

Form 5500-SF Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Short Form Annual Return/Report of Small Employee Benefit Plan This form is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA), and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500-SF.	OMB Nos. 1210-0110 1210-0089 <div style="border: 1px solid black; padding: 5px; text-align: center; font-weight: bold;">2013</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2013 or fiscal plan year beginning <u>10/01/2013</u> and ending <u>09/30/2014</u>	
A This return/report is for:	☒ a single-employer plan ☐ a multiple-employer plan (not multiemployer) ☐ a one-participant plan
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 Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ DFVC program ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information		
1a Name of plan <u>PREFERRED RUBBER COMPOUNDING CORP. UNION EMPLOYEES PENSION RETIREMENT PLAN</u>		1b Three-digit plan number (PN) ► <u>003</u>	
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>PREFERRED COMPOUNDING CORP. D.B.A. PREFERRED COMPOUNDING</u> <u>1020 LAMBERT STREET</u> <u>BARBERTON, OH 44203</u>		1c Effective date of plan <u>10/01/1970</u>	
		2b Employer Identification Number (EIN) <u>27-0013235</u>	
		2c Sponsor's telephone number <u>330-798-4937</u>	
		2d Business code (see instructions) <u>326200</u>	
3a Plan administrator's name and address ☐ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address <u>PREFERRED COMPOUNDING CORP.</u> <u>1020 LAMBERT STREET</u> <u>BARBERTON, OH 44203</u>		3b Administrator's EIN <u>27-0013235</u>	
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 5a Total number of participants at the beginning of the plan year b Total number of participants at the end of the plan year c Number of participants with account balances as of the end of the plan year (defined benefit plans do not complete this item)..... 6a Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.)..... ☒ Yes ☐ No b Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.)..... ☒ Yes ☐ No If you answered "No" to either line 6a or line 6b, the plan cannot use Form 5500-SF and must instead use Form 5500. c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☒ Yes ☐ No ☐ Not determined		4b EIN 4c PN 5a <u>73</u> 5b <u>73</u> 5c	

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, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, 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. Signature of plan administrator	<u>07/06/2015</u> Date	<u>DON MYHAN</u> 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
Preparer's name (including firm name, if applicable) and address; include room or suite number (optional)			Preparer's telephone number (optional)

Part III Financial Information			
7	Plan Assets and Liabilities		
		(a) Beginning of Year	(b) End of Year
a	Total plan assets	7a	1388934
b	Total plan liabilities	7b	0
c	Net plan assets (subtract line 7b from line 7a)	7c	1388934
8	Income, Expenses, and Transfers for this Plan Year		
		(a) Amount	(b) Total
a	Contributions received or receivable from:		
	(1) Employers	8a(1)	0
	(2) Participants	8a(2)	0
	(3) Others (including rollovers)	8a(3)	0
b	Other income (loss)	8b	113594
c	Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c	113594
d	Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d	61224
e	Certain deemed and/or corrective distributions (see instructions)	8e	0
f	Administrative service providers (salaries, fees, commissions)	8f	0
g	Other expenses	8g	2274
h	Total expenses (add lines 8d, 8e, 8f, and 8g)	8h	63498
i	Net income (loss) (subtract line 8h from line 8c)	8i	50096
j	Transfers to (from) the plan (see instructions)	8j	0

Part IV Plan Characteristics	
9a	If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions: 1B
b	If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

Part V Compliance Questions			
10	During the plan year:	Yes	No
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? (See instructions and DOL's Voluntary Fiduciary Correction Program)	10a	X
b	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)	10b	X
c	Was the plan covered by a fidelity bond?	10c	X
d	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	10d	X
e	Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service, or other organization that provides some or all of the benefits under the plan? (See instructions.)	10e	X
f	Has the plan failed to provide any benefit when due under the plan?	10f	X
g	Did the plan have any participant loans? (If "Yes," enter amount as of year end.)	10g	X
h	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	10h	
i	If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	10i	

Part VI Pension Funding Compliance	
11	Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500) and line 11a below)
	☒ Yes ☐ No
11a	Enter the unpaid minimum required contribution for current year from Schedule SB (Form 5500) line 39
	11a 0
12	Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? ..
	☐ Yes ☒ No
(If "Yes," complete line 12a or lines 12b, 12c, 12d, and 12e below, as applicable.)	
a	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 letter ruling granting the waiver. Month _____ Day _____ Year _____
If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.	
b	Enter the minimum required contribution for this plan year
	12b

c Enter the amount contributed by the employer to the plan for this plan year	12c	
d Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount).....	12d	
e Will the minimum funding amount reported on line 12d be met by the funding deadline?	☐ Yes ☐ No ☐ N/A	

Part VII Plan Terminations and Transfers of Assets

13a Has a resolution to terminate the plan been adopted in any plan year?	☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year	13a
b Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	☐ Yes ☒ No
c 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.)	
13c(1) Name of plan(s):	13c(2) EIN(s)
	13c(3) PN(s)

Part VIII Trust Information (optional)

14a Name of trust	14b Trust's EIN

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 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning 10/01/2013 and ending 09/30/2014

▶ **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>PREFERRED RUBBER COMPOUNDING CORP. UNION EMPLOYEES PENSION RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>PREFERRED COMPOUNDING CORP. D.B.A. PREFERRED COMPOUNDING</u>	D Employer Identification Number (EIN) <u>27-0013235</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>10</u> Day <u>01</u> Year <u>2013</u>	
2 Assets:	
a Market value	2a <u>1388934</u>
b Actuarial value	2b <u>1388934</u>
3 Funding target/participant count breakdown:	
a For retired participants and beneficiaries receiving payment.....	3a <u>22</u> <u>469806</u>
b For terminated vested participants.....	3b <u>31</u> <u>473871</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>0</u>
(2) Vested benefits	3c(2) <u>384772</u>
(3) Total active.....	3c(3) <u>20</u> <u>384772</u>
d Total.....	3d <u>73</u> <u>1328449</u>
4 If the plan is in at-risk status, check the box and complete lines (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 in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b
5 Effective interest rate	5 <u>6.31</u> %
6 Target normal cost	6 <u>7288</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		<u>06/26/2015</u>
	Signature of actuary	Date
<u>JAMES W. BUDAI, ASA, EA, MAAA</u>		<u>14-07634</u>
	Type or print name of actuary	Most recent enrollment number
<u>CBIZ RETIREMENT PLAN SERVICES</u>		<u>614-793-2577</u>
	Firm name	Telephone number (including area code)
<u>5450 FRANTZ ROAD</u> <u>SUITE 300</u> <u>DUBLIN, OH 43016</u>		
	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) 2013
v. 130118

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 (line 13 from prior year)	887	260
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	887	260
10 Interest on line 9 using prior year's actual return of <u>9.68</u> %	86	25
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		0
b Interest on (a) using prior year's effective interest rate of <u>7.03</u> % except as otherwise provided (see instructions)		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 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	973	285

Part III Funding Percentages		
14 Funding target attainment percentage	14	104.45 %
15 Adjusted funding target attainment percentage	15	104.55 %
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	102.21 %
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
Totals ►			18(b)	0	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 contributions from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year?	☐ Yes ☒ No	
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☐ Yes ☐ No	
c If line 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: 4.94%	2nd segment: 6.15%	3rd segment: 6.76 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 1
22 Weighted average retirement age				22 61
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 subject to 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 contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	7288	
b Excess assets, if applicable, but not greater than line 31a	31b	7288	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment.....	0	0	
b Waiver amortization installment	0	0	
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 (lines 31a - 31b + 32a + 32b - 33)...	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35).....	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

SCHEDULE SB ATTACHMENT

Line 26 - Schedule of Active Participant Data

Plan Name: Preferred Rubber Compounding Corp. Union Employees Pension Retirement Plan

EIN/PN: 27-0013235/003

Valuation Date: October 1, 2013

Counts and Compensation. Cells with under 20 participants will not show compensation.

Att. Age:	Years of Credited Service													Total
	Under 1	1	2	3	4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & Up	
Under 25	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25 to 29	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30 to 34	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35 to 39	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40 to 44	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45 to 49	-	-	-	-	-	-	-	-	2	-	-	-	-	2
50 to 54	-	-	-	-	-	-	-	-	3	-	-	2	-	5
55 to 59	-	-	-	-	-	-	-	-	1	1	2	7	-	11
60 to 64	-	-	-	-	-	-	-	1	-	-	1	-	-	2
65 to 69	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70 & Up	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	1	6	1	3	9	-	20

SCHEDULE SB ATTACHMENT

Part V - Actuarial Assumptions

Assumptions

Discount Rate Elections

IRS-Prescribed Three-Segment Rates, for the first month that precedes the valuation date (September).

For minimum required contribution purposes, these rates are adjusted by the applicable maximum and applicable minimum percentages of the 25-year average segment rates, as set forth in MAP-21.

	Minimum Required Contribution (adjusted by MAP-21)	Maximum Deductible Contribution (unadjusted by MAP-21)
▪ Segment I:	4.94%	1.37%
▪ Segment II:	6.15%	4.05%
▪ Segment III:	6.76%	5.06%

The Effective Interest Rate (EIR) is the single rate of interest which, if used to determine the funding target, would equal the funding target determined using the plan sponsor's above elected discount rates. The EIR is used to discount contributions for minimum funding requirements and to accumulate excess contributions to the end of the year.

For minimum required contribution purposes, the EIR for the 2013 Plan Year is 6.31%. For the prior plan year, this rate was 7.03%.

Mortality Elections

- | | |
|-------------------------|---|
| ▪ Healthy participants | 2013 IRS Prescribed (1.430(h)(3)-1) combined annuitant and non-annuitant mortality tables, for males and females. |
| ▪ Disabled participants | Same as healthy participants. |
-

ASC 960 Discount Rate

The ASC 960 discount rate is the Plan Sponsor's view of the long-term rate of return on assets based on the actual trust assets. The rate used for the plan year beginning October 1, 2013 is 8.75% and was chosen by the plan sponsor.

Other economic assumptions

- | | |
|--|---|
| ▪ Salary scale | N/A – The plan is frozen |
| ▪ Social Security
Taxable Wage Base | N/A – The plan is frozen |
| ▪ Inflation | N/A – The plan is frozen |
| ▪ Expenses | Expenses for the upcoming Plan Year are assumed to be equal to last year's actual administrative expenses. For the October 1, 2013 Plan Year, this amount is \$7,288. |
- Last year's actual administrative expenses are used to reflect the most recent trust experience.
-

SCHEDULE SB ATTACHMENT

Part V - Actuarial Assumptions

- | | |
|---|--|
| <ul style="list-style-type: none"> ▪ Expected Return on Assets | <p>N/A for funding purposes – A smoothing method is not used to calculate the Actuarial Value of Assets, therefore the Expected Return on Assets is not needed for funding calculations.</p> |
|---|--|

Demographic assumptions

- | | |
|--|----------------------|
| <ul style="list-style-type: none"> ▪ Withdrawal | <p>None assumed.</p> |
|--|----------------------|

All current active participants have met the service requirements for early retirement (10 Years of Service). As a result, and due to the small number of plan participants and the fact that the plan is frozen, active participants are assumed to remain active until early retirement eligibility age.

- | | |
|--|---|
| <ul style="list-style-type: none"> ▪ Disability | <p>Rates are based on age. Below is a sample table of the rates used:</p> |
|--|---|

Age	Males	Females
20	0.078%	0.078%
25	0.085%	0.085%
30	0.097%	0.097%
35	0.121%	0.121%
40	0.169%	0.169%
45	0.280%	0.280%
50	0.515%	0.515%
55	0.969%	0.969%
60	1.482%	1.482%

In lieu of credible plan experience since the plan has less than 100 participants, and because the plan is frozen, the rates were used without formal evaluation of actual experience.

- | | |
|--|---|
| <ul style="list-style-type: none"> ▪ Retirement | <p>Rates are based on age and are as follows:</p> |
|--|---|

Age	Rate
55	0.17
56-61	0.06
62-64	0.28
65	1.00

The retirement rates used for the valuation are representative of the average of the actual number of participants commencing benefits compared to the number of active participants eligible for early retirement at each eligible age.

- | | |
|--|--|
| <ul style="list-style-type: none"> ▪ Benefit Commencement Age | <ul style="list-style-type: none"> ▪ Future retirements – Based on retirement rates ▪ Current deferred vested – 65 ▪ Future deferred vested – N/A ▪ Future deaths – Age 65 ▪ Future disabilities – Age 65 |
|--|--|
-

SCHEDULE SB ATTACHMENT

Part V - Actuarial Assumptions

	These ages are assumed to coincide with the terms of the plan since there is not enough credible experience to assume otherwise.
▪ Marriage	80% of active males and 50% of active females are assumed to be married.
	This assumption is expected to reflect actual plan experience, but a formal analysis has not been conducted due to the lack of credible experience.
▪ Spousal Age Difference	Females are assumed to be 3 years younger than males.
	This assumption is expected to reflect actual plan experience, but a formal analysis has not been conducted due to the lack of credible experience.
▪ Form of Payment	The forms of payment are assumed to be the same as the normal form of payment defined in the plan since there is not enough credible experience to assume otherwise.

Assumptions used for Comparative Funded Statuses shown in Section II

▪ 2016 Assumptions	Assumes a 4.75% discount rate. All other assumptions used are the same as those described herein for the current plan year.
	The purpose of this is to show what the funded status would be if an EIR lower than current segment rates were used. This is shown for illustrative purposes only and not meant to indicate actual future rates.
▪ Settlement interest rates and mortality	Interest rates of 1.24% for the first five years, 4.42% for the next fifteen years, and 5.40% thereafter, and IRS Applicable Mortality Table for valuing lump sums for 2013. All other assumptions used are the same as those described herein for the current plan year.
	The purpose of this is to show what the funded status would be using current lump sum rates and mortality. This is shown to illustrate an estimate of the actual amount of assets that may be required to fully pay out the plan. However, this is for informational purposes only and actual plan termination costs are based on many different factors that are beyond the scope of this report.

Changes since prior valuation

- The interest rates were updated from 2012 to 2013 in accordance with PPA.
 - The mortality tables were updated from 2012 to 2013 in accordance with PPA.
 - The expense load was changed from \$27,522 to \$7,288.
 - The retirement rates were updated from 100% at age 63, to the retirement rates shown herein. This was updated to reflect a more accurate representation of plan experience.
-

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 2013 This Form is Open to Public Inspection
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► **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 Preferred Rubber Compounding Corp. Union Employees Pension Retirement Plan	B Three-digit plan number (PN) ►	003
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Preferred Compounding Corp.	D Employer Identification Number (EIN) 27-0013235	
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>10</u> Day <u>01</u> Year <u>2013</u>			
2 Assets:			
a Market value	2a	1388934	
b Actuarial value	2b	1388934	
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a For retired participants and beneficiaries receiving payment.....	3a	22	469806
b For terminated vested participants.....	3b	31	473871
c For active participants:			
(1) Non-vested benefits	3c(1)		0
(2) Vested benefits	3c(2)		384772
(3) Total active.....	3c(3)	20	384772
d Total.....	3d	73	1328449
4 If the plan is in at-risk status, check the box and complete lines (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 in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b		
5 Effective interest rate	5	6.31%	
6 Target normal cost.....	6	7288	

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	JAMES W. BUDAI, ASA, EA, MAAA <div style="text-align: center;"> Signature of actuary </div> JAMES W. BUDAI, ASA, EA, MAAA <div style="text-align: center;"> Type or print name of actuary CBIZ RETIREMENT PLAN SERVICES Firm name </div> 5450 FRANTZ ROAD SUITE 300 DUBLIN OH 43016 <div style="text-align: center;">Address of the firm</div>	<div style="font-size: 1.2em;">06/26/2015</div> <div style="font-size: 1.2em;">Date</div> <div style="font-size: 1.2em;">1407634</div> <div style="font-size: 1.2em;">Most recent enrollment number</div> <div style="font-size: 1.2em;">614-793-2577</div> <div style="font-size: 1.2em;">Telephone number (including area code)</div>
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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 ☐

Part II Beginning of Year Carryover Prefunding Balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	887	260
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	887	260
10	Interest on line 9 using prior year's actual return of <u>9.68%</u>	86	25
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		0
	b Interest on (a) using prior year's effective interest rate of <u>7.03%</u> except as otherwise provided (see instructions)		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	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	973	285

Part III Funding Percentages			
14	Funding target attainment percentage	14	104.45 %
15	Adjusted funding target attainment percentage	15	104.55 %
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	102.21 %
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
Totals ▶			18(b)	0	18(c)
				0	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 contributions from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

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: 4.94%	2nd segment: 6.15%	3rd segment: 6.76%
			☐ N/A, full yield curve used
b Applicable month (enter code)			21b 1
22 Weighted average retirement age			22 61
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 subject to 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 contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)		31a	7288
b Excess assets, if applicable, but not greater than line 31a		31b	7288
32 Amortization installments:		Outstanding Balance	Installment
a Net shortfall amortization installment		0	0
b Waiver amortization installment		0	0
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 (lines 31a - 31b + 32a + 32b - 33) ..		34	0
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0
36 Additional cash requirement (line 34 minus line 35)		36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)		37	0
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)		38a	0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances		38b	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)		39	0
40 Unpaid minimum required contributions for all years		40	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected		☐ 2 plus 7 years ☐ 15 years	
b Eligible plan year(s) for which the election in line 41a was made		☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011	
42 Amount of acceleration adjustment		42	
43 Excess installment acceleration amount to be carried over to future plan years		43	

SCHEDULE SB ATTACHMENT

Line 19 - Discounted Employer Contributions

Plan Name: Preferred Rubber Compounding Corp. Union Employees Pension Retirement Plan

EIN/PN: 27-0013235/003

Valuation Date: October 1, 2013

Total Contributed: \$ -

Total Discounted to Valuation Date: \$ -

Date	Amount	Plan Year	Effective Rate of Interest	Amount Discounted	Penalty Rate of Interest	Additional Amount Discounted	Present Value on Date of Valuation
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SCHEDULE SB ATTACHMENT
Line 22 - Description of Weighted Average Retirement Age

Plan Name: Preferred Rubber Compounding Corp. Union Employees Pension Retirement Plan

EIN/PN: 27-0013235/003

Valuation Date: October 1, 2013

The average retirement age for Line 22 was calculated by creating a hypothetical life table with retirement as the only decrement and then computing the average retirement age for the table, as shown in the following exhibit:

(A)	(B)	(C)	(D)	(E)
Retirement age	Retirement Percent	Lx	Number of employees expected to retire (B) x (C)	(A) x (D)
55	0.17	100	17.00	935.00
56	0.06	83	4.98	278.88
57	0.06	78	4.68	266.76
58	0.06	73	4.40	255.20
59	0.06	69	4.14	244.26
60	0.06	65	3.89	233.40
61	0.06	61	3.65	222.65
62	0.28	57	16.03	993.86
63	0.28	41	11.54	727.02
64	0.28	30	8.31	531.84
65	1.00	21	21.38	1,389.70
Total			100.00	6,078.57
Average				60.79

SCHEDULE SB ATTACHMENT

Part V – Plan Provisions

Summary of Plan Provisions

Following is a summary of major plan provisions used to determine the valuation results. It should not be used in determining plan benefits.

Plan Effective Date	January 1, 1970. The plan was last restated effective October 1, 2011.
Status of the Plan	The plan is currently frozen to new entrants and no further benefit accruals are granted.
Eligibility Requirements	Eligible Employees are hourly paid Employees of the Employer and are employed in the bargaining unit represented by the Union. The Plan was frozen to new Participants as of January 1, 1995. No Eligible Employees will become eligible to participate in the Plan after January 1, 1995.
Vesting	100% vesting upon earning 5 Years of Vesting Service.
Accrued Benefit Formula	<p>The monthly normal retirement benefit is equal to the participant's monthly accrued benefit as of December 31, 1994, which is \$18.50 multiplied by years of service up to December 31, 1994.</p> <p>Accrued benefits were frozen as of December, 31, 1994.</p>
Credited Service	A twelve month period of time, beginning on the date that the participant commenced participation in the Plan, during which the participant was employed by the Company. No additional service will be credited after December 31, 1994 for benefit purposes.
Vesting Service	A twelve month period of time, beginning on the date that the participant commenced participation in the Plan, during which the participant was employed by the Company.
Normal Retirement Age	Upon attainment of age 65.
Early Retirement	<p><u>Eligibility:</u> Upon attainment of age 55 and completion of 10 Years of Service.</p> <p><u>Benefit:</u> The accrued benefit is reduced 4/10 of 1% for each month preceding Normal Retirement Date.</p>
Disability Retirement	<p><u>Eligibility:</u> Upon earning 10 Years of Service, and becoming disabled as determined by a physician.</p>

SCHEDULE SB ATTACHMENT

Part V – Plan Provisions

	<u>Benefit:</u> (1) Until the participant is eligible for SSDI, the greater of \$410 or \$20.50 multiplied by years of service up to 12/31/1994; (2) after the participant is eligible for SSDI, a monthly amount equal to the participant's accrued benefit.
Pre-Retirement Death	<u>Eligibility:</u> Upon earning 5 Years of Service. <u>Benefit:</u> The spouse is eligible for 50% of the benefit that would have been payable, if the Participant had live to Early Retirement Eligibility and elected a 50% Qualified Joint and Survivor Annuity. The benefit is payable upon the Participant's Early Retirement Eligibility date.
Normal Form of Payment	Unless otherwise elected, the benefit payable a participant who has been married at least one year is an actuarially equivalent 50% Joint and Survivor benefit. For unmarried participants, the Normal Form is a straight-life annuity with 5 Years Certain and Continuous.
Optional Forms	Benefits may be elected from: <ul style="list-style-type: none">• 50%, 75% and 100% Joint and Survivor• 5, 10, 15 and 20 Year Certain and Continuous Straight Life Annuity
Actuarial Equivalence	Optional annuity forms of benefit are calculated using the 1971 TPF&C Forecast Mortality and an interest rate of 7%.
Changes in Plan Provisions since the prior valuation	None.

SCHEDULE SB ATTACHMENT

Line 24 - Change in Non-Prescribed Actuarial Assumptions

**Plan Name: Preferred Rubber Compounding Corp. Union
Employees Pension Retirement Plan**

EIN/PN: 27-0013235/003

Valuation Date: October 1, 2013

The retirement rates were updated from 100% at age 63, to 17% at age 55, 6% from ages 56 to 61, 28% from 62 to 64, and 100% at age 65. These rates were updated to reflect a more accurate representation of plan experience.