

|                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                         |
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| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br><br>This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).<br><br><b>► Complete all entries in accordance with the instructions to the Form 5500.</b> | OMB Nos. 1210-0110<br>1210-0089<br><br><b>2010</b><br><br><b>This Form is Open to Public Inspection</b> |
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|                                                                                                          |                                                                                                  |                                                                                 |                                            |
|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|--------------------------------------------|
| <b>Part I</b>                                                                                            | <b>Annual Report Identification Information</b>                                                  |                                                                                 |                                            |
| For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u> |                                                                                                  |                                                                                 |                                            |
| <b>A</b> This return/report is for:                                                                      | <input type="checkbox"/> a multiemployer plan;                                                   | <input type="checkbox"/> a multiple-employer plan; or                           |                                            |
|                                                                                                          | <input checked="" type="checkbox"/> a single-employer plan;                                      | <input type="checkbox"/> a DFE (specify) ____                                   |                                            |
| <b>B</b> This return/report is:                                                                          | <input type="checkbox"/> the first return/report;                                                | <input type="checkbox"/> the final return/report;                               |                                            |
|                                                                                                          | <input type="checkbox"/> an amended return/report;                                               | <input type="checkbox"/> a short plan year return/report (less than 12 months). |                                            |
| <b>C</b> If the plan is a collectively-bargained plan, check here. . . . .                               | <input checked="" type="checkbox"/>                                                              |                                                                                 |                                            |
| <b>D</b> Check box if filing under:                                                                      | <input type="checkbox"/> Form 5558;                                                              | <input type="checkbox"/> automatic extension;                                   | <input type="checkbox"/> the DFVC program; |
|                                                                                                          | <input checked="" type="checkbox"/> special extension (enter description) <u>HURRICANE IRENE</u> |                                                                                 |                                            |

|                                                                                                                                                                                                                           |                                                                     |                                                             |                                                             |
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| <b>Part II</b>                                                                                                                                                                                                            | <b>Basic Plan Information</b> —enter all requested information      |                                                             |                                                             |
| <b>1a</b> Name of plan<br><u>FKI 401(K) RETIREMENT SAVINGS PLAN FOR UNION EMPLOYEES</u>                                                                                                                                   | <b>1b</b> Three-digit plan number (PN) ►                            | <u>043</u>                                                  |                                                             |
|                                                                                                                                                                                                                           | <b>1c</b> Effective date of plan                                    | <u>01/01/2001</u>                                           |                                                             |
| <b>2a</b> Plan sponsor's name and address (employer, if for a single-employer plan)<br>(Address should include room or suite no.)<br><u>FKI INDUSTRIES INC.</u><br><br><u>425 POST ROAD</u><br><u>FAIRFIELD, CT 06824</u> | <b>2b</b> Employer Identification Number (EIN)<br><u>06-0241470</u> | <b>2c</b> Sponsor's telephone number<br><u>203-292-9667</u> | <b>2d</b> Business code (see instructions)<br><u>339900</u> |

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

|                  |                                                          |                   |                                                              |
|------------------|----------------------------------------------------------|-------------------|--------------------------------------------------------------|
| <b>SIGN HERE</b> | <u>Filed with authorized/valid electronic signature.</u> | <u>10/21/2011</u> | <u>JAMES R. TYCZ</u>                                         |
|                  | <b>Signature of plan administrator</b>                   | Date              | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b> | <u>Filed with authorized/valid electronic signature.</u> | <u>10/21/2011</u> | <u>JAMES R. TYCZ</u>                                         |
|                  | <b>Signature of employer/plan sponsor</b>                | Date              | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b> |                                                          |                   |                                                              |
|                  | <b>Signature of DFE</b>                                  | Date              | Enter name of individual signing as DFE                      |

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2010)  
v.092307.1

|                                                                                                                                                                                                   |                                                                                                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| <b>3a</b> Plan administrator's name and address (if same as plan sponsor, enter "Same")<br><b>FKI BENEFITS ADMINISTRATION COMMITTEE</b><br><br><b>425 POST ROAD</b><br><b>FAIRFIELD, CT 06824</b> | <b>3b</b> Administrator's EIN<br><b>06-1133337</b><br><hr/> <b>3c</b> Administrator's telephone number<br><b>203-255-7100</b> |
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|                                                                                                                                                                                                                   |                                         |
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| <b>4</b> If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:<br><b>a</b> Sponsor's name | <b>4b</b> EIN<br><br><hr/> <b>4c</b> PN |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|

|                                                                         |          |            |
|-------------------------------------------------------------------------|----------|------------|
| <b>5</b> Total number of participants at the beginning of the plan year | <b>5</b> | <b>330</b> |
|-------------------------------------------------------------------------|----------|------------|

|                                                                                                                                                        |           |            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|------------|
| <b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines <b>6a</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ). |           |            |
| <b>a</b> Active participants.....                                                                                                                      | <b>6a</b> | <b>296</b> |
| <b>b</b> Retired or separated participants receiving benefits.....                                                                                     | <b>6b</b> | <b>0</b>   |
| <b>c</b> Other retired or separated participants entitled to future benefits.....                                                                      | <b>6c</b> | <b>52</b>  |
| <b>d</b> Subtotal. Add lines <b>6a</b> , <b>6b</b> , and <b>6c</b> .....                                                                               | <b>6d</b> | <b>348</b> |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....                                              | <b>6e</b> | <b>0</b>   |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....                                                                                                | <b>6f</b> | <b>348</b> |
| <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....         | <b>6g</b> | <b>290</b> |
| <b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....             | <b>6h</b> | <b>1</b>   |

|                                                                                                                                      |          |  |
|--------------------------------------------------------------------------------------------------------------------------------------|----------|--|
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) ..... | <b>7</b> |  |
|--------------------------------------------------------------------------------------------------------------------------------------|----------|--|

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:  
**2E 2F 2G 2J 2K 2T 3H**

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

|                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>9a</b> Plan funding arrangement (check all that apply)<br><b>(1)</b> <input type="checkbox"/> Insurance<br><b>(2)</b> <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br><b>(3)</b> <input checked="" type="checkbox"/> Trust<br><b>(4)</b> <input type="checkbox"/> General assets of the sponsor | <b>9b</b> Plan benefit arrangement (check all that apply)<br><b>(1)</b> <input type="checkbox"/> Insurance<br><b>(2)</b> <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br><b>(3)</b> <input checked="" type="checkbox"/> Trust<br><b>(4)</b> <input type="checkbox"/> General assets of the sponsor |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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

**a Pension Schedules**

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

**b General Schedules**

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

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        |                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| <b>SCHEDULE C</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Service Provider Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110                              |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        | <b>2010</b>                                    |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        | <b>This Form is Open to Public Inspection.</b> |

|                                                                                                          |                                                                    |
|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| For calendar plan year 2010 or fiscal plan year beginning <b>01/01/2010</b> and ending <b>12/31/2010</b> |                                                                    |
| <b>A</b> Name of plan<br><b>FKI 401(K) RETIREMENT SAVINGS PLAN FOR UNION EMPLOYEES</b>                   | <b>B</b> Three-digit plan number (PN) <b>►</b> <b>043</b>          |
|                                                                                                          |                                                                    |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><b>FKI INDUSTRIES INC.</b>              | <b>D</b> Employer Identification Number (EIN)<br><b>06-0241470</b> |

|               |                                                        |
|---------------|--------------------------------------------------------|
| <b>Part I</b> | <b>Service Provider Information (see instructions)</b> |
|---------------|--------------------------------------------------------|

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

|                                                                               |
|-------------------------------------------------------------------------------|
| <b>1 Information on Persons Receiving Only Eligible Indirect Compensation</b> |
|-------------------------------------------------------------------------------|

|                                                                                                                                                                                                                                                                                   |                                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| <b>a</b> Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|

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

|                                                                                                                   |                                                |
|-------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |                                                |
| <b>JANUS MUTUAL FUNDS</b>                                                                                         | <b>151 DETROIT STREET<br/>DENVER, CO 80219</b> |

|                                                                                                                  |                                                             |
|------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation |                                                             |
| <b>PACIFIC INVESTMENT MGMT CORP</b>                                                                              | <b>840 NEWPORT CENTER DRIVE<br/>NEWPORT BEACH, CA 92660</b> |

|                                                                                                                   |                                                                                  |
|-------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |                                                                                  |
| <b>STATE STREET GLOBAL ADVISORS</b>                                                                               | <b>ONE LINCOLN STREET<br/>STATE STREET FINANCIAL CENTER<br/>BOSTON, MA 02111</b> |

|                                                                                                                   |                                                   |
|-------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |                                                   |
| <b>LORD ABBETT</b>                                                                                                | <b>90 HUDSON STREET<br/>JERSEY CITY, NJ 07302</b> |

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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MORGAN STANLEY DEAN WITTER

1585 BROADWAY  
NEW YORK, NY 10020

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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CRAMER ROSENTHAL MCGLYNN, LLC

520 MADISON AVENUE  
20TH FLOOR  
NEW YORK, NY 10022

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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FEDERATED INVESTORS

1001 LIBERTY AVENUE  
PITTSBURGH, PA 15222

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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HARBOR CAPITAL ADVISORS

111 SOUTH WACKER DRIVE  
34TH FLOOR  
CHICAGO, IL 60606

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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ARTISAN FUNDS

875 EAST WISCONSIN AVENUE  
SUITE 800  
MILWAUKEE, WI 53202

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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THE AMERICAN FUNDS GROUP

333 SOUTH HOPE STREET  
LOS ANGELES, CA 90071

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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T ROWE PRICE

100 EAST PRATT STREET  
BALTIMORE, MD 21202

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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

| (a) Enter name and EIN or address (see instructions)                              |                                                                                                   |                                                                        |                                                                                                      |                                                                                                                                |                                                                                                                                                                                 |                                                                                              |
|-----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| <div>MMC SECURITIES CORP</div> <div>INVESTORS WAY<br/>NORWOOD, MA 02062</div>     |                                                                                                   |                                                                        |                                                                                                      |                                                                                                                                |                                                                                                                                                                                 |                                                                                              |
| (b)<br>Service Code(s)                                                            | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
| 63                                                                                | INVESTMENT MANAGER                                                                                | 0                                                                      | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                                            | 6523                                                                                                                                                                            | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                          |
| (a) Enter name and EIN or address (see instructions)                              |                                                                                                   |                                                                        |                                                                                                      |                                                                                                                                |                                                                                                                                                                                 |                                                                                              |
| <div>MERCER HR SERVICES, LLC</div> <div>INVESTORS WAY<br/>NORWOOD, MA 02062</div> |                                                                                                   |                                                                        |                                                                                                      |                                                                                                                                |                                                                                                                                                                                 |                                                                                              |
| (b)<br>Service Code(s)                                                            | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
| 15 21 25 37<br>38 49 50 59<br>60 62 64 65<br>99                                   | RECORDKEEPER/T RUSTEE                                                                             | 4200                                                                   | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                                            | 6033                                                                                                                                                                            | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                          |
| (a) Enter name and EIN or address (see instructions)                              |                                                                                                   |                                                                        |                                                                                                      |                                                                                                                                |                                                                                                                                                                                 |                                                                                              |
| (b)<br>Service Code(s)                                                            | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|                                                                                   |                                                                                                   |                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                             | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                       |                                                                                                                                                                                 | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

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

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

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

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

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

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

**Part I Service Provider Information (continued)**

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

| (a) Enter service provider name as it appears on line 2 | (b) Service Codes<br>(see instructions) | (c) Enter amount of indirect compensation |
|---------------------------------------------------------|-----------------------------------------|-------------------------------------------|
| MMC SECURITIES CORP                                     | 63                                      | 2376                                      |

| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| T ROWE PRICE<br>100 EAST PRATT STREET<br>BALTIMORE, MD 21202        | DISTRIBUTION (12-B 1) FEES                                                                                                                                         |

| (a) Enter service provider name as it appears on line 2 | (b) Service Codes<br>(see instructions) | (c) Enter amount of indirect compensation |
|---------------------------------------------------------|-----------------------------------------|-------------------------------------------|
| MMC SECURITIES CORP                                     | 63                                      | 3579                                      |

| (d) Enter name and EIN (address) of source of indirect compensation        | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| THE AMERICAN FUNDS GROUP<br>333 SOUTH HOPE STREET<br>LOS ANGELES, CA 90071 | DISTRIBUTION (12-B 1) FEES                                                                                                                                         |

| (a) Enter service provider name as it appears on line 2 | (b) Service Codes<br>(see instructions) | (c) Enter amount of indirect compensation |
|---------------------------------------------------------|-----------------------------------------|-------------------------------------------|
| MERCER HR SERVICES, LLC                                 | 15 38 59 60                             | 1452                                      |

| (d) Enter name and EIN (address) of source of indirect compensation            | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ARTISAN FUNDS<br>875 EAST WISCONSIN AVENUE<br>SUITE 800<br>MILWAUKEE, WI 53202 | RECORDKEEPING PARTICIPANT COMMUNICATION<br>SHAREHOLDER SERVICING SUB-TRANSFER AGENCY<br>FEES                                                                       |

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

|                                                                            |  |                                                                                                                                                                           |                                                  |
|----------------------------------------------------------------------------|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|
| <b>(a)</b> Enter service provider name as it appears on line 2             |  | <b>(b)</b> Service Codes<br>(see instructions)                                                                                                                            | <b>(c)</b> Enter amount of indirect compensation |
| MERCER HR SERVICES, LLC                                                    |  | 15 38 59 60                                                                                                                                                               | 1425                                             |
| <b>(d)</b> Enter name and EIN (address) of source of indirect compensation |  | <b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                                  |
| T ROWE PRICE<br>100 EAST PRATT STREET<br>BALTIMORE, MD 21202               |  | RECORDKEEPING PARTICIPANT COMMUNICATION<br>SHAREHOLDER SERVICING SUB-TRANSFER AGENCY<br>FEES                                                                              |                                                  |

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

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

**Part II Service Providers Who Fail or Refuse to Provide Information**

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

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

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

|                    |                                                                                                    |
|--------------------|----------------------------------------------------------------------------------------------------|
| <b>a</b> Name:     | <b>b</b> EIN:                                                                                      |
| <b>c</b> Position: |                                                                                                    |
| <b>d</b> Address:  | <b>e</b> Telephone:<br><div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div> |

Explanation:

|                    |                                                                                                    |
|--------------------|----------------------------------------------------------------------------------------------------|
| <b>a</b> Name:     | <b>b</b> EIN:                                                                                      |
| <b>c</b> Position: |                                                                                                    |
| <b>d</b> Address:  | <b>e</b> Telephone:<br><div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div> |

Explanation:

|                    |                                                                                                    |
|--------------------|----------------------------------------------------------------------------------------------------|
| <b>a</b> Name:     | <b>b</b> EIN:                                                                                      |
| <b>c</b> Position: |                                                                                                    |
| <b>d</b> Address:  | <b>e</b> Telephone:<br><div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div> |

Explanation:

|                    |                                                                                                    |
|--------------------|----------------------------------------------------------------------------------------------------|
| <b>a</b> Name:     | <b>b</b> EIN;                                                                                      |
| <b>c</b> Position: |                                                                                                    |
| <b>d</b> Address:  | <b>e</b> Telephone:<br><div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div> |

Explanation:

|                    |                                                                                                    |
|--------------------|----------------------------------------------------------------------------------------------------|
| <b>a</b> Name:     | <b>b</b> EIN;                                                                                      |
| <b>c</b> Position: |                                                                                                    |
| <b>d</b> Address:  | <b>e</b> Telephone:<br><div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div> |

Explanation:

|                                                                                                                                                                               |                                                                                                                                                                                                                              |                                                                                            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>SCHEDULE D</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration | <b>DFE/Participating Plan Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br>► <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2010</b><br><br><b>This Form is Open to Public Inspection.</b> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|

|                                                                                             |                                                             |     |
|---------------------------------------------------------------------------------------------|-------------------------------------------------------------|-----|
| For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010  |                                                             |     |
| <b>A</b> Name of plan<br>FKI 401(K) RETIREMENT SAVINGS PLAN FOR UNION EMPLOYEES             | <b>B</b> Three-digit plan number (PN) ►                     | 043 |
|                                                                                             |                                                             |     |
| <b>C</b> Plan or DFE sponsor's name as shown on line 2a of Form 5500<br>FKI INDUSTRIES INC. | <b>D</b> Employer Identification Number (EIN)<br>06-0241470 |     |

|                                                                                   |                                                                                                                                                                                  |                                                                                                             |  |
|-----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|--|
| <b>Part I</b>                                                                     | <b>Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)</b><br>(Complete as many entries as needed to report all interests in DFEs) |                                                                                                             |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: FKI 401K RET SVGS PL MASTER TRUST  |                                                                                                                                                                                  |                                                                                                             |  |
| <b>b</b> Name of sponsor of entity listed in (a): FKI INDUSTRIES INC.             |                                                                                                                                                                                  |                                                                                                             |  |
| <b>c</b> EIN-PN 06-0241470-062                                                    | <b>d</b> Entity code M                                                                                                                                                           | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 6501885 |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: SSGA S & P 500 INDEX               |                                                                                                                                                                                  |                                                                                                             |  |
| <b>b</b> Name of sponsor of entity listed in (a): STATE STREET BANK TRUST COMPANY |                                                                                                                                                                                  |                                                                                                             |  |
| <b>c</b> EIN-PN 04-0025081-066                                                    | <b>d</b> Entity code C                                                                                                                                                           | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 594779  |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE:                                    |                                                                                                                                                                                  |                                                                                                             |  |
| <b>b</b> Name of sponsor of entity listed in (a):                                 |                                                                                                                                                                                  |                                                                                                             |  |
| <b>c</b> EIN-PN                                                                   | <b>d</b> Entity code                                                                                                                                                             | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)         |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE:                                    |                                                                                                                                                                                  |                                                                                                             |  |
| <b>b</b> Name of sponsor of entity listed in (a):                                 |                                                                                                                                                                                  |                                                                                                             |  |
| <b>c</b> EIN-PN                                                                   | <b>d</b> Entity code                                                                                                                                                             | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)         |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE:                                    |                                                                                                                                                                                  |                                                                                                             |  |
| <b>b</b> Name of sponsor of entity listed in (a):                                 |                                                                                                                                                                                  |                                                                                                             |  |
| <b>c</b> EIN-PN                                                                   | <b>d</b> Entity code                                                                                                                                                             | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)         |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE:                                    |                                                                                                                                                                                  |                                                                                                             |  |
| <b>b</b> Name of sponsor of entity listed in (a):                                 |                                                                                                                                                                                  |                                                                                                             |  |
| <b>c</b> EIN-PN                                                                   | <b>d</b> Entity code                                                                                                                                                             | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)         |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE:                                    |                                                                                                                                                                                  |                                                                                                             |  |
| <b>b</b> Name of sponsor of entity listed in (a):                                 |                                                                                                                                                                                  |                                                                                                             |  |
| <b>c</b> EIN-PN                                                                   | <b>d</b> Entity code                                                                                                                                                             | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)         |  |

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

**Part II Information on Participating Plans (to be completed by DFEs)**

(Complete as many entries as needed to report all participating plans)

**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN

|                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                              |                                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small><br><br><small>Pension Benefit Guaranty Corporation</small> | <b>Financial Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).<br><br><b>► File as an attachment to Form 5500.</b> | <small>OMB No. 1210-0110</small><br><br><b>2010</b><br><br><b>This Form is Open to Public Inspection</b> |
| For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u>                                                                                                                                                                 |                                                                                                                                                                                                                                                                              |                                                                                                          |
| <b>A</b> Name of plan<br><u>FKI 401(K) RETIREMENT SAVINGS PLAN FOR UNION EMPLOYEES</u>                                                                                                                                                                                   | <b>B</b> Three-digit plan number (PN) <span style="float: right;">►</span>                                                                                                                                                                                                   | <u>043</u>                                                                                               |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>FKI INDUSTRIES INC.</u>                                                                                                                                                                              | <b>D</b> Employer Identification Number (EIN)<br><br><u>06-0241470</u>                                                                                                                                                                                                       |                                                                                                          |

| Part I                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Asset and Liability Statement                                                               |                 | (a) Beginning of Year | (b) End of Year |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>1</b> Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. <b>Round off amounts to the nearest dollar.</b> MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions. |                                                                                             |                 |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Assets</b>                                                                               |                 |                       |                 |
| <b>a</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Total noninterest-bearing cash .....                                                        | <b>1a</b>       |                       |                 |
| <b>b</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Receivables (less allowance for doubtful accounts):                                         |                 |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (1) Employer contributions .....                                                            | <b>1b(1)</b>    | 0                     | 6415            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (2) Participant contributions .....                                                         | <b>1b(2)</b>    | 0                     | 8741            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (3) Other .....                                                                             | <b>1b(3)</b>    |                       |                 |
| <b>c</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | General investments:                                                                        |                 |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (1) Interest-bearing cash (include money market accounts & certificates of deposit) .....   | <b>1c(1)</b>    |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (2) U.S. Government securities .....                                                        | <b>1c(2)</b>    |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (3) Corporate debt instruments (other than employer securities):                            |                 |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (A) Preferred .....                                                                         | <b>1c(3)(A)</b> |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (B) All other .....                                                                         | <b>1c(3)(B)</b> |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (4) Corporate stocks (other than employer securities):                                      |                 |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (A) Preferred .....                                                                         | <b>1c(4)(A)</b> |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (B) Common .....                                                                            | <b>1c(4)(B)</b> |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (5) Partnership/joint venture interests .....                                               | <b>1c(5)</b>    |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (6) Real estate (other than employer real property) .....                                   | <b>1c(6)</b>    |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (7) Loans (other than to participants) .....                                                | <b>1c(7)</b>    |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (8) Participant loans .....                                                                 | <b>1c(8)</b>    | 465065                | 498030          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (9) Value of interest in common/collective trusts .....                                     | <b>1c(9)</b>    | 535096                | 594779          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (10) Value of interest in pooled separate accounts .....                                    | <b>1c(10)</b>   |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (11) Value of interest in master trust investment accounts .....                            | <b>1c(11)</b>   | 6269090               | 6501885         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (12) Value of interest in 103-12 investment entities .....                                  | <b>1c(12)</b>   |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (13) Value of interest in registered investment companies (e.g., mutual funds) .....        | <b>1c(13)</b>   | 3492546               | 3703603         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (14) Value of funds held in insurance company general account (unallocated contracts) ..... | <b>1c(14)</b>   |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (15) Other .....                                                                            | <b>1c(15)</b>   |                       |                 |

| <b>1d</b> Employer-related investments:                              |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> |                       |                 |
| (2) Employer real property .....                                     | <b>1d(2)</b> |                       |                 |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    |                       |                 |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 10761797              | 11313453        |

**Liabilities**

|                                                                           |           |   |   |
|---------------------------------------------------------------------------|-----------|---|---|
| <b>g</b> Benefit claims payable .....                                     | <b>1g</b> |   |   |
| <b>h</b> Operating payables .....                                         | <b>1h</b> |   |   |
| <b>i</b> Acquisition indebtedness .....                                   | <b>1i</b> |   |   |
| <b>j</b> Other liabilities .....                                          | <b>1j</b> |   |   |
| <b>k</b> Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b> | 0 | 0 |

**Net Assets**

|                                                           |           |          |          |
|-----------------------------------------------------------|-----------|----------|----------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 10761797 | 11313453 |
|-----------------------------------------------------------|-----------|----------|----------|

**Part II Income and Expense Statement**

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

**Income**

|                                                                                                            |                 | (a) Amount | (b) Total |
|------------------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>a Contributions:</b>                                                                                    |                 |            |           |
| (1) Received or receivable in cash from: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> | 432507     |           |
| <b>(B)</b> Participants .....                                                                              | <b>2a(1)(B)</b> | 375906     |           |
| <b>(C)</b> Others (including rollovers) .....                                                              | <b>2a(1)(C)</b> |            |           |
| (2) Noncash contributions .....                                                                            | <b>2a(2)</b>    |            |           |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |            | 808413    |
| <b>b Earnings on investments:</b>                                                                          |                 |            |           |
| (1) Interest:                                                                                              |                 |            |           |
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....       | <b>2b(1)(A)</b> |            |           |
| <b>(B)</b> U.S. Government securities .....                                                                | <b>2b(1)(B)</b> |            |           |
| <b>(C)</b> Corporate debt instruments .....                                                                | <b>2b(1)(C)</b> |            |           |
| <b>(D)</b> Loans (other than to participants) .....                                                        | <b>2b(1)(D)</b> |            |           |
| <b>(E)</b> Participant loans .....                                                                         | <b>2b(1)(E)</b> | 22983      |           |
| <b>(F)</b> Other .....                                                                                     | <b>2b(1)(F)</b> |            |           |
| <b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                              | <b>2b(1)(G)</b> |            | 22983     |
| (2) Dividends: <b>(A)</b> Preferred stock .....                                                            | <b>2b(2)(A)</b> |            |           |
| <b>(B)</b> Common stock .....                                                                              | <b>2b(2)(B)</b> |            |           |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                                  | <b>2b(2)(C)</b> | 58914      |           |
| <b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....                  | <b>2b(2)(D)</b> |            | 58914     |
| (3) Rents .....                                                                                            | <b>2b(3)</b>    |            |           |
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                                 | <b>2b(4)(A)</b> |            |           |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                                              | <b>2b(4)(B)</b> |            |           |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....                  | <b>2b(4)(C)</b> |            | 0         |

|                                                                                                   |                 | (a) Amount | (b) Total |
|---------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>2b</b> (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....              | <b>2b(5)(A)</b> |            |           |
| (B) Other .....                                                                                   | <b>2b(5)(B)</b> |            |           |
| (C) Total unrealized appreciation of assets.<br>Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....    | <b>2b(5)(C)</b> |            | 0         |
| (6) Net investment gain (loss) from common/collective trusts .....                                | <b>2b(6)</b>    |            | 76657     |
| (7) Net investment gain (loss) from pooled separate accounts .....                                | <b>2b(7)</b>    |            |           |
| (8) Net investment gain (loss) from master trust investment accounts .....                        | <b>2b(8)</b>    |            | 278190    |
| (9) Net investment gain (loss) from 103-12 investment entities .....                              | <b>2b(9)</b>    |            |           |
| (10) Net investment gain (loss) from registered investment<br>companies (e.g., mutual funds)..... | <b>2b(10)</b>   |            | 446784    |
| <b>c</b> Other income.....                                                                        | <b>2c</b>       |            |           |
| <b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total.....           | <b>2d</b>       |            | 1691941   |

**Expenses**

|                                                                                            |              |         |         |
|--------------------------------------------------------------------------------------------|--------------|---------|---------|
| <b>e</b> Benefit payment and payments to provide benefits:                                 |              |         |         |
| (1) Directly to participants or beneficiaries, including direct rollovers .....            | <b>2e(1)</b> | 1136085 |         |
| (2) To insurance carriers for the provision of benefits .....                              | <b>2e(2)</b> |         |         |
| (3) Other .....                                                                            | <b>2e(3)</b> |         |         |
| (4) Total benefit payments. Add lines <b>2e(1)</b> through <b>(3)</b> .....                | <b>2e(4)</b> |         | 1136085 |
| <b>f</b> Corrective distributions (see instructions) .....                                 | <b>2f</b>    |         |         |
| <b>g</b> Certain deemed distributions of participant loans (see instructions).....         | <b>2g</b>    |         |         |
| <b>h</b> Interest expense.....                                                             | <b>2h</b>    |         |         |
| <b>i</b> Administrative expenses: (1) Professional fees .....                              | <b>2i(1)</b> |         |         |
| (2) Contract administrator fees .....                                                      | <b>2i(2)</b> |         |         |
| (3) Investment advisory and management fees .....                                          | <b>2i(3)</b> |         |         |
| (4) Other .....                                                                            | <b>2i(4)</b> | 4200    |         |
| (5) Total administrative expenses. Add lines <b>2i(1)</b> through <b>(4)</b> .....         | <b>2i(5)</b> |         | 4200    |
| <b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total..... | <b>2j</b>    |         | 1140285 |

**Net Income and Reconciliation**

|                                                                               |              |  |        |
|-------------------------------------------------------------------------------|--------------|--|--------|
| <b>k</b> Net income (loss). Subtract line <b>2j</b> from line <b>2d</b> ..... | <b>2k</b>    |  | 551656 |
| <b>l</b> Transfers of assets:                                                 |              |  |        |
| (1) To this plan.....                                                         | <b>2l(1)</b> |  |        |
| (2) From this plan .....                                                      | <b>2l(2)</b> |  |        |

**Part III Accountant's Opinion**

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

**c** Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: ERNST & YOUNG LLP

(2) EIN: 34-6565596

**d** The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

**Part IV Compliance Questions**

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

|                                                                                                                                                                                                                                                                                                                 | Yes | No | Amount   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|----------|
| <b>a</b> Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....                 |     | X  |          |
| <b>b</b> Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)..... |     | X  |          |
| <b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) .....                                                                                                                            |     | X  |          |
| <b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....                                                                                                                  |     | X  |          |
| <b>e</b> Was this plan covered by a fidelity bond?.....                                                                                                                                                                                                                                                         | X   |    | 10000000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                                                                                                         |     | X  |          |
| <b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                                                                                                                      |     | X  |          |
| <b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                                                                                                            |     | X  |          |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....                                                                                                                                                   | X   |    |          |
| <b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....                                                                                    |     | X  |          |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....                                                                                                                                              |     | X  |          |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....                                                                                                                                                                                                                              |     | X  |          |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....                                                                                                                                                                                     |     | X  |          |
| <b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. ....                                                                                                                        |     |    |          |

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?  
If yes, enter the amount of any plan assets that reverted to the employer this year ..... ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

**5b(1)** Name of plan(s)

**5b(2)** EIN(s)

**5b(3)** PN(s)

| 5b(1) Name of plan(s) | 5b(2) EIN(s) | 5b(3) PN(s) |
|-----------------------|--------------|-------------|
|                       |              |             |
|                       |              |             |
|                       |              |             |
|                       |              |             |

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            |                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>SCHEDULE R</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Retirement Plan Information</b><br><br>This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2010</b><br><br><b>This Form is Open to Public Inspection.</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

|                                                                                             |                                                                    |
|---------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>FKI 401(K) RETIREMENT SAVINGS PLAN FOR UNION EMPLOYEES</u>      | <b>B</b> Three-digit plan number (PN) ▶<br><u>043</u>              |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>FKI INDUSTRIES INC.</u> | <b>D</b> Employer Identification Number (EIN)<br><u>06-0241470</u> |

|               |                      |
|---------------|----------------------|
| <b>Part I</b> | <b>Distributions</b> |
|---------------|----------------------|

All references to distributions relate only to payments of benefits during the plan year.

|                                                                                                                                                                                                                                                                    |          |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....                                                                                                                              | <b>1</b> | <u>0</u> |
| <b>2</b> Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):<br><br>EIN(s): <u>20-2020334</u> |          |          |
| Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.                                                                                                                                                                                                   |          |          |
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....                                                                                                                                    | <b>3</b> |          |

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

|                                                                                                                                                                                                                                                         |                                                                                                                         |                             |                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|-----------------------------|------------------------------|
| <b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....                                                                                                                                     | <input type="checkbox"/> Yes                                                                                            | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| If the plan is a defined benefit plan, go to line 8.                                                                                                                                                                                                    |                                                                                                                         |                             |                              |
| <b>5</b> If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____                        | If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule. |                             |                              |
| <b>6 a</b> Enter the minimum required contribution for this plan year .....                                                                                                                                                                             | <b>6a</b>                                                                                                               |                             |                              |
| <b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....                                                                                                                                                              | <b>6b</b>                                                                                                               |                             |                              |
| <b>c</b> Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....                                                                                                         | <b>6c</b>                                                                                                               |                             |                              |
| If you completed line 6c, skip lines 8 and 9.                                                                                                                                                                                                           |                                                                                                                         |                             |                              |
| <b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....                                                                                                                                                      | <input type="checkbox"/> Yes                                                                                            | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| <b>8</b> If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?..... | <input type="checkbox"/> Yes                                                                                            | <input type="checkbox"/> No | <input type="checkbox"/> N/A |

|                 |                   |
|-----------------|-------------------|
| <b>Part III</b> | <b>Amendments</b> |
|-----------------|-------------------|

|                                                                                                                                                                                                                                |                                   |                                   |                               |                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------|
| <b>9</b> If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box..... | <input type="checkbox"/> Increase | <input type="checkbox"/> Decrease | <input type="checkbox"/> Both | <input type="checkbox"/> No |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------|

|                |                                                                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part IV</b> | <b>ESOPs</b> (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part. |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                              |                              |                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| <b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....                                                       | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>11 a</b> Does the ESOP hold any preferred stock? .....                                                                                                                                    | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>b</b> If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....                                                                               | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2010  
v.092308.1

**Part V Additional Information for Multiemployer Defined Benefit Pension Plans**

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents)

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents)

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents)

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents)

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents)

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents)

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

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

|                                                                          |            |  |
|--------------------------------------------------------------------------|------------|--|
| <b>a</b> The current year .....                                          | <b>14a</b> |  |
| <b>b</b> The plan year immediately preceding the current plan year ..... | <b>14b</b> |  |
| <b>c</b> The second preceding plan year .....                            | <b>14c</b> |  |

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

|                                                                                                       |            |  |
|-------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> The corresponding number for the plan year immediately preceding the current plan year ..... | <b>15a</b> |  |
| <b>b</b> The corresponding number for the second preceding plan year .....                            | <b>15b</b> |  |

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

|                                                                                                                                                                        |            |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> Enter the number of employers who withdrew during the preceding plan year .....                                                                               | <b>16a</b> |  |
| <b>b</b> If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers ..... | <b>16b</b> |  |

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

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

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

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

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

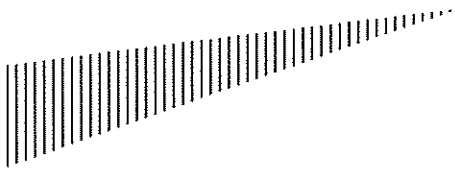
Stock: \_\_\_\_\_% Investment-Grade Debt: \_\_\_\_\_% High-Yield Debt: \_\_\_\_\_% Real Estate: \_\_\_\_\_% Other: \_\_\_\_\_%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate item 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):



Ernst & Young LLP  
300 First Stamford Place  
Stamford, CT 06902

Tel: (203) 674-3000  
[www.ey.com](http://www.ey.com)

## Report of Independent Auditors

The FKI Benefits Administration Committee

We were engaged to audit the accompanying statements of assets available for benefits of the FKI 401(k) Retirement Savings Plan for Union Employees as of December 31, 2010 and 2009 and the related statements of changes in assets available for benefits for the years then ended, and the supplemental schedule of assets (held at end of year) as of December 31, 2010. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 4, which was certified by Mercer Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2010 and 2009 and for the years then ended, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the investment information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

*Ernst & Young LLP*

October 21, 2011

FINANCIAL STATEMENTS AND  
SUPPLEMENTAL SCHEDULE

FKI 401(k) Retirement Savings Plan for Union Employees  
Years Ended December 31, 2010 and 2009  
With Report of Independent Auditors

FKI 401(k) Retirement Savings Plan for Union Employees

Financial Statements and Supplemental Schedule

Years Ended December 31, 2010 and 2009

**Contents**

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| Notes to Financial Statements .....                                    | 4  |
| Supplemental Schedule                                                  |    |
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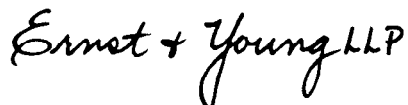
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We were engaged to audit the accompanying statements of assets available for benefits of the FKI 401(k) Retirement Savings Plan for Union Employees as of December 31, 2010 and 2009 and the related statements of changes in assets available for benefits for the years then ended, and the supplemental schedule of assets (held at end of year) as of December 31, 2010. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 4, which was certified by Mercer Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2010 and 2009 and for the years then ended, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the investment information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.



October 21, 2011

# FKI 401(k) Retirement Savings Plan for Union Employees

## Statements of Assets Available for Benefits

|                                                                                                | <b>December 31</b>   |                      |
|------------------------------------------------------------------------------------------------|----------------------|----------------------|
|                                                                                                | <b>2010</b>          | <b>2009</b>          |
| <b>Assets</b>                                                                                  |                      |                      |
| Investments, at fair value:                                                                    |                      |                      |
| Plan's share of investments held by the Master Trust                                           | \$ 6,501,885         | \$ 6,269,090         |
| Common collective trusts                                                                       | 594,779              | 535,096              |
| Mutual funds                                                                                   | 3,703,603            | 3,492,546            |
| Total investments                                                                              | 10,800,267           | 10,296,732           |
| Notes receivable from participants                                                             | 498,030              | 465,065              |
| Participant contributions receivable                                                           | 8,741                | —                    |
| Employer contributions receivable                                                              | 6,415                | —                    |
| Assets available for benefits, reflecting investments at fair value                            | 11,313,453           | 10,761,797           |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | (164,614)            | (53,819)             |
| Assets available for benefits                                                                  | <u>\$ 11,148,839</u> | <u>\$ 10,707,978</u> |

*See accompanying notes.*

# FKI 401(k) Retirement Savings Plan for Union Employees

## Statements of Changes in Assets Available for Benefits

|                                                                                | <b>Year Ended December 31</b> |                      |
|--------------------------------------------------------------------------------|-------------------------------|----------------------|
|                                                                                | <b>2010</b>                   | <b>2009</b>          |
| Additions to (deductions from) assets attributed to:                           |                               |                      |
| Interest and dividends from investments                                        | \$ 58,914                     | \$ 56,070            |
| Interest from notes receivable from participants                               | 22,983                        | 26,050               |
| Net investment gain from Master Trust                                          | 167,395                       | 170,920              |
| Net appreciation in fair value of investments                                  | 523,441                       | 942,648              |
| Participant contributions                                                      | 375,906                       | 365,890              |
| Employer contributions                                                         | 432,507                       | 426,475              |
| Benefits paid to participants                                                  | (1,136,085)                   | (1,122,900)          |
| Administrative expenses                                                        | (4,200)                       | (3,268)              |
| Transfer out to the FKI 401(k) Retirement Savings Plan for Non-Union Employees | —                             | (162,904)            |
| Net increase                                                                   | 440,861                       | 698,981              |
| Assets available for benefits at beginning of year                             | 10,707,978                    | 10,008,997           |
| Assets available for benefits at end of year                                   | <u>\$ 11,148,839</u>          | <u>\$ 10,707,978</u> |

*See accompanying notes.*

# FKI 401(k) Retirement Savings Plan for Union Employees

## Notes to Financial Statements

December 31, 2010

### **1. Plan Description**

The following brief description of the FKI 401(k) Retirement Savings Plan for Union Employees (the “Plan”) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions, copies of which may be obtained from the Plan sponsor.

#### **General**

The Plan is a defined contribution plan subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended. The Plan covers all employees of FKI Industries Inc. (“FKI” or the “Sponsor”) and certain affiliated companies (collectively “the “Employer”) covered by a collective bargaining agreement, if expressly provided for in the collective bargaining agreement. Full-time and part-time employees are eligible to participate in the Plan as of the later of their age 21 or their date of hire.

The Benefit Plan Committee (the “Committee”) is responsible for the administration of the Plan and the Mercer Trust Company is the trustee (the “Trustee”) of the Plan.

#### **Contributions**

Participants may contribute, through payroll deductions, up to a combined 75% of their pre-tax or after-tax compensation. The after-tax contributions cannot exceed 17%. Upon eligibility of the participant, the Employer may make a discretionary matching contribution equal to 25% of the participant’s first 2% contributed for Bridon American Corporation participants, 30% of the participant’s first 6% contributed for Acco Material Handling Solutions division participants, and 100% of the participant’s first 3% contributed for Trambeam Corporation division participants. Participant contributions may not exceed \$16,500 in 2010 and 2009. A participant who attains age 50 before the end of the Plan year may make additional catch-up contributions, as defined by the Plan. Catch-up contributions may not exceed \$5,500 in 2010 and 2009.

An Employer contribution equal to 4 1/2% of eligible compensation is made in addition to any Employer matching contributions for employees under the Bridon American Corporation covered unit. The Employer contribution is available to participants irrespective if they have or have not elected to make participant contributions to the Plan.

# FKI 401(k) Retirement Savings Plan for Union Employees

## Notes to Financial Statements (continued)

### 1. Plan Description (continued)

#### Investment Options

Participants may direct the investment of their contributions, as well as Employer contributions, among any of the Plan's available investment options.

#### Participant Accounts

Each participant's account is credited with the participant's qualifying rollover contributions, the participant's contributions, the Company's contributions and allocations of Plan earnings. Plan earnings are allocated based on the participant's share of net earnings or losses of their respective elected investment options. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

#### Vesting

Participants are always 100% vested in their voluntary contributions plus earnings thereon. A participant becomes 100% vested in Employer matching contributions after three years of service.

#### Participant Forfeitures

Forfeitures related to non-vested Company contributions are used to reduce future Company contributions to the Plan. In 2010 and 2009, no forfeitures were utilized to reduce Company contributions. As of December 31, 2010 and 2009, unused forfeitures totaled \$3,235 and \$1,796, respectively.

#### Benefits

On termination of service, an employee may elect to receive a lump-sum amount equal to the value of his or her account. In-service withdrawals are available in certain limited circumstances, as defined by the Plan. Hardship withdrawals are allowed for participants incurring an immediate and heavy financial need, as defined by the Plan. Hardship withdrawals are strictly regulated by the Internal Revenue Service (IRS) and a participant must exhaust all available distributions prior to requesting a hardship withdrawal.

# FKI 401(k) Retirement Savings Plan for Union Employees

## Notes to Financial Statements (continued)

### **1. Plan Description (continued)**

Effective for distributions on or after March 28, 2005, and notwithstanding any other provisions of the Plan, in the event a participant becomes eligible for distribution in accordance with Article 11 of the Plan agreement and if the value of a participant's vested interest (determined under Section 11.6 of the Plan agreement) does not exceed \$5,000, the method of distribution as to that participant shall be a single cash payment of the full amount payable. Such amount shall be distributed in accordance with the Plan, as amended.

### **Participant Loans**

In accordance with the terms of the Plan agreement, participants of the Plan may receive loans from their accounts within the Plan. Participants may borrow a minimum amount of \$1,000 and a maximum amount of the lesser of 50% of their vested account balance or \$50,000. These loans are generally secured by the participant's remaining interest in his or her account, are payable through payroll deductions over periods of up to 5 years from the date of the loan and bear interest at a rate commensurate with the prevailing interest rate charged on similar loans. Interest rates ranged from 4.25% to 8.75% at December 31, 2010 and 4.25% to 9.25% at December 31, 2009.

### **2. Summary of Significant Accounting Policies**

#### **Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting.

#### **Reclassifications**

Prior year amounts related to the Federated U.S. Treasury Cash Reserves Fund have been reclassified to conform to the current year presentation.

#### **Payment of Benefits**

Benefits are recorded when paid.

# FKI 401(k) Retirement Savings Plan for Union Employees

## Notes to Financial Statements (continued)

### 2. Summary of Significant Accounting Policies (continued)

#### 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, 2010 or 2009. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be a distribution, the participant loan balance is reduced and a benefit payment is recorded.

#### Investment Valuation and Income Recognition

Investments held by the Plan are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). See Note 3 for further discussion and disclosures related to fair value measurements.

A portion of the Plan's assets are in a Master Retirement Trust (the "Master Trust") along with the assets of two other retirement plans, one sponsored by the Company and one sponsored by an affiliated company, The Crosby Group LLC. The Plan's interest in the Master Trust is based on the value of the Plan's interest in the Master Trust at the beginning of the year plus actual contributions and allocated investment income (loss) less actual distributions.

Income (loss) and realized and unrealized gains or losses of the Master Trust are allocated monthly among participating plans based on the relationship of the market value of the assets of each plan to the total fair value of the assets of the Master Trust as of the end of the preceding month. The Trustee values traded securities invested in the Master Trust at the last reported sales price on the last business day of the year.

The Master Trust accounts for the change in the difference between the fair value and the cost of investments as unrealized appreciation (depreciation) in the aggregate fair value of investments. Realized appreciation (depreciation) in the aggregate fair value of investments is the difference between the proceeds received and the average cost of investments sold. Net investment gain of the Master Trust includes interest and dividends and realized and unrealized appreciation or depreciation in the fair value of the Master Trust's investments.

The Master Trust invests in fully benefit-responsive Guaranteed Investment Contracts ("GICs") that are credited with contractually stated net interest earnings and charged for participant withdrawals and administrative expenses. The issuers of the GICs are contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

# FKI 401(k) Retirement Savings Plan for Union Employees

## Notes to Financial Statements (continued)

### 2. Summary of Significant Accounting Policies (continued)

As the GICs are fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the assets available for benefits attributable to the GICs. Contract value, as reported to the Master Trust by the Trustee, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. There are no reserves against contract value for credit risk of the contract issuer or otherwise. The crediting interest rate is agreed to at contract inception and guaranteed for the life of the contract.

Certain events limit the ability of the Master Trust to transact at contract value with the issuer. Such events include the following: (i) amendments to the Plan documents (including complete or partial Plan termination or merger with another plan) (ii) changes to Plan's prohibition on competing investment options or deletion of equity wash provisions; (iii) bankruptcy of the Plan Sponsor or other Plan Sponsor events (e.g., divestitures or spin-offs of a subsidiary) which cause a significant withdrawal from the Plan or (iv) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The Master Trust administrator does not believe that the occurrence of any such event, which would limit the Master Trust's ability to transact at contract value with participants, is probable.

| <b>Average Yields</b>                           | <b>2010</b>  | <b>2009</b> |
|-------------------------------------------------|--------------|-------------|
| Based on contract earnings                      | <b>3.03%</b> | 3.17%       |
| Based on interest rate credited to participants | <b>2.66%</b> | 2.80%       |

The accompanying financial statements reflect the Plan's share of the fair value of the assets of the Master Trust.

The Master Trust also invests in two synthetic investment contracts. Each synthetic investment contract is an agreement under which the Master Trust purchased debt obligations and then entered into a contract with a financial institution to provide for liquidity and an adjustable rate of return thereon (a "wrapper") which, when taken together with the underlying securities, generally results in a guaranteed return of principal and accrued interest. The crediting interest rate is based on a formula agreed upon with the issuer. The contract values of the underlying security of the synthetic investment contracts for the Plan were approximately \$2,273,159 and \$2,109,144 which are inclusive of the synthetic liquidity and adjustable return contracts ("synthetic wrapper") of (\$44,297) and (\$109,725) as of December 31, 2010 and 2009, respectively.

# FKI 401(k) Retirement Savings Plan for Union Employees

## Notes to Financial Statements (continued)

### 2. Summary of Significant Accounting Policies (continued)

Purchases and sales of securities are reflected on a trade-date basis. Gains or losses on sales of securities are based on average cost. Interest income is recognized on the accrual basis. Dividend income is recognized on the ex-dividend date.

#### Administrative Expenses

Substantially all expenses incurred in the administration of the Plan are paid by the Company. Minimal fees charged for loan withdrawals are paid for by the requesting participant out of their account balance.

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States may require management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

#### Subsequent Events

Management evaluated subsequent events through October 21, 2011, the date the financial statements were available to be issued.

#### New Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update 2010-06, *Improving Disclosures about Fair Value Measurements*, (ASU 2010-06). ASU 2010-06 amended certain of the disclosures required under Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*. The guidance in ASU 2010-06 clarified that disclosures should be presented separately for each “class” of assets and liabilities measured at fair value and provided guidance on how to determine the appropriate classes of assets and liabilities to be presented. ASU 2010-06 also clarified the requirement for entities to disclose information about both the valuation techniques and inputs used in estimating Level 2 and Level 3 fair value measurements. In addition, ASU 2010-06 introduced new requirements to disclose the amounts on a gross basis and reasons for any significant transfers between Levels 1, 2 and 3 of the fair value hierarchy and present information regarding the purchases, sales, issuances and settlements of Level 3 assets and liabilities on a gross basis. With the exception of the requirement to present changes in Level 3 measurements on a gross basis,

# FKI 401(k) Retirement Savings Plan for Union Employees

## Notes to Financial Statements (continued)

### 2. Summary of Significant Accounting Policies (continued)

which is delayed until 2011, the guidance in ASU 2010-06 is effective for reporting periods beginning after December 15, 2009. Since ASU 2010-06 only affects fair value measurement disclosures, adoption of ASU 2010-06 did not affect the Plan's net assets available for benefits or its changes in net assets available for benefits.

In September 2010, the FASB issued Accounting Standards Update 2010-25, *Reporting Loans to Participants by Defined Contribution Pension Plans*, (ASU 2010-25). ASU 2010-25 requires participant loans to be measured at their unpaid principal balance plus any accrued by unpaid interest and classified as notes receivable from participants. Previously loans were measured at fair value and classified as investments. ASU 2010-25 is effective for fiscal years ending after December 15, 2010 and is required to be applied retrospectively. Adoption of ASU 2010-25 did not change the value of participant loans from the amount previously reported as of December 31, 2009. Participant loans have been reclassified to notes receivable from participants as of December 31, 2009 and participant loan interest has been reclassified to interest from notes receivable from participants for the year then ended.

In May 2011, the FASB issued Accounting Standards Update 2011-04, *Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRSs*, (ASU 2011-04). ASU 2011-04 amended ASC 820 to converge the fair value measurement guidance in U.S. generally accepted accounting principles (GAAP) and International Financial Reporting Standards (IFRSs). Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle in ASC 820. In addition, ASU 2011-04 requires additional fair value disclosures although certain of these new disclosures will not be required for nonpublic entities. The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011. Plan management is currently evaluating the effect that the provisions of ASU 2011-04 will have on the Plan's financial statements.

### 3. Fair Value Measurements

Fair value is defined under ASC 820 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). To measure fair value, a hierarchy has been established that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs. As such, the hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy in ASC 820 are described below:

*Level 1* – Unadjusted quoted prices in active markets that are accessible to the reporting entity at the measurement date for identical assets and liabilities.

## FKI 401(k) Retirement Savings Plan for Union Employees

### Notes to Financial Statements (continued)

#### 3. Fair Value Measurements (continued)

*Level 2* – Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:

- Quoted prices for similar assets and liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in markets that are not active
- Observable inputs other than quoted prices that are used in the valuation of the asset or liabilities (e.g., interest rate and yield curve quotes at commonly quoted intervals)
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

*Level 3* – Unobservable inputs for the asset or liability (i.e., supported by little or no market activity. Level 3 inputs include management's own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

The level in the fair value hierarchy within which the fair value measurement is classified is determined based on the lowest level input that is significant to the fair value measure in its entirety

# FKI 401(k) Retirement Savings Plan for Union Employees

## Notes to Financial Statements (continued)

### 3. Fair Value Measurements (continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets, including investments held by the Master Trust, carried at fair value:

|                                   | Assets at Fair Value as of December 31, 2010 |              |         |               |
|-----------------------------------|----------------------------------------------|--------------|---------|---------------|
|                                   | Level 1                                      | Level 2      | Level 3 | Total         |
| Mutual funds:                     |                                              |              |         |               |
| U.S. Small-Cap                    | \$ 157,580                                   | \$ —         | \$ —    | \$ 157,580    |
| U.S. Mid-Cap                      | 547,942                                      | —            | —       | 547,942       |
| U.S. Large-Cap                    | 1,155,625                                    | —            | —       | 1,155,625     |
| International                     | 783,687                                      | —            | —       | 783,687       |
| Life cycle                        | 670,617                                      | —            | —       | 670,617       |
| Income                            | 388,152                                      | —            | —       | 388,152       |
| Investments held by Master Trust: |                                              |              |         |               |
| GICs                              | —                                            | 3,355,833    | —       | 3,355,833     |
| Synthetics                        | —                                            | 2,228,862    | —       | 2,228,862     |
| Short term investments            | 917,190                                      | —            | —       | 917,190       |
| Common collective trusts:         |                                              |              |         |               |
| Corporate equities                | —                                            | 594,779      | —       | 594,779       |
| Total assets at fair value        | \$ 4,620,793                                 | \$ 6,179,474 | \$ —    | \$ 10,800,267 |

# FKI 401(k) Retirement Savings Plan for Union Employees

## Notes to Financial Statements (continued)

### 3. Fair Value Measurements (continued)

|                                   | Assets at Fair Value as of December 31, 2009 |              |         |              |
|-----------------------------------|----------------------------------------------|--------------|---------|--------------|
|                                   | Level 1                                      | Level 2      | Level 3 | Total        |
| Mutual funds:                     |                                              |              |         |              |
| U.S. Small-Cap                    | \$ 146,525                                   | \$ —         | \$ —    | \$ 146,525   |
| U.S. Mid-Cap                      | 431,819                                      | —            | —       | 431,819      |
| U.S. Large-Cap                    | 1,300,125                                    | —            | —       | 1,300,125    |
| International                     | 705,522                                      | —            | —       | 705,522      |
| Life cycle                        | 559,403                                      | —            | —       | 559,403      |
| Income                            | 349,152                                      | —            | —       | 349,152      |
| Investments held by Master Trust: |                                              |              |         |              |
| GICs                              | —                                            | 3,266,231    | —       | 3,266,231    |
| Synthetics                        | —                                            | 1,999,419    | —       | 1,999,419    |
| Short term investments            | 1,003,440                                    | —            | —       | 1,003,440    |
| Common collective trusts:         |                                              |              |         |              |
| Corporate equities                | —                                            | 535,096      | —       | 535,096      |
| Total assets at fair value        | \$ 4,495,986                                 | \$ 5,800,746 | \$ —    | \$10,296,732 |

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value.

Level 1 – 42.8% and 43.7% of the Plan’s assets at December 31, 2010 and 2009, respectively, are considered to be Level 1 as they are derived from observable quoted prices in active markets.

Level 2 – 57.2% and 56.3% of the Plan’s assets at December 31, 2010 and 2009, respectively, are considered to be Level 2. These are investments in the Master Trust and the State Street Global Advisors S&P 500 Equity Securities Index Fund, both common collective trusts. As noted above, the Master Trust invests in fully benefit-responsive investment contracts, and two synthetic investments. The State Street Global Advisors S&P 500 Equity Securities Index Fund invests in equities of the Standard & Poor’s 500 Stock Index or in commingled funds (which may include derivative instruments) or mutual funds. These funds contain investments that are valued using quoted prices in markets that are not active or financial instruments for which all significant inputs are observable, either directly or indirectly.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

# FKI 401(k) Retirement Savings Plan for Union Employees

## Notes to Financial Statements (continued)

### 4. Investments

Other than the fair value of the Master Trust investments, all investment information disclosed in the accompanying financial statements and supplemental schedule, including investments held at December 31, 2010 and 2009, and net appreciation in fair value of investments, interest and dividends for the years then ended, was obtained or derived from information provided to the plan administrator and certified as complete and accurate by Mercer Trust Company (the "Trustee"). The contract value of the investments held in the Master Trust was certified as complete and accurate by the Trustee.

|                                             | <b>December 31</b>  |              |
|---------------------------------------------|---------------------|--------------|
|                                             | <b>2010</b>         | <b>2009</b>  |
| Master Trust investments, at fair value     | <b>\$ 6,501,885</b> | \$ 6,269,090 |
| Master Trust investments, at contract value | <b>\$ 6,337,271</b> | \$ 6,215,271 |

Investments that represent 5% or more of the Plan's assets available for benefits, excluding the Plan's allocation of the Master Trust assets, are as follows:

| <b>Description</b>                       | <b>December 31</b> |             |
|------------------------------------------|--------------------|-------------|
|                                          | <b>2010</b>        | <b>2009</b> |
| State Street Global Advisors S&P 500     | <b>\$ 594,779</b>  | \$ 535,096  |
| The Growth Fund of America               | <b>799,289</b>     | 956,972     |
| Janus Overseas Fund Class S              | <b>274,618</b>     | 202,535     |
| American Funds New Perspective Fund      | <b>480,126</b>     | 479,229     |
| Artisan Mid Cap Fund                     | <b>441,365</b>     | 352,890     |
| T. Rowe Price Equity Income Advisor Fund | <b>356,336</b>     | 343,152     |
| PIMCO Total Return Fund                  | <b>372,515</b>     | 343,089     |
| T. Rowe Price Retirement 2015            | <b>224,897</b>     | *           |

\* Represents less than 5% of assets available for benefits

During 2010 and 2009, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

|                          | <b>2010</b>       | <b>2009</b> |
|--------------------------|-------------------|-------------|
| Mutual funds             | <b>\$ 446,784</b> | \$ 828,341  |
| Common collective trusts | <b>76,657</b>     | 114,307     |
|                          | <b>\$ 523,441</b> | \$ 942,648  |

## FKI 401(k) Retirement Savings Plan for Union Employees

### Notes to Financial Statements (continued)

#### 4. Investments (continued)

Each participating plan's interest in the investment funds of the Master Trust is based on account balances of each individual plan. The Master Trust assets are allocated among the participating plans by assigning to each plan those transactions (benefit payments and plan-specific expenses) that can be specifically identified and by allocating among all plans, in proportion to the fair value of the assets assigned to each plan, income and expenses resulting from the collective investment of the assets of the Master Trust. At December 31, 2010 and 2009, the Plan's interest in the net assets of the Master Trust was approximately 11.7% and 11.1%, respectively.

A summary of the assets of the Master Trust is as follows:

|                                                                                                   | <b>December 31</b>          |                             |
|---------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
|                                                                                                   | <b>2010</b>                 | <b>2009</b>                 |
| Investments, at fair value:                                                                       |                             |                             |
| GICs                                                                                              | \$ 28,563,514               | \$ 29,298,811               |
| Synthetics                                                                                        | 18,971,186                  | 17,935,227                  |
| Short term investments                                                                            | 7,806,757                   | 9,001,075                   |
| Assets available for benefits, at fair value                                                      | <u>55,341,457</u>           | <u>56,235,113</u>           |
| Adjustment from fair value to contract value for<br>fully benefit-responsive investment contracts | <u>(1,401,128)</u>          | <u>(482,766)</u>            |
| Assets available for benefits                                                                     | <u><u>\$ 53,940,329</u></u> | <u><u>\$ 55,752,347</u></u> |

Investment income for the Master Trust is as follows:

|                         | <b>Year Ended December 31</b> |                            |
|-------------------------|-------------------------------|----------------------------|
|                         | <b>2010</b>                   | <b>2009</b>                |
| Investment income:      |                               |                            |
| Interest and dividends  | \$ 1,495,624                  | \$ 1,602,366               |
| Total investment income | <u><u>\$ 1,495,624</u></u>    | <u><u>\$ 1,602,366</u></u> |

#### 5. Plan Termination

Although it has not expressed any intent to do so, FKI has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of termination of the Plan, participants will become 100% vested in their accounts.

## FKI 401(k) Retirement Savings Plan for Union Employees

### Notes to Financial Statements (continued)

#### 6. Risks and Uncertainties

The Plan and the Master Trust invest in various investment securities. Investment securities are exposed to various risks such as interest rate, market volatility and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that those changes could materially affect the amounts reported in the statements of assets available for benefits.

#### 7. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated April 20, 2011, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the "Code"), and, therefore, the related trust is exempt from taxation. The Plan has been amended since receiving the determination letter. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan Sponsor has indicated that it will take the necessary steps, if any, to bring the Plan's operations into compliance with the Code and the Plan provisions.

Accounting principles generally accepted in the United States require plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2010, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2007.

#### 8. Difference between Financial Statements and Form 5500

The following table is a reconciliation of assets available for benefits between the financial statements and the Form 5500:

|                                                                                                | <b>December 31</b>          |                             |
|------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
|                                                                                                | <b>2010</b>                 | <b>2009</b>                 |
| Assets available for benefits per the financial statements                                     | <b>\$ 11,148,839</b>        | \$ 10,707,978               |
| Adjustment from contract value to fair value for fully benefit-responsive investment contracts | <b>164,614</b>              | 53,819                      |
| Assets available for benefits per the Form 5500                                                | <b><u>\$ 11,313,453</u></b> | <b><u>\$ 10,761,797</u></b> |

## Supplemental Schedule

# FKI 401(k) Retirement Savings Plan for Union Employees

EIN No. 06-0241470 Plan No. 043

## Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year)

| December 31, 2010                                         |                                                                                                           | Current<br>Value    |
|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|---------------------|
| Identity of Issuer, Borrower,<br>Lessor, or Similar Party | Description of Investment                                                                                 |                     |
| Mercer Trust Company *                                    | Mutual Funds:                                                                                             |                     |
| American Funds                                            | The Growth Fund of America                                                                                | \$ 799,289          |
| CRM Funds                                                 | CRM Mid Cap Value Fund                                                                                    | 106,577             |
| Janus Capital Group                                       | Janus Overseas Fund Class S                                                                               | 274,618             |
| Harbor Funds                                              | Harbor International Fund                                                                                 | 28,943              |
| American Funds                                            | American Funds New Perspective Fund                                                                       | 480,126             |
| Artisan Funds, Inc.                                       | Artisan Mid Cap Fund                                                                                      | 441,365             |
| T. Rowe Price                                             | T. Rowe Price Equity Income Advisor Fund                                                                  | 356,336             |
| PIMCO Funds                                               | PIMCO Total Return Fund                                                                                   | 372,515             |
| Morgan Stanley Institutional Fund                         | MSIF Inc. Small Company Fund                                                                              | 62,198              |
| Lord Abbett & Co. LLC                                     | Lord Abbett Small Cap Value Fund                                                                          | 95,382              |
| Federated Funds                                           | Federated U.S. Treasury Cash Reserves Fund                                                                | 15,637              |
| T. Rowe Price                                             | T. Rowe Price Retirement Income                                                                           | 1,073               |
| T. Rowe Price                                             | T. Rowe Price Retirement 2005                                                                             | 62,060              |
| T. Rowe Price                                             | T. Rowe Price Retirement 2010                                                                             | 42,525              |
| T. Rowe Price                                             | T. Rowe Price Retirement 2015                                                                             | 224,897             |
| T. Rowe Price                                             | T. Rowe Price Retirement 2020                                                                             | 167,808             |
| T. Rowe Price                                             | T. Rowe Price Retirement 2025                                                                             | 57,485              |
| T. Rowe Price                                             | T. Rowe Price Retirement 2030                                                                             | 22,949              |
| T. Rowe Price                                             | T. Rowe Price Retirement 2035                                                                             | 21,474              |
| T. Rowe Price                                             | T. Rowe Price Retirement 2040                                                                             | 21,028              |
| T. Rowe Price                                             | T. Rowe Price Retirement 2045                                                                             | 17,800              |
| T. Rowe Price                                             | T. Rowe Price Retirement 2050                                                                             | 27,959              |
| T. Rowe Price                                             | T. Rowe Price Retirement 2055                                                                             | 3,559               |
|                                                           |                                                                                                           | <u>3,703,603</u>    |
|                                                           | Common Collective Trusts:                                                                                 |                     |
| State Street                                              | State Street Global Advisors S&P 500                                                                      | 594,779             |
| Participant Loans*                                        | Notes receivable from participants with interest rates varying from 4.25% to 8.75%, maturing through 2015 | 498,030             |
| Total assets (held at end of year)                        |                                                                                                           | <u>\$ 4,796,412</u> |

\* Represents a party-in-interest

Note: The "Cost" column is not presented because all of the Plan's investment options are participant directed.

**Attachment to 2010 Form 5500**  
**Schedule H, line 4i - Schedule of Assets (Held at End of Year)**

**Plan Name** FKI 401(K) RETIREMENT SAVINGS PLAN FOR UNION EMPLOYEES  
**Plan Sponsor's Name** FKI INDUSTRIES INC.

**EIN:** 06-0241470  
**PN:** 043

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value. | (d) Cost | (e) Current value |
|-----|-----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|----------|-------------------|
|     | THE GROWTH FUND OF AMERICA                                | MUTUAL FUND                                                                                                  |          | 799,289           |
|     | CRM MID CAP VALUE                                         | MUTUAL FUND                                                                                                  |          | 106,577           |
|     | JANUS OVERSEAS FUND CL S                                  | MUTUAL FUND                                                                                                  |          | 274,618           |
|     | AMERICAN FDS NEW PERSPECTIVE                              | MUTUAL FUND                                                                                                  |          | 480,126           |
|     | ARTISAN MID CAP FUND                                      | MUTUAL FUND                                                                                                  |          | 441,365           |
|     | T.ROWE PRICE EQTY INC ADVISOR                             | MUTUAL FUND                                                                                                  |          | 356,336           |
|     | PIMCO TOTAL RETURN FUND                                   | MUTUAL FUND                                                                                                  |          | 372,515           |

**Attachment to 2010 Form 5500**  
**Schedule H, line 4i - Schedule of Assets (Held at End of Year)**

**Plan Name** FKI 401(K) RETIREMENT SAVINGS PLAN FOR UNION EMPLOYEES  
**Plan Sponsor's Name** FKI INDUSTRIES INC.

**EIN:** 06-0241470  
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| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value. | (d) Cost | (e) Current value |
|-----|-----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|----------|-------------------|
|     | SSGA S & P 500 INDEX T                                    | COMMON/COLLECTIVE TRUST                                                                                      |          | 594,779           |
|     | LORD ABBETT SMALL CAP VALUE FD                            | MUTUAL FUND                                                                                                  |          | 95,382            |
|     | MSIF SMALL COMPANY FUND                                   | MUTUAL FUND                                                                                                  |          | 62,198            |
|     | T. ROWE PRICE RET. 2005                                   | MUTUAL FUND                                                                                                  |          | 62,060            |
|     | T. ROWE PRICE RET. 2010                                   | MUTUAL FUND                                                                                                  |          | 42,525            |
|     | T. ROWE PRICE RET. 2015                                   | MUTUAL FUND                                                                                                  |          | 224,897           |
|     | T. ROWE PRICE RET. 2020                                   | MUTUAL FUND                                                                                                  |          | 167,808           |

**Attachment to 2010 Form 5500**  
**Schedule H, line 4i - Schedule of Assets (Held at End of Year)**

**Plan Name** FKI 401(K) RETIREMENT SAVINGS PLAN FOR UNION EMPLOYEES  
**Plan Sponsor's Name** FKI INDUSTRIES INC.

**EIN:** 06-0241470  
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| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value. | (d) Cost | (e) Current value |
|-----|-----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|----------|-------------------|
|     | T. ROWE PRICE RET. 2025                                   | MUTUAL FUND                                                                                                  |          | 57,485            |
|     | T. ROWE PRICE RET. 2030                                   | MUTUAL FUND                                                                                                  |          | 22,949            |
|     | T. ROWE PRICE RET. 2035                                   | MUTUAL FUND                                                                                                  |          | 21,474            |
|     | T. ROWE PRICE RET. 2040                                   | MUTUAL FUND                                                                                                  |          | 21,028            |
|     | T ROWE PRICE RET. 2045                                    | MUTUAL FUND                                                                                                  |          | 17,800            |
|     | T ROWE PRICE RET. 2050                                    | MUTUAL FUND                                                                                                  |          | 27,959            |
|     | T ROWE PRICE RET. 2055                                    | MUTUAL FUND                                                                                                  |          | 3,559             |

**Attachment to 2010 Form 5500**  
**Schedule H, line 4i - Schedule of Assets (Held at End of Year)**

**Plan Name** FKI 401(K) RETIREMENT SAVINGS PLAN FOR UNION EMPLOYEES  
**Plan Sponsor's Name** FKI INDUSTRIES INC.

**EIN:** 06-0241470  
**PN:** 043

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value. | (d) Cost | (e) Current value |
|-----|-----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|----------|-------------------|
|     | T ROWE PRICE RET INCOME                                   | MUTUAL FUND                                                                                                  |          | 1,073             |
|     | HARBOR INTERNATIONAL F                                    | MUTUAL FUND                                                                                                  |          | 28,943            |
|     | GIC                                                       | MASTER TRUST                                                                                                 |          | 6,501,885         |
|     | FEDERATED U.S. CASH RES.                                  | MUTUAL FUND                                                                                                  |          | 15,637            |
|     | LOAN FUND                                                 | PARTICIPANT LOANS                                                                                            |          | 498,030           |
|     |                                                           |                                                                                                              |          |                   |
|     |                                                           |                                                                                                              |          |                   |