

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), 6057(b), 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 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2014</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); 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>REXROTH PNEUMATICS 401(K) RETIREMENT PLAN</u>		1b Three-digit plan number (PN) ▶ <u>001</u> 1c Effective date of plan <u>01/01/2014</u>
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)	<u>REXROTH PNEUMATICS CORPORATION</u>		2b Employer Identification Number (EIN) <u>46-1763108</u> 2c Plan Sponsor's telephone number <u>859-281-3424</u> 2d Business code (see instructions) <u>423100</u>
<u>1953 MERCER ROAD</u> <u>LEXINGTON, KY 40511</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.	10/15/2015	VALENDIA TAYLOR
	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
Preparer's name (including firm name, if applicable) and address (include room or suite number) (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN
	3c Administrator's telephone number
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	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 109
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).	
a(1) Total number of active participants at the beginning of the plan year	6a(1) 109
a(2) Total number of active participants at the end of the plan year	6a(2) 112
b Retired or separated participants receiving benefits	6b 0
c Other retired or separated participants entitled to future benefits.....	6c 11
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 123
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 0
f Total. Add lines 6d and 6e	6f 123
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g 120
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h 6
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 2T 3D 2S	
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics 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
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)

Part III**Form M-1 Compliance Information (to be completed by welfare benefit plans)**

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2014 Form M-1 annual report. If the plan was not required to file the 2014 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

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
		2014
		This Form is Open to Public Inspection.

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan REXROTH PNEUMATICS 401(K) RETIREMENT PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 REXROTH PNEUMATICS CORPORATION	D Employer Identification Number (EIN) 46-1763108

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 THE VANGUARD GROUP, INC. 23-1945930

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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)

THE VANGUARD GROUP, INC.

23-1945930

(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?
15 52 64 68 99 37 50	NONE	6339	Yes ☒ No ☐	Yes ☒ No ☐	0	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 ☐

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)

(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

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

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:

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

Explanation:

SCHEDULE H (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>	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.	<small>OMB No. 1210-0110</small> 2014 This Form is Open to Public Inspection
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>		
A Name of plan <u>REXROTH PNEUMATICS 401(K) RETIREMENT PLAN</u>		B Three-digit plan number (PN) ► <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>REXROTH PNEUMATICS CORPORATION</u>		D Employer Identification Number (EIN) <u>46-1763108</u>

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)		
(2) Participant contributions.....	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		494975
(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)		60656
(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)		6313723
(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	0	6869354

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	0	6869354
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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) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	976911	
(B) Participants	2a(1)(B)	810090	
(C) Others (including rollovers)	2a(1)(C)	4878783	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		6665784
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	2	
(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)	1200	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		1202
(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)	111018	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		111018
(3) Rents	2b(3)		
(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
(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

		(a) Amount	(b) Total
(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)		135629
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		6913633

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	37940	
(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)		37940
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)		
(2) Contract administrator fees.....	2i(2)	6339	
(3) Investment advisory and management fees.....	2i(3)		
(4) Other.....	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		6339
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		44279

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		6869354
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		

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: BLUE & CO. LLC

(2) EIN: 35-1178661

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 lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

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.).....

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.).....

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
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		2100000
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.)	X		
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.	X		

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)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☐ Yes ☐ No ☐ Not determined

Part V Trust Information (optional)

6a Name of trust	6b Trust's EIN

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>		<div>Retirement Plan Information</div> <div>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).</div> <div>▶ File as an attachment to Form 5500.</div>		<div>OMB No. 1210-0110</div> <div>2014</div> <div>This Form is Open to Public Inspection.</div>	
For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014					
A Name of plan REXROTH PNEUMATICS 401(K) RETIREMENT PLAN				B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 REXROTH PNEUMATICS CORPORATION				D Employer Identification Number (EIN) 46-1763108	
Part I Distributions					
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	0
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): 45-0404698					
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	
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)					
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 (include any prior year accumulated funding deficiency not waived).....				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 or other authority 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					
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. If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☐ No					
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.					
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) 2014 v. 140124					

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 lines 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 lines 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 lines 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 lines 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 lines 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 lines 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 line 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 lines (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 line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

REXROTH PNEUMATICS 401(K) RETIREMENT PLAN

FINANCIAL STATEMENTS

AND

SUPPLEMENTAL SCHEDULE

DECEMBER 31, 2014

REXROTH PNEUMATICS 401(K) RETIREMENT PLAN

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 * Other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.	



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REPORT OF INDEPENDENT AUDITORS

To the Plan Administrator
Rexroth Pneumatics 401(k)
Retirement Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Rexroth Pneumatics 401(k) Retirement Plan (the Plan), which comprise the statement of net assets available for benefits as of December 31, 2014, and the related statement of changes in net assets available for benefits from for the period from March 1, 2014 (date of inception) through December 31, 2014, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

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 3, which was certified by Ascensus Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. 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 and for the period March 1, 2014 through December 31, 2014, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental Schedule H, Line 4i – Schedule of Assets (Held at End of Year), and Schedule H, Line 4A – Schedule of Delinquent Participant Contributions are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on the supplemental schedules referred to above.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and the supplemental schedule, 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.

Blue & Co., LLC

Lexington, Kentucky
October 15, 2015

REXROTH PNEUMATICS 401(K) RETIREMENT PLAN

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS DECEMBER 31, 2014

Assets

Investments, at fair value	\$ 6,808,703
Notes receivable from participants	<u>60,651</u>
Total assets	<u>6,869,354</u>

Liabilities

Excess contributions payable	<u>4,948</u>
Net assets available for benefits	<u><u>\$ 6,864,406</u></u>

See accompanying notes to the financial statements.

REXROTH PNEUMATICS 401(K) RETIREMENT PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS PERIOD FROM MARCH 1, 2014 (DATE OF INCEPTION) THROUGH DECEMBER 31, 2014

Additions to net assets attributed to

Interest income:

Net appreciation in fair value of investments	\$ 135,271
Dividend and interest income	<u>111,020</u>
Total investment income	246,291

Interest income on notes receivable from participants	1,040
---	-------

Contributions:

Participant	805,142
Employer	977,748
Rollover	<u>4,878,783</u>

Total contributions	<u>6,661,673</u>
---------------------	------------------

Total additions	<u>6,909,004</u>
-----------------	------------------

Deductions from net assets attributed to

Benefits paid to participants	38,320
Administrative fees	<u>6,278</u>
Total deductions	<u>44,598</u>

Net change	6,864,406
------------	-----------

Net assets available for plan benefits, beginning of year

-0-

Net assets available for plan benefits, end of year

\$ 6,864,406

See accompanying notes to the financial statements.

REXROTH PNEUMATICS 401(K) RETIREMENT PLAN

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2014

1. DESCRIPTION OF PLAN

The following description of the Rexroth Pneumatics 401(k) Retirement Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General:

The Plan is a defined contribution plan covering all salaried employees of the Aventics Corporation (the Company). The Plan's entry date for salaried employees is the first day of the first month after the eligible employees' date of hire. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Ascensus Trust Company (Ascensus) is the trustee of the Plan and, as such, has custody of all of the Plan's assets, executes transactions therein, receives contributions from the Company, and disburses funds according to the trust agreement.

Eligibility:

Full-time employees may join the Plan on the first day of the month following their date of hire. Part-time employees must complete one year of service to become eligible.

Contributions:

The Plan is funded by both pre-tax and after-tax salary deductions and employer matching and profit sharing contributions. Newly eligible employees will be automatically enrolled in the Plan and will begin making pre-tax deferrals of 5% of their compensation. Participants may elect to defer up to 85% of their compensation up to Internal Revenue Code annual limits. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified employee benefit plans.

REXROTH PNEUMATICS 401(K) RETIREMENT PLAN

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2014

The plan sponsor makes discretionary matching contributions for all participants at a rate that is determined each year. In 2014, the employer matched up to 75% of the first 9% of eligible compensation contributed by the participant. Profit sharing contributions are determined by the participant's age and percent of the participant's compensation as shown in the table below:

Age of participant as of December 31	Allocation rate
Under 30	2.5%
30 to 34	3.0%
35 to 39	3.5%
40 to 44	4.0%
45 to 49	4.5%
50 to 54	5.0%
55 to 59	5.5%
60 to 64	6.0%
65 and older	6.5%

Investment Options:

Participants may, upon enrollment in the Plan, elect to invest their contributions and the employer contributions in various investment options currently offered by the Plan. The Plan currently offers twenty eight core investment funds inclusive of mutual funds. Periodic transfers among funds of certain accumulated account balances and directions of future employee deferral and employer contributions are permitted.

Participant Accounts:

Each participant's account is credited with the participant's contributions and allocations of (a) the employer's contribution, and (b) Plan earnings (losses), and charged with the participant's withdrawals and an allocation of administrative expenses. Allocations of the employer's contributions are based upon participant earnings or account balances, as defined in the Plan's provisions. Allocations of Plan earnings are based on the specific investment performance of each participant's investment account. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

REXROTH PNEUMATICS 401(K) RETIREMENT PLAN

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2014

Vesting:

Participants are immediately 100% vested in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts plus actual earnings thereon is based on years of continuous service as outlined in the following table:

<u>Years of service</u>	<u>Percent of non-forfeitable interest</u>
Less than 2 years	0%
3 years or more	100%

Notes Receivable from Participants:

Participants may borrow from their accounts up to the lesser of one-half (50%) of their vested account balance, or \$50,000 (subject to certain limitations as defined in the Plan document). The minimum loan is \$1,000. Participants may only have one outstanding loan at any time. Loan transactions are treated as a transfer to (from) the investment fund from (to) the Participant Loan Fund. Loan terms generally range from one to five years. The loans are secured by the balance in the participant's account and bear interest at 4.25%. Principal and interest is paid ratably through payroll deductions.

Payment of Benefits:

Upon termination of service due to death, disability, retirement, or termination of employment, or attainment of age 59 ½, a participant or participant's beneficiary (in the event of a participant's death) may elect to receive the entire value of his or her account in a lump sum payment, annual or installments, or a rollover into an Individual Retirement Account (IRA) or the participant's new employer's qualified plan if it accepts rollovers.

In the event of financial hardship, the employer may allow a participant to withdraw from his or her account. The amount may not exceed the amount contributed by the participant, or the participant contribution account, if less. Employee deferral contributions to the Plan, and any other employer-sponsored matching contributions, are suspended for six months after a participant receives a hardship withdrawal.

REXROTH PNEUMATICS 401(K) RETIREMENT PLAN

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2014

Forfeitures:

Forfeited balances of terminated participants' nonvested accounts are used to reduce future Company contributions. At December 31, 2014, there were no forfeited nonvested accounts and no forfeitures used to reduce employer matching contributions for the year ended December 31, 2014.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Plan is presented to assist in the understanding of the Plan's financial statements. The financial statements and notes are representations of the Plan's management who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the accompanying financial statements.

Basis of Accounting:

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

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Accordingly, actual results may differ from those estimates.

Investment Valuation and Income Recognition:

Investments are reported at fair value. Fair value is 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. See Note 5 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

REXROTH PNEUMATICS 401(K) RETIREMENT PLAN

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2014

Notes Receivable from Participants:

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2014. Delinquent participant loans are reclassified as distributions based on the terms of the Plan document.

Excess Contributions Payable:

Excess contributions payable represent contributions in excess of amounts allowed by the Internal Revenue Service and are returned to the participant in the subsequent fiscal year.

Payment of Benefits:

Benefits are recorded when paid.

Administrative Expenses:

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Additionally, the Plan is not charged for accounting and administrative services performed on its behalf by the Company. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included as a reduction of the return earned on each fund.

Subsequent Events:

The Plan has evaluated subsequent events through the date the financial statements were available to be issued, which is October 15, 2015.

REXROTH PNEUMATICS 401(K) RETIREMENT PLAN

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2014

3. INFORMATION CERTIFIED BY THE PLAN'S TRUSTEE

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Ascensus Trust Company, the trustee of the Plan, has certified to the completeness and accuracy of all investments reflected on the accompanying statements of net assets available for benefits as of December 31, 2014 and the supplemental Schedule H, line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2014 and the related investment activity reflected in the statement of changes in net assets available for benefits for the period from March 1, 2014 (Plan inception) through December 31, 2014.

4. INVESTMENTS

The following presents investments that represent 5% or more of the Plan's net assets available for benefits at December 31, 2014:

Vanguard Target Retirement 2025	\$ 1,648,948
Vanguard Target Retirement 2020	961,499
Vanguard Target Retirement 2035	534,184
Vanguard Prime Money Market	494,613
Vanguard Target Retirement 2015	426,282
Vanguard Small Cap Index Admiral	424,754
Vanguard Small-Cap Growth Index Admiral	355,590

During the year ended December 31, 2014, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) increased in value by \$135,271.

5. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described below:

REXROTH PNEUMATICS 401(K) RETIREMENT PLAN

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2014

- | | |
|---------|--|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access. |
| Level 2 | Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability. |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement. |

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

There were no transfers between hierarchy levels during 2014. The Plan's policy is to recognize transfers, if any, between levels as of the actual date of the event or change in circumstances.

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, 2014.

<i>Mutual funds:</i>	Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.
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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.

REXROTH PNEUMATICS 401(K) RETIREMENT PLAN

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2014

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2014:

	<u>Fair Value</u>	<u>Level 1</u>
Mutual funds		
Target funds	\$ 4,191,476	\$ 4,191,476
Index funds	723,058	723,058
Money market funds	494,975	494,975
Growth funds	491,354	491,354
Value funds	453,548	453,548
Balanced funds	212,023	212,023
International funds	178,800	178,800
Fixed income funds	<u>63,469</u>	<u>63,469</u>
Total investments, at fair value	<u>\$ 6,808,703</u>	<u>\$ 6,808,703</u>

6. EXEMPT PARTY-IN-INTEREST TRANSACTIONS

Notes receivable from participants qualify as exempt party-in-interest transactions. Ascensus Trust Company serves as trustee for the Plan and, therefore, transactions with Ascensus Trust Company qualify as party-in-interest transactions. The Vanguard Group, Inc., through Vanguard Retirement Plan Services, provides recordkeeping services to the plan. Avondale Partners provides advisory consulting services for the Plan. Blue & Co., LLC serves as the auditor for the Plan. Certain operating expenses of the Plan are paid by the Plan sponsor including fees for the Plan's advisory services and audit fees.

7. NONEXEMPT PARTY-IN-INTEREST TRANSACTIONS

During 2014, the Company failed to remit contributions totaling \$6,993 in a timely manner, as defined by ERISA. The delay in remitting the contributions to the trustee was due to an administrative error, and in 2015 the plan sponsor agreed to credit participant accounts with the amount of investment income that would have been earned had the participant contributions been remitted on a timely basis.

REXROTH PNEUMATICS 401(K) RETIREMENT PLAN

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2014

8. TAX STATUS

The Plan is designed as a volume submitter profit sharing plan using the Ascensus Inc. Prototype 401(k) and Profit Sharing Plan. Although the Plan has not obtained a favorable determination letter from the Internal Revenue Service (IRS), the prototype plan has received a favorable opinion letter dated March 31, 2014 from the IRS. The Plan has been amended since receiving the opinion letter. The Plan administrator believes the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code and, therefore, no provision for income taxes has been made in the Plan's financial statements as of December 31, 2014.

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, 2014, 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 periods in progress.

9. PLAN TERMINATION

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

10. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

REXROTH PNEUMATICS 401(K) RETIREMENT PLAN

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2014

11. RECONCILIATION TO FORM 5500

The following is a reconciliation of contributions received from participants, per the financial statements to Schedule H of form 5500 for the year ended December 31, 2014:

Contributions received from participants, per financial statements	\$ 805,142
Excess contributions payable	<u>4,948</u>
Contributions received from participants, per form 5500	<u><u>\$ 810,090</u></u>

The following is a reconciliation of net assets available for benefits, per the financial statements to the form 5500 as of December 31, 2014:

Net assets available for benefits as reported, per the financial statements	\$ 6,864,406
Excess contributions payable	<u>4,948</u>
Net assets available for benefits, per Form 5500	<u><u>\$ 6,869,354</u></u>

SUPPLEMENTAL SCHEDULES

REXROTH PNEUMATICS 401(K) RETIREMENT PLAN

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR) DECEMBER 31, 2014

(a)	(b)	(c)	(d)	(e)
Identity of issuer, borrower, lessor, or similar party	Description of Investment including maturity date, rate of interest, collateral, par,	Cost	Current Value	
Vanguard Prime Money Market	Mutual fund	**	494,613	
Vanguard 500 Index Admiral	Mutual fund	**	157,313	
Vanguard Windsor II Admiral	Mutual fund	**	78,334	
Vanguard Value Index Admiral	Mutual fund	**	86,107	
Vanguard Growth Index Admiral	Mutual fund	**	135,764	
Vanguard Mid Cap Index Admiral	Mutual fund	**	289,107	
Vanguard Small Cap Index Admiral	Mutual fund	**	424,754	
Vanguard Wellesley Income Admiral	Mutual fund	**	13,661	
Vanguard Target Retirement 2010	Mutual fund	**	9,226	
Vanguard Target Retirement 2015	Mutual fund	**	426,282	
Vanguard Target Retirement 2020	Mutual fund	**	961,499	
Vanguard Target Retirement 2025	Mutual fund	**	1,648,948	
Vanguard Target Retirement 2030	Mutual fund	**	286,989	
Vanguard Target Retirement 2035	Mutual fund	**	534,184	
Vanguard Target Retirement 2040	Mutual fund	**	141,947	
Vanguard Target Retirement 2045	Mutual fund	**	45,282	
Vanguard Target Retirement 2050	Mutual fund	**	78,144	
Vanguard Target Retirement 2055	Mutual fund	**	32,398	
Vanguard Target Retirement 2060	Mutual fund	**	26,577	
Vanguard Balanced Index Fund Admiral	Mutual fund	**	76,840	
Vanguard Total Bond Market Index Admiral	Mutual fund	**	44,043	
Vanguard Target Retirement Income	Mutual fund	**	121,522	
Vanguard Short-Term Bond Index Admiral	Mutual fund	**	19,426	
Vanguard Total Intl Bond Index Admiral	Mutual fund	**	836	
Vanguard Emerging Market Stock Index Admiral	Mutual fund	**	131,329	
Vanguard Small-Cap Growth Index Admiral	Mutual fund	**	355,590	
Vanguard Total Intl Stock Index Admiral	Mutual fund	**	46,635	
Vanguard Total Stock Mkt Index Admiral	Mutual fund	**	140,991	
* Ascensus Trust Company	Contributions Account	362	362	
* Loans to participants (1-5 years)	Interest rates are 4.25%	-0-	60,651	
			<u>\$6,869,354</u>	

*A party-in-interest as defined by ERISA.

** Cost omitted for participant directed investments

Employer Identification Number (EIN): 46-1763108

Plan number: 001

REXROTH PNEUMATICS 401(K) RETIREMENT PLAN

SCHEDULE H, LINE 4a - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS DECEMBER 31, 2014

Participant contributions transferred late to the Plan	Total that constitutes nonexempt prohibited transactions			
Check here if late participant loan repayments are included:	Contributions not corrected	Contributions corrected outside VFCP	Contributions pending correction in VFCP	Total fully corrected under VFCP and PTE 2002-51
Participant contributions and loan repayments by payroll date:				
September 23, 2014	\$ -0-	\$ 1,079	\$ -0-	\$ -0-
October 10, 2014	-0-	1,079	-0-	-0-
October 24, 2014	-0-	1,913	-0-	-0-
November 7, 2014	-0-	2,922	-0-	-0-
		<u>\$ 6,993</u>		

Plan Sponsor Employer Identification Number (EIN): 46-1763108
Plan number: 001

Attachment to 2014 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name REXROTH PNEUMATICS 401(K) RETIREMENT PLAN

EIN: 46-1763108

Plan Sponsor's Name REXROTH PNEUMATICS CORPORATION

PN: 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	Vanguard	Vanguard Target Retirement 2060 Inv	0	26,577
	Vanguard	Vanguard Target Retirement 2055 Inv	0	32,398
	Vanguard	Vanguard Target Retirement 2050 Inv	0	78,144
	Vanguard	Vanguard Target Retirement 2045 Inv	0	45,281
	Vanguard	Vanguard Target Retirement 2040 Inv	0	141,947
	Vanguard	Vanguard Target Retirement 2035 Inv	0	534,184
	Vanguard	Vanguard Target Retirement 2030 Inv	0	286,988

Attachment to 2014 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name REXROTH PNEUMATICS 401(K) RETIREMENT PLAN

EIN: 46-1763108

Plan Sponsor's Name REXROTH PNEUMATICS CORPORATION

PN: 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	Vanguard	Vanguard Target Retirement 2025 Inv	0	1,648,948
	Vanguard	Vanguard Target Retirement 2020 Inv	0	961,499
	Vanguard	Vanguard Target Retirement 2015 Inv	0	426,282
	Vanguard	Vanguard Target Retirement 2010 Inv	0	9,226
	Vanguard	Vanguard Target Retirement Income Inv	0	121,521
	Vanguard	Vanguard Prime Money Market Inv	0	494,613
	Vanguard	Vanguard Wellesley Income Admiral	0	13,661

Attachment to 2014 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name REXROTH PNEUMATICS 401(K) RETIREMENT PLAN

EIN: 46-1763108

Plan Sponsor's Name REXROTH PNEUMATICS CORPORATION

PN: 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	Vanguard	Vanguard Balanced Index Fund Admiral	0	76,840
	Vanguard	Vanguard Total Bond Market Index Adm	0	44,043
	Vanguard	Vanguard Short-Term Bond Index Admiral	0	19,425
	Vanguard	Vanguard Total Intl Bond Index Admiral	0	835
	Vanguard	Vanguard Value Index Admiral	0	86,107
	Vanguard	Vanguard Windsor II Admiral	0	78,334
	Vanguard	Vanguard 500 Index Admiral	0	157,313

Attachment to 2014 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name REXROTH PNEUMATICS 401(K) RETIREMENT PLAN

EIN: 46-1763108

Plan Sponsor's Name REXROTH PNEUMATICS CORPORATION

PN: 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	Vanguard	Vanguard Total Stock Mkt Index Admiral	0	140,991
	Vanguard	Vanguard Growth Index Admiral	0	135,764
	Vanguard	Vanguard Mid Cap Index Admiral	0	289,107
	Vanguard	Vanguard Small-Cap Growth Index Admiral	0	355,590
	Vanguard	Vanguard Small Cap Index Admiral	0	424,754
	Vanguard	Vanguard Emerging Mkt Stk Index Admiral	0	131,329
	Vanguard	Vanguard Total Intl Stock Index Admiral	0	46,635

Plan Name	REXROTH PNEUMATICS 401(K) RETIREMENT PLAN	EIN:	46-1763108
Plan Sponsor's Name	REXROTH PNEUMATICS CORPORATION	PN:	001

[illegible]