Corporation) owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

N. Plan shall mean the Corporation's Amended and Restated 2005 Long-Term Incentive Plan.

O. Plan Administrator shall mean the committee(s) designated by the Board to administer the Plan.

P. Service shall mean Participant's performance of services for the Corporation (or any Parent or Subsidiary) in the capacity of an employee, a non-employee member of the board of directors or a consultant or independent advisor. For purposes of this Agreement, Participant shall be deemed to cease Service immediately upon the occurrence of either of the following events: (i) Participant no longer performs services in any of the foregoing capacities for the Corporation (or any Parent or Subsidiary) or (ii) the entity for which Participant performs such services ceases to remain a Parent or Subsidiary of the Corporation, even though Participant may subsequently continue to perform services for that entity. Service shall not be deemed to cease during a period of military leave, sick leave or other personal leave approved by the Corporation; provided, however, that except to the extent otherwise required by law or expressly authorized by the Plan Administrator or by the Corporation's written policy on leaves of absence, no Service credit shall be given for vesting purposes for any period the Participant is on a leave of absence.

Q. Stock Exchange shall mean the American Stock Exchange, the Nasdaq Global Market or the New York Stock Exchange.

R. Subsidiary shall mean any corporation (other than the Corporation) in an unbroken chain of corporations beginning with the Corporation, provided each corporation (other than the last corporation) in the unbroken chain owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

KOPPERS HOLDINGS INC.
RATIO OF EARNINGS TO FIXED CHARGES
(Dollars in millions, except ratios)

	2009	2010	2011	2012	2013	2014
Earnings:						
Income (loss) from continuing operations before taxes	\$ 35.5	\$ 73.8	\$52.5	\$100.6	\$ 77.0	\$ (5.9)
Deduct: Equity earnings net of dividends	(0.8)	0.0	0.2	0.8	0.8	(1.6)
Deduct: Pre-tax income of noncontrolling interests	3.4	0.5	0.9	2.0	0.0	0.0
Add: Fixed charges	72.1	40.3	40.8	41.6	39.4	51.8
Earnings as defined	\$104.5	\$113.6	\$92.2	\$139.4	\$115.6	\$47.5
Fixed charges:						
Interest expensed	\$ 58.7	\$ 27.1	\$27.2	\$ 27.9	\$ 26.8	\$39.1
Other	0.5	0.0	0.0	0.0	0.4	1.3
Rents	41.5	42.5	43.8	44.3	39.4	36.7
Interest factor	31%	31%	31%	31%	31%	31%
Estimated interest component of rent	12.9	13.2	13.6	13.7	12.2	11.4
Total fixed charges	\$ 72.1	\$ 40.3	\$40.8	\$ 41.6	\$ 39.4	\$51.8
Ratio of earnings to fixed charges⁽¹⁾	1.45	2.82	2.26	3.35	2.93	0.92

(1) In 2014, earnings did not cover fixed charges by \$4.3 million.

**KOPPERS HOLDINGS INC.
SUBSIDIARIES OF THE COMPANY
AMENDED LIST OF SUBSIDIARIES**

Entity Name	State or Country of Organization
Koppers Inc.	Pennsylvania
Koppers Asia LLC	Delaware
Koppers Concrete Products, Inc.	Delaware
Concrete Partners, Inc.	Delaware
Koppers Delaware, Inc.	Delaware
Koppers Railroad Structures Inc.	Delaware
Koppers World-Wide Ventures Corporation	Delaware
Koppers Ventures LLC	Delaware
1172 North Thomas, LLC	Delaware
Koppers-Nevada LLC	Nevada
Wood Protection Management LLC	Nevada
Koppers NZ LLC	New York
Koppers Performance Chemicals Inc.	New York
Koppers Assurance, Inc.	South Carolina
A.C.N. 143 005 556 Pty Ltd.	Australia
Continental Carbon Australia Pty Ltd	Australia
Koppers Australia Holding Company Pty Ltd	Australia
Koppers Australia Pty. Limited	Australia
Koppers Carbon Materials & Chemicals Pty Ltd	Australia
Koppers Performance Chemicals Australia Pty Ltd.	Australia
Koppers Wood Products Pty Ltd	Australia
Koppers Shipping Pty. Ltd.	Australia
Tecnologias de Madeiras Brasileiras Comercio de Preservantes Ltda.	Brazil
B.C. Clean Wood Preservers, Ltd.	Canada
Koppers Ashcroft Inc.	Canada
Koppers Railroad Structures Canada Inc.	Canada
Timber Specialties Co.	Canada
Osmose Chile Limitada	Chile
Koppers (China) Carbon & Chemical Company Limited	Peoples Republic of China
Koppers (Jiangsu) Carbon Chemical Company Limited	Peoples Republic of China
Koppers (Tianjin) Trading Co., Ltd.	Peoples Republic of China
Koppers Europe ApS	Denmark
Koppers Denmark ApS	Denmark
Koppers European Holdings ApS	Denmark
Koppers Performance Chemicals Denmark A/S	Denmark
Koppers Tar Tech International ApS	Denmark
Oy Koppers Finland Ab	Finland
Koppers Deutschland GmbH	Germany
Koppers Luxembourg S.ar.l	Grand Duchy Luxembourg
Koppers India Carbon Materials and Chemicals Private Limited	India
Protim Abrasives Ltd.	Ireland
Protim Osmose Ltd.	Ireland
Koppers Latvia SIA	Latvia
SIA Osmose Russia	Latvia
Protim Solignum Sdn Bhd	Malaysia
Koppers Mauritius	Republic of Mauritius
Koppers Performance Chemicals New Zealand	New Zealand
Mattersmiths Holdings	New Zealand
Mattersmiths Technologies Ltd.	New Zealand
Koppers Norway AS	Norway
Koppers Poland Sp. Z o.o	Poland

Protim Solignum South Africa Pty Ltd	South Africa
Koppers Chemicals Spain, S.L.	Spain
Retratar Espana S.L.	Spain
Celcure Svenska AB	Sweden
Koppers Sweden AB	Sweden
Wood Protection LP	Texas
Osmose (Thailand) Ltd.	Thailand
Koppers Global Investments C.V.	The Netherlands
Koppers World-Wide Holdings C.V.	The Netherlands
Koppers International B.V.	The Netherlands
Koppers Australasian Investments C.V.	The Netherlands
Koppers Australasian Investments B.V.	The Netherlands
Koppers Netherlands B.V.	The Netherlands
Tankrederij J.A. van Seumeren B.V.	The Netherlands
Celcure Ltd.	United Kingdom
Injecta Ltd.	United Kingdom
Koppers UK Holding Limited	United Kingdom
Koppers UK Limited	United Kingdom
Koppers UK Investments Limited	United Kingdom
Koppers UK Transport Limited	United Kingdom
Koppers Specialty Chemicals Limited	United Kingdom
Protim International Ltd.	United Kingdom
Protim Ltd.	United Kingdom
Protim Solignum Ltd.	United Kingdom

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-8 No. 333-135449) pertaining to the Koppers Holdings Inc. 2005 Long Term Incentive Plan, and
- (2) Registration Statement (Form S-8 No. 333-200144) pertaining to the Koppers Holdings Inc. 2005 Long Term Incentive Plan;

of our reports dated March 2, 2015, with respect to the consolidated financial statements and schedule of Koppers Holdings Inc. and the effectiveness of internal control over financial reporting of Koppers Holdings Inc. included in this Annual Report (Form 10-K) for the year ended December 31, 2014.

/s/ ERNST & YOUNG LLP
Pittsburgh, Pennsylvania
March 2, 2015

KOPPERS HOLDINGS INC.
POWER OF ATTORNEY
(10-K)

I, David M. Hillenbrand, Ph.D., a Director of Koppers Holdings Inc. (the "Corporation"), a Pennsylvania corporation, hereby constitute and appoint Leroy M. Ball, Jr., Michael J. Zugay and Steven R. Lacy, or any of them, my true and lawful attorneys or attorneys-in-fact, with full power of substitution and revocation, to sign, in my name and on my behalf as a Director of the Corporation, the Corporation's Form 10-K for the fiscal year ended December 31, 2014, to be filed with the Securities and Exchange Commission, Washington, DC.

WITNESS my hand this 17th day of February, 2015.

/s/ David M. Hillenbrand, Ph.D.

David M. Hillenbrand, Ph.D.

KOPPERS HOLDINGS INC.
POWER OF ATTORNEY
(10-K)

I, Louis L. Testoni, a Director of Koppers Holdings Inc. (the "Corporation"), a Pennsylvania corporation, hereby constitute and appoint Leroy M. Ball, Jr., Michael J. Zugay and Steven R. Lacy, or any of them, my true and lawful attorneys or attorneys-in-fact, with full power of substitution and revocation, to sign, in my name and on my behalf as a Director of the Corporation, the Corporation's Form 10-K for the fiscal year ended December 31, 2014, to be filed with the Securities and Exchange Commission, Washington, DC.

WITNESS my hand this 19th day of February, 2015.

/s/ Louis L. Testoni

Louis L. Testoni

KOPPERS HOLDINGS INC.
POWER OF ATTORNEY
(10-K)

I, Cynthia A. Baldwin, a Director of Koppers Holdings Inc. (the "Corporation"), a Pennsylvania corporation, hereby constitute and appoint Leroy M. Ball, Jr., Michael J. Zugay and Steven R. Lacy, or any of them, my true and lawful attorneys or attorneys-in-fact, with full power of substitution and revocation, to sign, in my name and on my behalf as a Director of the Corporation, the Corporation's Form 10-K for the fiscal year ended December 31, 2014, to be filed with the Securities and Exchange Commission, Washington, DC.

WITNESS my hand this 17th day of February, 2015.

/s/ Cynthia A. Baldwin
Cynthia A. Baldwin

KOPPERS HOLDINGS INC.
POWER OF ATTORNEY
(10-K)

I, Albert J. Neupaver, a Director of Koppers Holdings Inc. (the "Corporation"), a Pennsylvania corporation, hereby constitute and appoint Leroy M. Ball, Jr., Michael J. Zugay and Steven R. Lacy, or any of them, my true and lawful attorneys or attorneys-in-fact, with full power of substitution and revocation, to sign, in my name and on my behalf as a Director of the Corporation, the Corporation's Form 10-K for the fiscal year ended December 31, 2014, to be filed with the Securities and Exchange Commission, Washington, DC.

WITNESS my hand this 17th day of February, 2015.

/s/ Albert J. Neupaver
Albert J. Neupaver

KOPPERS HOLDINGS INC.
POWER OF ATTORNEY
(10-K)

I, Sharon Feng, Ph.D., a Director of Koppers Holdings Inc. (the "Corporation"), a Pennsylvania corporation, hereby constitute and appoint Leroy M. Ball, Jr., Michael J. Zugay and Steven R. Lacy, or any of them, my true and lawful attorneys or attorneys-in-fact, with full power of substitution and revocation, to sign, in my name and on my behalf as a Director of the Corporation, the Corporation's Form 10-K for the fiscal year ended December 31, 2014, to be filed with the Securities and Exchange Commission, Washington, DC.

WITNESS my hand this 17th day of February, 2015.

/s/ Sharon Feng, Ph.D.
Sharon Feng, Ph.D.

KOPPERS HOLDINGS INC.
POWER OF ATTORNEY
(10-K)

I, Stephen R. Tritch, a Director of Koppers Holdings Inc. (the "Corporation"), a Pennsylvania corporation, hereby constitute and appoint Leroy M. Ball, Jr., Michael J. Zugay and Steven R. Lacy, or any of them, my true and lawful attorneys or attorneys-in-fact, with full power of substitution and revocation, to sign, in my name and on my behalf as a Director of the Corporation, the Corporation's Form 10-K for the fiscal year ended December 31, 2014, to be filed with the Securities and Exchange Commission, Washington, DC.

WITNESS my hand this 17th day of February, 2015.

/s/ Stephen R. Tritch

Stephen R. Tritch

KOPPERS HOLDINGS INC.
POWER OF ATTORNEY
(10-K)

I, T. Michael Young, a Director of Koppers Holdings Inc. (the "Corporation"), a Pennsylvania corporation, hereby constitute and appoint Leroy M. Ball, Jr., Michael J. Zugay and Steven R. Lacy, or any of them, my true and lawful attorneys or attorneys-in-fact, with full power of substitution and revocation, to sign, in my name and on my behalf as a Director of the Corporation, the Corporation's Form 10-K for the fiscal year ended December 31, 2014, to be filed with the Securities and Exchange Commission, Washington, DC.

WITNESS my hand this 17th day of February, 2015.

/s/ T. Michael Young
T. Michael Young

KOPPERS HOLDINGS INC.
POWER OF ATTORNEY
(10-K)

I, Walter W. Turner, a Director of Koppers Holdings Inc. (the "Corporation"), a Pennsylvania corporation, hereby constitute and appoint Leroy M. Ball, Jr., Michael J. Zugay and Steven R. Lacy, or any of them, my true and lawful attorneys or attorneys-in-fact, with full power of substitution and revocation, to sign, in my name and on my behalf as a Director of the Corporation, the Corporation's Form 10-K for the fiscal year ended December 31, 2014, to be filed with the Securities and Exchange Commission, Washington, DC.

WITNESS my hand this 18th day of February, 2015.

/s/ Walter W. Turner

Walter W. Turner

CERTIFICATIONS

I, Leroy M. Ball, Jr. certify that:

1. I have reviewed this annual report on Form 10-K of Koppers Holdings Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 2, 2015

/s/ LEROY M. BALL, JR.

Leroy M. Ball, Jr.

President and Chief Executive Officer

CERTIFICATIONS

I, Michael J. Zugay, certify that:

1. I have reviewed this annual report on Form 10-K of Koppers Holdings Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 2, 2015

/S/ MICHAEL J. ZUGAY
Michael J. Zugay
Chief Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Koppers Holdings Inc. (the "Company") on Form 10-K for the year ended December 31, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned hereby certifies in his capacity as an officer of Koppers Holdings Inc., pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ LEROY M. BALL, JR.
Leroy M. Ball, Jr.
President and Chief Executive Officer

March 2, 2015

/s/ MICHAEL J. ZUGAY
Michael J. Zugay
Chief Financial Officer

March 2, 2015