AXIALL CORP/DE/
Form 11-K
June 25, 2014
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

(Mark One)

x ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2013

OR

o TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 1-9753

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Axiall Corporation 401(k) Retirement Savings Plan

(referred to herein as the Plan)

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Axiall Corporation

1000 Abernathy Road, Suite 1200
Atlanta, Georgia 30328
(770) 395-4500

Axiall Corporation 401(k) Retirement Savings Plan

Financial Statements as of December 31, 2013 and 2012 and for the Year Ended December 31, 2013, Supplemental Schedule as of December 31, 2013, and Report of Independent Registered Public Accounting Firm

Table of Contents

AXIALL CORPORATION

401(k) RETIREMENT SAVINGS PLAN

TABLE OF CONTENTS

NOTE: All other supplemental schedules required by 29 CFR 2520.103-10 of the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

EXHIBITS:

23 Consent of Independent Registered Public Accounting Firm

Table of Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Participants in and Plan Administrator of

Axiall Corporation 401(k) Retirement Savings Plan

We have audited the accompanying statements of net assets available for benefits of the Axiall Corporation 401(k) Retirement Savings Plan as of December 31, 2013 and 2012, and the related statement of changes in net assets available for benefits for the year ended December 31, 2013. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements 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 net assets available for benefits of the Plan as of December 31, 2013 and 2012, and the changes in net assets available for benefits for the year ended December 31, 2013 in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule of Assets (Held at Year End) as of December 31, 2013, is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Babush, Neiman, Kornman & Johnson, LLP	
Atlanta, Georgia	
June 24, 2014	

Table of Contents

AXIALL CORPORATION
401(k) RETIREMENT SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

AS OF DECEMBER 31, 2013 AND 2012

	2013	2012
ASSETS		
Cash	$ 2,511	$ 38,911
Investments-at fair value:		
Participant-directed	225,237,674	200,980,118
Nonparticipant-directed	17,639,970	16,258,720
Total investments	242,877,644	217,238,838
Receivables:		
Company contributions receivables, net	4,290,723	892,806
Notes receivable from participants	4,546,170	4,333,713
Total receivables	8,836,893	5,226,519
Net assets available for benefits at fair value	251,717,048	222,504,268
Adjustment from fair value to contract value for fully benefit-responsive stable value fund (Note 2)	(833,654)	(2,769,258)
Net assets available for benefits	$ 250,883,394	$ 219,735,010

See accompanying notes to financial statements.

Table of Contents

AXIALL CORPORATION
401(k) RETIREMENT SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 2013

ADDITIONS TO NET ASSETS:		
Interest and dividends	$	5,637,267
Contributions:		
Participants		9,117,094
Company		8,375,002
Rollovers		368,108
Total contributions		17,860,204
Net appreciation in the fair value of investments		34,919,288
Interest on participant loans		185,930
Total additions		58,602,689
DEDUCTIONS FROM NET ASSETS:		
Distributions and withdrawals for participants		(27,286,272)
Transaction fees		(168,033)
Total deductions		(27,454,305)
NET INCREASE IN NET ASSETS		31,148,384
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year		219,735,010
End of year	$	250,883,394

See accompanying notes to financial statements.

Table of Contents

AXIALL CORPORATION
401(k) RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2013 AND 2012 AND FOR THE YEAR ENDED DECEMBER 31, 2013

1. PLAN DESCRIPTION

The following description of the *Axiall Corporation 401(k) Retirement Savings Plan* (the Plan) provides only general information pertaining to the Plan. Participants should refer to the official Plan document for complete information.

General On January 28, 2013, Axiall Corporation (the Company or we) acquired substantially all of the assets and liabilities of PPG Industries, Inc. s (PPG) business relating to the production of chlorine, caustic soda and related chemicals (the Merged Business), through a merger between a subsidiary of PPG and a subsidiary of the Company (the Merger). In conjunction with the Merger, we also changed the name of the *Georgia Gulf Corporation 401(k) Retirement Savings Plan* to the *Axiall Corporation 401(k) Retirement Savings Plan*. Also in conjunction with the completion of the Merger, effective as of January 28, 2013, the *Eagle US 2 LLC Employee Savings Plan for Salaried Employees* (the Eagle Plan) was created to provide defined contribution benefits to the non-union employees of the Merged Business. The Merger did not affect any other aspects of the Plan during the year ended December 31, 2013.

Effective as of February 1, 2014, the Eagle Plan was merged with the Plan (see subsequent events disclosure in Note 9). The assets of the Eagle Plan are not reflected in the Statements of Net Assets Available for Benefits for the years ended December 31, 2013 and 2012.

The Plan was established effective as of January 1, 1985 in connection with the acquisition of Georgia-Pacific Chemicals, Inc. by the Company from Georgia-Pacific Corporation. The Plan is a defined contribution plan of which Bank of America, N.A. (the Trustee) serves as the trustee. The Plan historically covered substantially all U.S. employees of the Company, excluding employees of the Merged Business, leased employees, certain temporary employees, employees who are either under the age of 21 or have not completed 60-days of service, employees hired pursuant to a cooperative program with an educational institution, student interns and nonresident aliens, as defined in the Plan document. As of February 1, 2014, the Plan now also covers employees of the Merged Business who are participants of the Eagle Plan and employees who are under the age of 21 and have completed 30-days of service. Effective as of October 1, 2012, collective bargaining employees are also excluded from participation in the Plan unless the applicable collective bargaining agreement provides that such employees shall be eligible to participate in one or more features of the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

There are portions of participant accounts that are invested in the Company s common stock fund. Those Company stock accounts consist of two portions, one of which is attributable to the profit sharing component of the Plan and the other of which is attributable to the employee stock ownership plan (ESOP) component of the Plan. The ESOP component of the Plan is designed to qualify as a stock bonus plan for federal income tax purposes.

Savings Account Eligible employees of the Company may elect to participate in the savings account feature of the Plan as of the first of the month following the completion of 60-days of service. As of February 1, 2014, eligible employees of the Company may elect to participate in the savings account feature of the plan after 30-days of service or as soon as administratively practicable after joining the Company. Participants may elect to contribute in 1 percent increments, on a pre-tax basis, up to 100 percent of their eligible compensation, as defined by the Plan and subject to Internal Revenue Code (IRC) limitations. Participants may elect to change their contribution percentage on a bi-weekly basis. The Company provides a safe harbor matching contribution of 100 percent of the employee s contribution up to the first 3 percent of eligible compensation and 50 percent of the next 2 percent of the employee s contribution of eligible compensation. Each participant was immediately vested in the Company s contributions in the years 2013 and 2012.

Table of Contents

Eligible employees, who will attain at least age 50 before the close of the Plan year, may elect to make catch-up contributions in accordance with the Economic Growth and Tax Relief Reconciliation Act of 2001. Contributions to the savings account may be invested in any investment option offered by the Plan, and participants may change their investment elections at any time.

Employer Discretionary Contributions The Company reinstated the employer discretionary contributions effective October 1, 2012. All full-time salaried employees of the Company prior to the Merger (excluding employees assigned to the building products division and employees covered by collective bargaining agreements, unless that collective bargaining agreement provides for their participation in this feature of the Plan) are eligible to participate in the Employer Discretionary Contributions on January 1 following his or her hire date. The Company contributes, on an annual basis, 2 percent to 5 percent depending on the participant s age and service at the end of each plan year and the participant s annual eligible compensation, as defined by the Plan. Eligible compensation consisted of amounts paid to participants for payroll periods beginning after October 1, 2012. Effective January 1, 2013, Aberdeen, Mississippi employees covered by a collective bargaining agreement were eligible to participate in the Employer Discretionary Contribution.

If a participant is credited with an hour of service prior to January 1, 2013, all amounts allocated to the participant s discretionary contribution account shall at all times be and remain 100 percent vested and nonforfeitable. If a participant is first credited with an hour of service on or after January 1, 2013, amounts allocated to the participant s discretionary contribution account are vested on the earliest of: (i) the date the participant attains the age of 60 years while still employed; (ii) the date the participant dies while still employed by the Company; (iii) the date the participant becomes disabled while still employed, subject to the exceptions stipulated by the Plan; or (iv) the date the participant has been credited with three years of vesting service. This contribution is made for all participants who are employed on the last day of the plan year and who worked at least 1,000 hours during the plan year, whether or not they elect to contribute a portion of their compensation into the Plan. The investment of all contributions is participant-directed. Participants may change their investment elections at any time.

Prior Plan Account Participants in the Plan who were previously employees of Georgia-Pacific Chemicals, Inc. may have participated in a predecessor plan, which consisted of employer and employee funds. Employer fund balances consisted of annual contributions plus earnings. Employee fund balances consisted of employee after-tax contributions plus earnings. Upon establishment of the Plan in 1985, these prior plan account balances were transferred to the Plan and represent nonparticipant-directed accounts. Once the participant is 55 years of age with 10 years of service, or 65 years of age, he or she may elect to transfer his or her balance to participant directed funds.

When a participant leaves the Company, he or she may elect to receive his or her entire employer fund prior plan account balance as a lump-sum distribution or, if eligible, to transfer the amount to the Plan in order to increase the annuity benefit under the Plan.

Employee fund balances attributable to the Georgia Pacific plan are classified as an after-tax savings account and are subject to Plan distribution rules.

Table of Contents

Investment Funds Assets held in the Plan as of December 31, 2013 and 2012 are invested by the Trustee in any of the following investment fund options, offered by the Plan, as directed by participants and/or Plan management:

a. Vanguard Wellington Fund Admiral Shares

b. Harbor Capital Appreciation Fund Class I

c. Invesco Stable Value Trust

d. Dodge & Cox Stock Fund

e. American Funds Europacific Growth Fund Class A

f. Axiall Employer Stock Fund

g. Vanguard Institutional Fund Index Institutional Shares

h. William Blair Small Capital Value Fund Class I

i. Pimco Total Return Fund Class I

j. Conestoga Small Capital Growth Fund

k. T Rowe Price Retirement Income Fund

l. T Rowe Price Retirement 2005, 2010, 2015, 2020, 2025, 2030, 2035, 2040, and 2045 Funds Retail Class

Benefits/Distributions Generally, upon termination of service due to death, disability, retirement, or separation from service, a participant or designated beneficiary may elect to receive a lump-sum amount equal to the value of the participant s vested interest in his or her account. The participant may also elect to roll over his or her account into an Individual Retirement Account (IRA) or another company s retirement plan, or leave it in the Plan as long as the value of the account exceeds $1,000. If the participant s balance is $1,000 or less, the Company has the authority to distribute the balance to the participant in a single lump-sum payment. A participant may make withdrawals from his or her elective contribution account balance after reaching age 59½ and must begin receiving distributions at age 70½ if the participant has terminated employment by that time.

The Plan also allows participants to withdraw funds from the Plan in the event of financial hardship, as defined by IRS regulations. Such hardships include purchasing a primary residence, paying tuition costs for the participant or dependents, burial or funeral expenses for a participant s parents, spouse, children or dependents, paying certain medical expenses, preventing eviction from, or foreclosure of the mortgage on, a participant s primary residence, or paying expenses for the repair of casualty-type damages to the participant s principal residence.

Participant Loans Participants may borrow a minimum of $1,000 and up to a maximum amount equal to the lesser of $50,000 (minus the highest outstanding balance of loans from the Plan to the participant during the one-year period ending on the day before the date when the loan was made) or 50 percent of his/her vested account balance. Loans are secured by the participant s account balance and bear interest at a fixed rate over the life of the loan. Interest rates are based on the prime interest rate plus 1 percent at the time the loan is approved, and ranged from 4.25 percent to 7.75 percent at December 31, 2013 and 4.25 percent to 8.50 percent at December 31, 2012. Repayments of the loans are made in substantially equal payroll deductions amortized over the life of the loan. Participants may have up to two loans outstanding at any time. The loans must be repaid within five years, unless used to purchase a primary residence, in which case the term may be longer.

Table of Contents

Participant Accounts Individual accounts are maintained for each participant. Each participant s account is credited with the participant s contributions and allocations of Company contributions and investment income and charged with withdrawals and an allocation of investment losses and investment manager expenses. Allocations of investment income (loss) and investment manager expenses are based on participant account balances, as provided in the Plan document. The benefits to which participants are entitled are the benefits that can be provided from the participant s vested account balance.

Administrative Expenses Administrative expenses, including Trustee fees, are borne by the Company. Transaction fees for investment trades are borne by the Plan.

Plan Termination Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. In the event the Plan is terminated, participants become 100 percent vested in all Company contributions regardless of length of service. In addition, any unallocated plan funds will be allocated to the appropriate accounts of Plan participants and beneficiaries.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting The accompanying financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (GAAP) and are presented on the accrual basis of accounting.

Use of Estimates and Risks and Uncertainties The preparation of the financial statements in conformity with GAAP requires the Plan administrator to use estimates and assumptions that affect the accompanying financial statements and disclosures. Actual results could differ from these estimates. The Plan utilizes various investment instruments including a stable value fund, common stock, and mutual funds. Investment securities, in general, are exposed to various risks, including credit, interest, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is possible that changes in values of investment securities will occur and that such changes could materially affect the amount reported in the financial statements.

Notes Receivable from Participants Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance plus any accrued but unpaid interest. Interest income on notes receivable from participants is recorded when it is earned. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2013 or 2012. If a participant ceases to make loan repayments and the participant s loan is deemed to be a distribution under applicable IRS guidelines, a benefit payment is recorded and reported for tax purposes.

Valuation of Investments Investments in mutual funds and common stock are stated at fair value based on quoted market price. Investments in the stable value fund are stated at fair value as determined by the issuer of the stable value fund based on the fair value of the underlying investments. The stable value fund has underlying investments in investment contracts, which are valued at the fair value of the underlying investments and then adjusted by the issuer to contract value. The Invesco Stable Value Trust Fund is a stable value fund that is a commingled pool of the Institutional Retirement Trust. The fund invests primarily in investment contracts, such as traditional guaranteed investment contracts and synthetic guaranteed investment contracts (also known as wrap contracts). Participants may ordinarily withdraw or transfer all or a portion of their investments at contract value. Contract value represents contributions made to the fund, plus earnings, less participant withdrawals.

The statements of net assets available for benefits as of December 31, 2013 and 2012 presents the stable value fund holding these investment contracts at fair value as well as an additional line item showing an adjustment of fully benefit-responsive investment contracts from fair value to contract value. Contract value is the relevant measurement attributable to fully-benefit responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The contract value represents contributions made to the fund plus earnings less participant withdrawals. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

Table of Contents

Investment Transactions Purchases and sales of investments are recorded on their trade dates.

Income Recognition Dividends are recorded on the ex-dividend date. Interest income is recorded on the accrual basis.

Payment of Benefits Benefits are recorded when paid.

3. INVESTMENTS

The following investments represent 5 percent or more of the Plan s net assets available for benefits as of December 31, 2013 and 2012:

	2013		2012	
	Shares/Units	**Fair Value**	**Shares/Units**	**Fair Value**
Invesco Stable Value Fund participant-directed	64,735,010	$ 65,539,753	69,936,618	$ 72,595,410
Invesco Stable Value Fund nonparticipant-directed	2,325,655	2,354,566	2,905,698	3,016,164
Total Invesco Stable Value Fund	67,060,665	67,894,319	72,842,316	75,611,574