

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

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>ARROW FASTENER CO. INC., EMPLOYEES' PENSION TRUST</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>10/01/1981</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>10/01/1981</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>10/01/1981</u>					
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>ARROW FASTENER CO., LLC C/O MASCO CORPORATION</u> <u>ATTN RETIREMENT SERVICES DEPT.</u> <u>21001 VAN BORN ROAD</u> <u>TAYLOR, MI 48180</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>22-1818358</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>313-274-7400</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>332510</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>22-1818358</u>	2c Sponsor's telephone number <u>313-274-7400</u>	2d Business code (see instructions) <u>332510</u>	
2b Employer Identification Number (EIN) <u>22-1818358</u>					
2c Sponsor's telephone number <u>313-274-7400</u>					
2d Business code (see instructions) <u>332510</u>					

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/26/2011	STEPHEN ARMBRUSTER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") ARROW FASTENER CO., LLC C/O MASCO CORPORATION ATTN RETIREMENT SERVICES DEPT. 21001 VAN BORN ROAD TAYLOR, MI 48180	3b Administrator's EIN 22-1818358 3c Administrator's telephone number 313-274-7400
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4 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: a Sponsor's name ARROW FASTENER COMPANY, INC.	4b EIN 22-1818358 4c PN 001	
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5 Total number of participants at the beginning of the plan year	5	280
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	68
b Retired or separated participants receiving benefits.....	6b	47
c Other retired or separated participants entitled to future benefits.....	6c	121
d Subtotal. Add lines 6a , 6b , and 6c	6d	236
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	5
f Total. Add lines 6d and 6e	6f	241
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 1A 1G 3F 3H

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

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)
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SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2010 This Form is Open to Public Inspection
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>ARROW FASTENER CO. INC., EMPLOYEES' PENSION TRUST</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>ARROW FASTENER CO., LLC C/O MASCO CORPORATION</u>	D Employer Identification Number (EIN) <u>22-1818358</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☒ 101-500 ☐ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2010</u>	
2 Assets:	
a Market value	2a <u>5468482</u>
b Actuarial value	2b <u>5811453</u>
3 Funding target/participant count breakdown	
	(1) Number of participants (2) Funding Target
a For retired participants and beneficiaries receiving payment	3a <u>45</u> <u>3313896</u>
b For terminated vested participants	3b <u>152</u> <u>1814873</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>113662</u>
(2) Vested benefits	3c(2) <u>1548644</u>
(3) Total active	3c(3) <u>83</u> <u>1662306</u>
d Total	3d <u>280</u> <u>6791075</u>
4 If the plan is at-risk, check the box and complete items (a) and (b)	☐
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>6.51</u> %
6 Target normal cost	6 <u>100000</u>

Statement by Enrolled Actuary

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

SIGN HERE	
Signature of actuary <u>MELODY J. PRANGLEY</u>	Date <u>11-07387</u>
Type or print name of actuary <u>TOWERS WATSON DELAWARE INC.</u>	Most recent enrollment number <u>248-936-7700</u>
Firm name <u>28411 NORTHWESTERN HIGHWAY</u> <u>SOUTHFIELD, MI 48034</u>	Telephone number (including area code)
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

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

Schedule SB (Form 5500) 2010
v.092308.1

Part II	Beginning of year carryover and prefunding balances	
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	0	0
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9 Amount remaining (Item 7 minus item 8).....	0	0
10 Interest on item 9 using prior year's actual return of <u>-0.21</u> %		
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		0
b Interest on (a) using prior year's effective rate of <u>8.14</u> %		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance.....		0
12 Reduction in balances due to elections or deemed elections.....	0	0
13 Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	0	0

Part III	Funding percentages	
14 Funding target attainment percentage.....	14	85.57 %
15 Adjusted funding target attainment percentage.....	15	85.57 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	122.60 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV	Contributions and liquidity shortfalls				
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
09/12/2011	370000				
Totals ▶			18(b)	370000	18(c)
					0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contribution from prior years.....	19a	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	332441

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: 4.60 %	2nd segment: 6.65 %	3rd segment: 6.76 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 0
22 Weighted average retirement age				22 64
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	100000
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	707979	118322
b Waiver amortization installment		
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33)	34	218322
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	0	0
36 Additional cash requirement (item 34 minus item 35).....	36	218322
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	332441
38 Interest-adjusted excess contributions for current year (see instructions).....	38	114119
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection.
For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan ARROW FASTENER CO. INC., EMPLOYEES' PENSION TRUST	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 ARROW FASTENER CO., LLC C/O MASCO CORPORATION	D Employer Identification Number (EIN) 22-1818358	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

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

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
NORTHERN TRUST COMPANY
36-1561860

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

TOWERS WATSON DELAWARE INC.

53-0181291

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11 50	NONE	53496	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

PRICEWATERHOUSECOOPERS LLP

13-4008324

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10 50	NONE	30920	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

a Name:	ROBERT W. E. NEWTON	b EIN:	53-0181291
c Position:	ACTUARY		
d Address:	TOWERS WATSON DELAWARE INC. 28411 NORTHWESTERN HWY., STE 500 SOUTHFIELD, MI 48034	e Telephone:	248-936-7700
Explanation: DUE TO INTERNAL CLIENT REASSIGNMENT, THE SIGNING ACTUARY HAS CHANGED FROM ROBERT W. E. NEWTON TO MELODY PRANGLEY, BUT THE ACTUARIAL FIRM REMAINS TOWERS WATSON DELAWARE INC.			

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	
Explanation:			

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	
Explanation:			

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	
Explanation:			

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	
Explanation:			

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection

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

A Name of plan ARROW FASTENER CO. INC., EMPLOYEES' PENSION TRUST	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 ARROW FASTENER CO., LLC C/O MASCO CORPORATION	D Employer Identification Number (EIN) 22-1818358	

Part I	Asset and Liability Statement
---------------	--------------------------------------

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		370000
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	750	490
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	5467730	239970
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		4762960
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	5468480	5373420

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		13600
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	13600

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	5468480	5359820
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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 Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	370000	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		370000

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	7390	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		7390

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		22960
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		400350

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	385840	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		385840
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	102489	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		102489
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		488329

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-87979
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		20681

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: PRICEWATERHOUSECOOPERS LLP

(2) EIN: 13-4008324

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
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
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	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		20000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

- 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)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under 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). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection.

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

A Name of plan <u>ARROW FASTENER CO. INC., EMPLOYEES' PENSION TRUST</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>ARROW FASTENER CO., LLC C/O MASCO CORPORATION</u>	D Employer Identification Number (EIN) <u>22-1818358</u>

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>36-1561860</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>11</u>

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

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice 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:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

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

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

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

a Enter the number of employers who withdrew during the preceding plan year	16a	
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	16b	

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

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

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

- 19** If the total number of participants is 1,000 or more, complete 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): _____



Report of Independent Auditors

To the Participants and Administrator of the
Arrow Fastener Company, Inc. Employees' Pension Trust Plan:

We were engaged to audit the financial statements and supplemental schedules of the Arrow Fastener Company, Inc. Employees' Pension Trust plan (the "Plan") at December 31, 2010 and December 31, 2009 and for the year ended December 31, 2010, as listed in the accompanying index. These financial statements and schedules 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 information summarized in Note I, which was certified by The Northern Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. 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 year ended December 31, 2010, 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 schedules taken as a whole. The form and content of the information included in the financial statements and schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

As explained in Note A, the Plan was frozen effective January 1, 2010.

PricewaterhouseCoopers LLP

Detroit, Michigan
October 7, 2011

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2010 This Form Is Open to Public Inspection
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan Arrow Fastener Co., Inc. Employees' Pension Trust	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Arrow Fastener Co., LLC c/o Masco Corporation	D Employer Identification Number (EIN) 22-1818358
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B ☐ Other F Prior year plan size: ☐ 100 or fewer ☒ 101-500 ☐ More than 500	

Part I Basic Information			
1	Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2010</u>		
2	Assets:		
	a Market value.....	2a	5,468,482
	b Actuarial value.....	2b	5,811,453
3	Funding target/participant count breakdown	(1) Number of participants	(2) Funding Target
	a For retired participants and beneficiaries receiving payment	3a	45
	b For terminated vested participants	3b	152
	c For active participants:		
	(1) Non-vested benefits.....	3c(1)	113,662
	(2) Vested benefits.....	3c(2)	1,548,644
	(3) Total active	3c(3)	83
	d Total.....	3d	280
4	If the plan is at-risk, check the box and complete items (a) and (b) ☐		
	a Funding target disregarding prescribed at-risk assumptions	4a	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor.....	4b	
5	Effective interest rate	5	6.51 %
6	Target normal cost.....	6	100,000

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

SIGN HERE	Melody J. Prangley MJP _____ Signature of actuary Melody J. Prangley _____ Type or print name of actuary Towers Watson Delaware Inc. _____ Firm name 28411 Northwestern Highway _____ Southfield MI 48034 _____ Address of the firm	10/4/2011 _____ Date 11-07387 _____ Most recent enrollment number (248) 936-7700 _____ Telephone number (including area code)
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If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

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

Schedule SB (Form 5500) 2010
v.092308.1

Part II Beginning of year carryover and prefunding balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	0	0
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9 Amount remaining (Item 7 minus item 8)	0	0
10 Interest on item 9 using prior year's actual return of <u>(0.21)</u> %		
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		0
b Interest on (a) using prior year's effective rate of <u>8.14</u> %		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		0
12 Reduction in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	0	0

Part III Funding percentages

14 Funding target attainment percentage	14	85.57 %
15 Adjusted funding target attainment percentage	15	85.57 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	122.60 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
09/12/2011	370,000				
Totals ▶			18(b)	370,000	18(c) 0

19 Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contribution from prior years.	19a	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	332,441

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No
- b** If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No
- c** If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: 4.60 %	2nd segment: 6.65 %	3rd segment: 6.76 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 0
22 Weighted average retirement age				22 64
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	29	
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	31	100,000
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	707,979	118,322
b Waiver amortization installment		
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)	34	218,322
35 Balances used to offset funding requirement	Carryover balance	Prefunding balance
	0	0
36 Additional cash requirement (item 34 minus item 35)	36	218,322
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (item 19c)	37	332,441
38 Interest-adjusted excess contributions for current year (see instructions)	38	114,119
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	39	0
40 Unpaid minimum required contribution for all years	40	0

SCHEDULE SB ATTACHMENTS

Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	Arrow Fastener Company, Inc. C/O Masco Corporation
EIN/PN	22-1818358/001
Plan Name	Arrow Fastener Co., Inc. Employees' Pension Trust
Valuation Date	January 1, 2010
Enrolled Actuary	Melody J. Prangle
Enrollment Number	11-07387

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22
Description of Weighted Average Retirement Age
as of January 1, 2010

See Appendix A for retirement rates. The average retirement age for Line 22 was calculated by determining the average age at retirement for those current active participants expected to reach retirement, based on all current decrements assumed.

Plan Name: Arrow Fastener Co., Inc. Employees' Pension Trust
EIN / PN: 22-1818358 / 001
Plan Sponsor: Arrow Fastener Company, Inc. C/O Masco Corporation
Valuation Date: January 1, 2010

SCHEDULE SB ATTACHMENTS

Schedule SB Line 24 Changes in Actuarial Assumptions as of January 1, 2010

- The rates of retirement for active participants were changed. The assumed retirement age for terminated vested participants changed from 65 to 62.
- The amount included this year for plan-related expense increased from \$56,792 to \$100,000.
- The mortality was updated as prescribed.

Plan Name:	Arrow Fastener Co., Inc. Employees' Pension Trust
EIN / PN:	22-1818358 / 001
Plan Sponsor:	Arrow Fastener Company, Inc. C/O Masco Corporation
Valuation Date:	January 1, 2010

SCHEDULE SB ATTACHMENTS

Schedule SB 25 Changes in Method as of January 1, 2010

- The method used to select the discount rate was changed from the full yield curve as of the October prior to the valuation date to the three-segment rate for the month containing the valuation date (January). The change is being made as elected by the plan sponsor and is deemed automatically approved by the IRS.
- In accordance with 1.430(d)-1(g)(3)(ii)(A), automatic approval has been granted for the first plan year for which all the provisions of 1.430(d)-1, 1.430(f)-1, 1.430(g)-1, 1.430(i)-1, and 1.436-1 are reflected of any changes to funding methods permitted by the Pension Protection Act. 2010 is the first plan year for which all of these provisions were reflected, and thus all funding method changes are automatically approved.

Plan Name:	Arrow Fastener Co., Inc. Employees' Pension Trust
EIN / PN:	22-1818358 / 001
Plan Sponsor:	Arrow Fastener Company, Inc. C/O Masco Corporation
Valuation Date:	January 1, 2010

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26 Schedule of Active Participant Data as of January 1, 2010

Attained Age	Years of Credited Service															
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	0		0		0		0		0		0		0		0	
25 - 29	0		0		1		0		0		0		0		0	
30 - 34	0		1		3		0		0		0		0		0	
35 - 39	0		1		9		0		0		0		0		0	
40 - 44	0		2		5		0		0		0		0		0	
45 - 49	1		12		12		0		0		0		0		0	
50 - 54	0		3		9		0		0		0		0		0	
55 - 59	0		3		4		0		0		0		0		0	
60 - 64	0		3		10		0		0		0		0		0	
65 - 69	0		1		1		0		0		0		0		0	
70 & Over	1		0		1		0		0		0		0		0	

Plan Name: Arrow Fastener Co., Inc. Employees' Pension Trust
 EIN / PN: 22-1818358 / 001
 Plan Sponsor: Arrow Fastener Company, Inc. C/O Masco Corporation
 Valuation Date: January 1, 2010

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 32 Schedule of Amortization Bases as of January 1, 2010

Type of Base	Date Established	Initial Amount	Remaining Amortization Period (Years)	Outstanding Balance	Amortization Payment
1 Shortfall	01/01/2010	707,979	7	707,979	118,322
Total				707,979	118,322

Plan Name: Arrow Fastener Co., Inc. Employees' Pension Trust
EIN / PN: 22-1818358 / 001
Plan Sponsor: Arrow Fastener Company, Inc. C/O Masco Corporation
Valuation Date: January 1, 2010

Appendix A

Schedule SB, Part V – Statement of actuarial assumptions and methods

Plan Sponsor

Arrow Fastener Co., LLC C/O Masco Corporation

EIN/PN

22-1818358/001

Discount rates

Current plan year PPA effective interest rate: 6.51%

Prior plan year PPA effective interest rate: 8.14%

3-Segment Rates

Applicable month: January

Transition election: No

Assumed Rate of Return: 8.00%

Assumed cost of living adjustments

None

Inclusion date

The January 1 or July 1 coincident with or next following the date on which the employee completes 1,000 Hours of Service in the one-year period starting from date of hire or any plan year after.

Administrative expenses

The amount included this year for administrative expenses is \$100,000. Expenses include PBGC flat and variable rate premiums.

Plan Name:	Arrow Fastener Co., Inc. Employees' Pension Trust
EIN / PN:	22-1818358 / 001
Plan Sponsor:	Arrow Fastener Company, Inc. C/O Masco Corporation
Valuation Date:	January 1, 2010

Mortality

For all participants: The prescribed mortality assumption under IRC §430(h)(3)(A) using static tables with separate mortality rates for annuitants and non-annuitants.

Retirement

For purposes of determining the Funding Target and Target Normal Cost (both disregarding at-risk assumptions), the rates at which participants retire by age are shown below.

Age	Percentage retiring during the year
55	3.25
56	3.25
57	3.25
58	3.25
59	3.25
60	3.25
61	5.00
62	15.00
63	15.00
64	15.00
65	50.00
66	40.00
67	40.00
68	100.00

The weighted average retirement age is 63.97, determined by weighting each potential retirement age by the number of current active employees expected to retire at such age, as determined by the above retirement rates.

Participants with deferred benefits are assumed to retire at age 62.

Disability Rates (per 100 employees)

None.

Compensation Increases

No further increases are assumed after January 1, 2010 due to the plan freeze at that date.

Plan Name:	Arrow Fastener Co., Inc. Employees' Pension Trust
EIN / PN:	22-1818358 / 001
Plan Sponsor:	Arrow Fastener Company, Inc. C/O Masco Corporation
Valuation Date:	January 1, 2010

Future Increases in Social Security

Not applicable.

Future Increases in Maximum Benefits and Plan Compensation Limitations

Accrued benefits projected to be paid in future years are limited to the maximum presently allowed under IRC §415. Plan compensation is limited to the maximum presently allowed under IRC §401(a)(17). No provision is made for future increases in the maximum annual benefit or compensation limit.

Representative Termination Rates (per 100 employees) not Due to Disability, Retirement or Mortality

Attained Age	Percentage leaving during the year
20	5.44
25	5.29
30	5.07
35	4.70
40	3.50
45	1.80
50	0.41
55 & over	0.00

Form of Payment

Participants are assumed to elect the normal form of payment.

Marriage

80% of males and 70% of females are married. The male spouse is assumed 3 years older than the female spouse.

Employees

It was assumed there will be no new or rehired employees.

Plan Compensation

Compensation assumed paid in the year proceeding the valuation date is the total pay including bonus.

Plan Name:	Arrow Fastener Co., Inc. Employees' Pension Trust
EIN / PN:	22-1818358 / 001
Plan Sponsor:	Arrow Fastener Company, Inc. C/O Masco Corporation
Valuation Date:	January 1, 2010

Asset Method

Under this method, the valuation assets are equal to the average of three values (all determined without regard to receivable contributions), the result increased by the discounted present value of contributions expected to be made after the valuation date based on the prior plan year PPA effective interest rate. This amount is then subject to a 10% corridor around the market value of assets (including the discounted present value of receivable contributions) as of the valuation date. The three values used to develop the average value are: the market value of assets as of the current valuation date, the adjusted market value of assets as of the prior valuation date and the adjusted market value of assets as of the second prior valuation date. The adjusted market value as of a relevant valuation date is equal to the market value of assets as of the prior valuation date increased by actual plan contributions and assumed return on plan assets and decreased by actual plan disbursements after that date until the current valuation date. The assumed rate of return on plan assets for the prior plan year (pursuant to IRS Notice 2009-22) was 6.69%, which is the lesser of the anticipated rate of return on assets for the plan year, equal to 8.00%, and the applicable limitation for the plan year, equal to 6.69%. The assumed rate of return on plan assets for the second prior plan year (pursuant to IRS Notice 2009-22) was 6.38%, which is the lesser of the anticipated rate of return on assets for the plan year, equal to 8.00%, and the applicable limitation for the plan year, equal to 6.38%. The algebraically equivalent development of this method (pursuant to IRS Notice 2009-22) is shown in Section 2.4. Because expected investment returns under this method are limited under WRERA, over time it is more likely to produce an actuarial value that is expected to be less than the market value of assets.

Participant Data

Participant data was supplied electronically by Masco Corporation as of the valuation date.

Tax Policy

The actuarial valuation performed for the plan year ending December 31, 2010 is used to determine the maximum deductible contribution for the tax year ending December 31, 2010.

Benefits not Included in Valuation

None.

PBGC Premium Funding Target

For purposes of determining the PBGC Premium Funding Target in Section 2.2.D, the Alternative Premium Funding Target was determined using the assumptions described above.

Plan Name:	Arrow Fastener Co., Inc. Employees' Pension Trust
EIN / PN:	22-1818358 / 001
Plan Sponsor:	Arrow Fastener Company, Inc. C/O Masco Corporation
Valuation Date:	January 1, 2010

Nature of Actuarial Calculations

The results documented in this report are estimates based on data that may be imperfect and on assumptions about future events. Certain plan provisions may be approximated or deemed insignificant and therefore are not valued. Assumptions may be made about participant data or other factors. Reasonable efforts were made in this valuation to ensure that items that are significant in the context of the actuarial liabilities or costs are treated appropriately, and not excluded or included inappropriately.

A range of results, different from those presented in this report could be considered reasonable. The numbers are not rounded, but this is for convenience only and should not imply precision, which is not inherent in actuarial calculations. Certain percentages determined in this report, such as the Funding Target Attainment Percentage, are truncated to be consistent with the instructions for Schedule SB of the Form 5500.

The assumptions selected for this valuation other than those prescribed by law, generally reflect long-term average expectations. If overall future plan experience is less favorable than assumed, the relative level of plan costs or contribution requirements determined in this valuation will likely increase in future valuations. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for the measurements (such as the end of an amortization period); and changes in plan provisions or applicable law. It is beyond the scope of this actuarial valuation to analyze the potential range of future pension contributions, but we can do so upon request.

Plan Name:	Arrow Fastener Co., Inc. Employees' Pension Trust
EIN / PN:	22-1818358 / 001
Plan Sponsor:	Arrow Fastener Company, Inc. C/O Masco Corporation
Valuation Date:	January 1, 2010

Appendix B

Schedule SB, Part V – Summary of Principal Plan Provisions

Plan Sponsor

Masco Corporation

Plan

Arrow Fastener Co., LLC Employees' Pension Trust

Effective Date and Most Recent Amendment

The plan was originally effective October 1, 1981. The last amendment was effective January 1, 2010.

Plan Year

The twelve-month period ending December 31, 2010.

Coverage and Participation

Participation in the plan commences on the January 1 or July 1 on which the employee completes 1,000 Hours of Service in the one-year period starting from date of hire or any plan year after.

No participants will be able to enter than plan after January 1, 2010.

Credited Service

A participant earns one year of Credited Service for each Plan year in which at least 1,000 Hours of Service is completed. There is no credit for fractional years of service except for the short plan year (October 1, 2007 – December 31, 2007) where 0.25 years of Credited service was credited if at least 250 hours of service was completed.

Credited Service will be frozen as of the date of the plan freeze at January 1, 2010. No additional Credit Service will be accrued after this date.

Plan Name:	Arrow Fastener Co., Inc. Employees' Pension Trust
EIN / PN:	22-1818358 / 001
Plan Sponsor:	Arrow Fastener Company, Inc. C/O Masco Corporation
Valuation Date:	January 1, 2010

Vesting Service

An employee earns one year of Vesting Service for each calendar year of 1,000 or more Hours of Service. There is no credit for fractional years of service.

Vesting Service will continue to accrue after the plan freeze at January 1, 2010.

Final Average Compensation/Salary

This term refers to the Employee's total compensation for 3 consecutive calendar years during which the employee received the greatest amount of compensation divided by 3. Compensation is total pay received in a calendar year, including bonuses.

Final Average Compensation/Salary will be frozen as of January 1, 2010.

Normal Retirement Benefit

Normal Retirement Date: Age 65

Benefit Formula: The monthly benefit is equal to the following, payable one-twelfth monthly:

1. Accrued benefit as of September 30, 2004

Plus

2. 1.2% of Final Average Compensation times Years of Credited Service completed after September 30, 2004.

The normal retirement benefit is equal to the greater of the benefit amount calculated above and a minimum benefit of \$20 per month.

Normal Form of Benefit: Single life annuity payable monthly.

Late Retirement Benefit

Participants who remain in active service past Normal Retirement Date are entitled to benefit accrual through termination of service (or January 1, 2010, if earlier). Additionally, the benefit amount will be actuarially increased to reflect the shorter payment period.

Disability Benefit

Eligibility: A participant who becomes permanently disabled will become fully vested in their accrued benefit. The disability benefit will be paid out at normal retirement date.

Plan Name:	Arrow Fastener Co., Inc. Employees' Pension Trust
EIN / PN:	22-1818358 / 001
Plan Sponsor:	Arrow Fastener Company, Inc. C/O Masco Corporation
Valuation Date:	January 1, 2010

Vested Benefits Upon Termination of Service

Follows the following schedule:

Years of Service	Percent Vested
0-2	0
2	20
3	40
4	60
5	80
6	100

Termination Benefit: The accrued benefit is payable at age 65. The actuarial equivalent of the accrued benefit is payable prior to age 65.

Death Benefits for Participants in Active Service

Benefit: 50% Joint & Survivor annuity payable to spouse on the earliest date participant could have elected.

Optional Forms of Retirement Income in Lieu of Normal Form

Single life annuity. Life annuity with 120 monthly payments guaranteed. 50%, 75% or 100% Joint & Survivor Benefit. Lump sum payment for values under \$5,000.

Actuarial Equivalence

Conversion of annuity forms: 5.5% interest, UP-1984 mortality.

Changes in Plan Provisions since Last Actuarial Valuation

- The feature to pay the incidental reserve (limited to 75 times accrued benefit) has been removed from Preretirement Death Benefit.
- The pension plan was frozen effective January 1, 2010. No participants will be able to enter the plan after that date.

Plan Name:	Arrow Fastener Co., Inc. Employees' Pension Trust
EIN / PN:	22-1818358 / 001
Plan Sponsor:	Arrow Fastener Company, Inc. C/O Masco Corporation
Valuation Date:	January 1, 2010

ARROW FASTENER COMPANY, INC.
EMPLOYEES' PENSION TRUST

STATEMENTS OF NET ASSETS AVAILABLE
FOR BENEFITS

December 31, 2010 and 2009

ASSETS	<u>2010</u>	<u>2009</u>
Investments, at fair value:		
Mutual fund	\$ 4,762,960	\$ ---
Common collective trust fund	239,970	5,467,730
Employer contribution receivable	370,000	---
Interest receivable	<u>490</u>	<u>750</u>
Total assets	<u>5,373,420</u>	<u>5,468,480</u>
LIABILITIES		
Accrued expenses	<u>13,600</u>	<u>---</u>
Total liabilities	<u>13,600</u>	<u>---</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 5,359,820</u>	<u>\$ 5,468,480</u>

The accompanying notes are an integral part of the financial statements.

ARROW FASTENER COMPANY, INC.
EMPLOYEES' PENSION TRUST

STATEMENTS OF CHANGES IN NET ASSETS
AVAILABLE FOR BENEFITS

for the years ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Employer contributions	\$ 370,000	\$ ---
Net appreciation	22,960	---
Interest and dividend income	7,390	15,323
Decrease in cash surrender value, net of insurance premium	---	(5,621)
Administrative expenses	(123,170)	(84,291)
Benefit payments	<u>(385,840)</u>	<u>(281,925)</u>
Net decrease	(108,660)	(356,514)
Net assets available for benefits:		
Beginning of year	<u>5,468,480</u>	<u>5,824,994</u>
End of year	<u>\$ 5,359,820</u>	<u>\$ 5,468,480</u>

The accompanying notes are an integral part of the financial statements.

ARROW FASTENER COMPANY, INC.
EMPLOYEES' PENSION TRUST

STATEMENT OF ACCUMULATED PLAN BENEFITS

as of January 1, 2010

Actuarial present value of accumulated
plan benefits (Note F):

Vested benefits:

Participants currently receiving payments	\$2,968,840
Other participants	<u>2,836,920</u>

5,805,760

Non-vested benefits	<u>91,970</u>
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Total actuarial present value of accumulated plan benefits	<u>\$5,897,730</u>
---	--------------------

The accompanying notes are an integral part of the financial statements.

ARROW FASTENER COMPANY, INC.
EMPLOYEES' PENSION TRUST

STATEMENT OF CHANGES IN ACCUMULATED PLAN BENEFITS
for the period from January 1, 2009 to January 1, 2010

Actuarial present value of accumulated plan benefits at January 1, 2009	\$ 5,038,310
Increase (decrease) during 2009 due to (Note F):	
Benefits paid	(264,220)
Plan amendment	(63,460)
Actuarial loss	574,420
Increase in interest due to decrease in the discount period	407,950
Benefits accumulated	193,170
Change in assumptions	<u>11,560</u>
Total increase	<u>859,420</u>
Actuarial present value of accumulated plan benefits at January 1, 2010	<u>\$ 5,897,730</u>

The accompanying notes are an integral part of the financial statements.

ARROW FASTENER COMPANY, INC.
EMPLOYEES' PENSION TRUST

NOTES TO FINANCIAL STATEMENTS

A. Description of Plan:

The following description of the Arrow Fastener Company, Inc. ("Company") Employees' Pension Trust ("Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

1. *General.* The Plan is a defined benefit pension plan covering all part and full time nonunion employees having attained the age of 21 and one year of credited service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

2. *Pension Benefits.* Generally, employees with six or more years of service or who have attained normal retirement age (65) are fully vested in a pension benefit beginning at normal retirement date. This benefit is equal to the participant's years of credited service multiplied by the benefit level at termination. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity, lifetime annuity or period certain annuity. If employees terminate before becoming fully vested (vesting begins after two years of credited service in 20% increments for every year thereon), they forfeit their right to receive their nonvested accumulated plan benefits.

3. *Death and Disability Benefits.* If a vested participant dies before retirement, a pre-retirement survivor annuity is to be paid to the employee's beneficiary. This survivor annuity is payable on the earliest date on which the participant could have elected to receive retirement benefits if the participant had survived. Active employees who become totally and permanently disabled become fully vested for disability benefits that are equal to their normal retirement benefit accumulated as of the date they become disabled.

4. *Funding Policy.* The contributions of the Company are designed to fund an amount which falls between the minimum contribution requirements and the maximum deductible allowance, as determined annually under the provisions of the Internal Revenue Code. The yield on investments of the Plan serves to reduce future contributions that would otherwise be required to provide for the defined level of benefits under the Plan. The Company's contributions for 2010 and 2009 met or exceeded the minimum funding requirements of ERISA. No participant in the Plan is required to make a contribution under the Plan.

Effective January 1, 2010, future benefits accruals under the Plan were frozen. There will be no increases in benefits under the Plan and no new participants will be added to the Plan from and after January 1, 2010.

ARROW FASTENER COMPANY, INC.
EMPLOYEES' PENSION TRUST

NOTES TO FINANCIAL STATEMENTS, Continued

A. Description of Plan, concluded:

During 2009, all investments in life insurance contracts were terminated. The cash surrender value of the contracts was deposited into the Plan.

B. Summary of Significant Accounting Policies:

The following is a summary of significant accounting policies (in accordance with accounting principles generally accepted in the United States of America) followed in the preparation of these financial statements.

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of additions and deductions during the reporting period. Actual results could differ from these estimates and assumptions.

Risks and Uncertainties

The Plan's invested assets consist of a short-term cash investment fund and a corporate bond mutual fund. Investment securities are exposed to various risks, including interest rate, market and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

Plan contributions and the actuarial present value of accumulated plan benefits are prepared based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

ARROW FASTENER COMPANY, INC.
EMPLOYEES' PENSION TRUST

NOTES TO FINANCIAL STATEMENTS, Continued

B. Summary of Significant Accounting Policies, concluded:

Investment Valuation and Income Recognition

The investment in a mutual fund is presented at fair value as determined by the Plan trustee, The Northern Trust Company, at December 31, 2010. Money market funds are stated at net asset value at December 31, 2010 and 2009.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date. Realized gains and losses on investments are based on average cost.

The Plan presents in the statements of changes in net assets the net appreciation in the fair value of its investments which consists of the realized gains or losses and the unrealized appreciation of the investments.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Other

Certain administrative expenses incurred by the Plan are paid by the Plan. Other Plan expenses are paid by the sponsor.

Subsequent Event

The Company has evaluated subsequent events through October 7, 2011, the date the Arrow Fastener Company Employees' Pension Trust financial statements were issued.

New Accounting Pronouncements

In May 2011, the FASB issued *Accounting Standards Update 2011-04 Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards ("IFRS")*. This update is intended to improve the comparability of fair value measurements presented and disclosed in financial statements prepared in accordance with U.S. GAAP and IFRS. The update is effective for annual periods beginning after December 15, 2011. Plan management is in the process of evaluating the impact of the adoption of this update on the Plan's financial statements and does not anticipate any significant impact to the Plan.

ARROW FASTENER COMPANY, INC.
EMPLOYEES' PENSION TRUST

NOTES TO FINANCIAL STATEMENTS, Continued

C. Investments:

The following investments represent five percent or more of the Plan's net assets at December 31, 2010 and 2009.

	December 31, 2010	December 31, 2009
Northern Trust Common Collective Trust Fund, 239,970 shares and 5,467,730 shares, respectively	\$ 239,970	\$5,467,730
Loomis Sayles Intermediate Duration Bond Fund, 459,302 units and -- units, respectively	4,762,960	---

D. Fair Value Measurements:

On January 1, 2008, the Plan adopted accounting guidance regarding fair value for its financial assets and liabilities. Accounting guidance defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Accounting guidance defines fair value 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." Accounting guidance further defines a fair value hierarchy, as follows: Level 1 inputs as quoted prices in active markets for identical assets or liabilities; Level 2 inputs as observable inputs other than Level 1 prices, such as quoted market prices for similar assets or liabilities or other inputs that are observable or can be corroborated by market data; and Level 3 inputs as unobservable inputs that are supported by little or no market activity and that are financial instruments whose value is determined using pricing models or instruments for which the determination of fair value requires significant management judgment or estimation.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2010 and 2009.

Mutual Fund and Common Collective Trust Fund: Valued on a unit value basis, which approximates fair value as of December 31, 2010 and 2009, respectively. Such basis is determined by reference to the respective fund's underlying assets, which are primarily marketable equity and fixed income securities. There are no unfunded commitments or other restrictions associated with these funds.

**ARROW FASTENER COMPANY, INC.
EMPLOYEES' PENSION TRUST**

NOTES TO FINANCIAL STATEMENTS, Continued

D. Fair Value Measurements, concluded:

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.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2010 and 2009.

<u>Assets at Fair Value as of December 31, 2010</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual fund	\$ --	\$ 4,762,960	\$ --	\$ 4,762,960
Common collective trust fund	--	239,970	--	239,970
Total assets at fair Value	<u>\$ --</u>	<u>\$ 5,002,930</u>	<u>\$ --</u>	<u>\$ 5,002,930</u>
<u>Assets at Fair Value as of December 31, 2009*</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common collective trust fund	\$ --	\$ 5,467,730	\$ --	\$ 5,467,730
Total assets at fair value	<u>\$ --</u>	<u>\$ 5,467,730</u>	<u>\$ --</u>	<u>\$ 5,467,730</u>

* The Plan revised the 2009 fair value hierarchy table above due to an error in the level classification of the common collective trust fund investment. As a result, the common collective trust fund totaling \$5,467,730 was classified to Level 2, which was previously classified as a Level 1 investment.

E. Plan Termination:

Although there is no present intent to terminate the Plan, if the Plan were to terminate at some future time, the net assets of the Plan will be allocated to provide benefits for participants as prescribed by ERISA and its related regulations. To the extent unfunded vested benefits exist, such benefits will be paid by the Pension Benefit Guaranty Corporation, up to applicable limitations. Plan termination priorities are available from the Pension Benefit Guaranty Corporation.

ARROW FASTENER COMPANY, INC.
EMPLOYEES' PENSION TRUST

NOTES TO FINANCIAL STATEMENTS, Continued

F. Actuarial Present Value of Accumulated Plan Benefits:

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died and (c) present employees or their beneficiaries. Benefits under the Plan are based on employees' credited years of service. The accumulated benefits for active employees are based on their accumulated credited years of service ending on the date as of which the benefit information is presented. Benefits payable under all circumstances (retirement, death, disability and termination of employment) are included to the extent they are deemed attributable to employee service rendered to the valuation date. The actuarial present value of accumulated plan benefits is determined by an actuary from Watson Wyatt, and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, withdrawal or retirement) between the valuation date and the expected date of payment.

The significant actuarial assumptions used in the valuation as of January 1, 2010 were (a) life expectancy of participants (the prescribed mortality assumption using the prescribed mortality assumptions under the Internal Revenue Code static tables with separate rates for annuitants and non-annuitants was used), (b) retirement age assumptions (the average retirement age was 64.0), (c) investment return (the valuation included an assumed rate of return of 8.0 percent) and (d) withdrawal assumptions. The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

**ARROW FASTENER COMPANY, INC.
EMPLOYEES' PENSION TRUST**

NOTES TO FINANCIAL STATEMENTS, Concluded

G. Income Tax Status:

The Internal Revenue Service determined and informed the Company by letter dated June 20, 2011 that the Plan and the related trust are designed in accordance with applicable sections of the Internal Revenue Code ("Code"). The Plan has since been amended; however, the Plan Trustee believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not 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 that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax period in progress.

H. Related Parties:

Certain plan investments are investments managed by The Northern Trust Company as the Plan Trustee. Therefore, the purchases and sales qualify as party-in-interest transactions.

I. Summary of Financial Data Provided by the Trustee:

The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the following information was certified by the Trustees as complete and accurate and was not subjected to any auditing procedures performed by the independent auditors.

- a. Total investments as shown on the accompanying statements of net assets available for benefits of \$5,002,930 and \$5,467,730 as of December 31, 2010 and 2009, respectively.
- b. Total investment activity as shown in the accompanying statements of changes in net assets available for benefits of \$30,350 and \$15,323 for the years ended December 31, 2010 and 2009.
- c. Total investments as shown in the accompanying footnote C.
- d. Schedule of Assets held at the end of the year.

ARROW FASTENER COMPANY, INC. EMPLOYEES' PENSION TRUST
SCHEDULE H, LINE 41 - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2010

(a)	(b) Identity of Issuer, Borrower or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
		Cash and Money Market Account:		
	The Northern Trust Company	Loomis Sayles Intermediate Duration Bond Fund, 459,302 units	\$ 4,740,000	\$ 4,762,960
	The Northern Trust Company	Common Collective Trust Fund, 239,970 shares	<u>239,970</u>	<u>239,970</u>
			<u>\$ 4,979,970</u>	<u>\$ 5,002,930</u>

- * These investments are with a party-in-interest.
- * Information is certified as complete and accurate by Northern Trust.

Arrow Fastener Company, Inc. Employees' Pension Trust

SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS

for the year ended December 31, 2010

(a) Identity of Party Involved	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(e) Expenses incurred with transaction	(h) Current value of asset on transaction date	(i) Net gain or loss
<u>Reporting Criterion I:</u>	Any single transaction within the plan year that involves more than five percent of the current value of plan assets (Note A and B).					
The Northern Trust Company	Loomis Sayles Intermediate Duration Bond Fund, 459,302 units	\$ 4,740,000	\$ -	\$ -	\$ 4,740,000	\$ -

Reporting Criterion II:

Any series of transactions in other than securities within the plan year with or in conjunction with the same person that, when aggregated, involves more than five percent of the current value of the plan.

Not applicable.

Reporting Criterion III: Any series of transactions within the plan year with respect to securities of the same issue that, when aggregated, involves more than five percent of the current value of plan assets (Note C).

Not applicable.

Reporting Criterion IV:

Any transactions within the plan year with respect to securities with or in conjunction with the same person with whom any prior or subsequent single five percent security transactions within the plan year took place (Note D).

Not applicable.

Notes:

- (A) The reporting requirements of Criterion III also apply to these transactions.
- (B) The reporting requirements of Criterion IV also apply to these transactions.
- (C) Transactions already reported under Criterion I are not reported here.
- (D) Transactions already reported under Criterion I or III are not reported here.

* Information is certified as complete and accurate by Northern Trust.