

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). ▶ Complete all entries in accordance with the instructions to the Form 5500.	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
---	--	--

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>HOURLY EMPLOYEES PENSION PLAN OF KAYDON CORPORATION</u>		1b Three-digit plan number (PN) ▶ <u>003</u> 1c Effective date of plan <u>01/01/1984</u>
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)	<u>KAYDON CORPORATION</u> <u>2723 S STATE STREET SUITE 300</u> <u>ANN ARBOR, MI 48104</u>		2b Employer Identification Number (EIN) <u>13-3186040</u> 2c Plan Sponsor's telephone number <u>734-680-2000</u> 2d Business code (see instructions) <u>332110</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.	10/28/2015	RAYMOND L. EAMES, DIR EE BENEFITS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/27/2015	BRIAN J. DUFFY, TREASURER
	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 SKF USA INC. 890 FORTY FOOT ROAD LANSDALE, PA 19446-0352	3b Administrator's EIN 23-1043740 3c Administrator's telephone number 267-436-6875
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	5 387
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 a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits..... d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6a(1) 50 6a(2) 50 6b 219 6c 59 6d 328 6e 49 6f 377 6g 6h 0
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: 1B 3H 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 _____

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>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).</div> <div>▶ File as an attachment to Form 5500 or 5500-SF.</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

▶ 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 HOURLY EMPLOYEES PENSION PLAN OF KAYDON CORPORATION	B Three-digit plan number (PN) ▶ 003
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF KAYDON CORPORATION	D Employer Identification Number (EIN) 13-3186040

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 01 Day 01 Year 2014			
2 Assets:			
a Market value	2a	41118842	
b Actuarial value	2b	37125376	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment.....	270	24717628	24717628
b For terminated vested participants.....	67	2287933	2287933
c For active participants.....	50	5164384	5208283
d Total.....	387	32169945	32213844
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	6.34%	
6 Target normal cost	6	238584	

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		10/14/2015
	Signature of actuary	Date
GERALD E. HOPPER	Type or print name of actuary	14-03618
		Most recent enrollment number
BUCK CONSULTANTS, LLC	Firm name	610-647-6400
		Telephone number (including area code)
200 BERWYN PARK, SUITE 110 BERWYN, PA 19312-1178	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 ☐

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)	0	2738913
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	328798
9 Amount remaining (line 7 minus line 8)	0	2410115
10 Interest on line 9 using prior year's actual return of <u>20.32</u> %	0	489735
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(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.17</u> %		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		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)	0	2899850

Part III Funding Percentages		
14 Funding target attainment percentage	14	106.24 %
15 Adjusted funding target attainment percentage	15	115.24 %
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	100.00 %
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

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 4.99 %	2nd segment: 6.32 %	3rd segment: 6.99 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 0
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	238584										
b Excess assets, if applicable, but not greater than line 31a	31b	238584										
32 Amortization installments:	<table border="1"> <thead> <tr> <th></th> <th>Outstanding Balance</th> <th>Installment</th> </tr> </thead> <tbody> <tr> <td>a Net shortfall amortization installment.....</td> <td>0</td> <td>0</td> </tr> <tr> <td>b Waiver amortization installment</td> <td>0</td> <td>0</td> </tr> </tbody> </table>				Outstanding Balance	Installment	a Net shortfall amortization installment.....	0	0	b Waiver amortization installment	0	0
	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	0										
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..	34	0										
		Carryover balance	Prefunding 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 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 HOURLY EMPLOYEES PENSION PLAN OF KAYDON CORPORATION	B Three-digit plan number (PN) ▶	003
C Plan sponsor's name as shown on line 2a of Form 5500 KAYDON CORPORATION	D Employer Identification Number (EIN) 13-3186040	

Part I	Service Provider Information (see instructions)
---------------	--

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

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

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

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

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

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

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

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

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

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

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

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

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 ☐

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: CONN GENEVA & ROBINSON PC	b EIN: 38-3012038
c Position: ACCOUNTANT-AUDITOR	
d Address: 4927 STARIHA DRIVE SUITE A MUSKEGON, MI 49441	e Telephone: 231-798-7500
Explanation: DUE TO ACQUISITION OF KAYDON BY SKF USA INC., AUDIT DUTIES AWARDED TO SKF'S AUDIT FIRM, BAKER TILLY VIRCHOW KRAUSE LLP, FOR ALL KAYDON PLANS.	

a Name: HEWITT & ASSOCIATES, LLC	b EIN: 36-2235791
c Position: ACTUARY	
d Address: 5005 ROCKSIDE ROAD SUITE 100 INDEPENDENCE, OH 44131	e Telephone: 216-525-5358
Explanation: DUE TO ACQUISITION OF KAYDON BY SKF USA INC., ACTUARIAL DUTIES AWARDED TO SKF'S ACTUARIAL FIRM, BUCK CONSULTANTS DIV OF XEROX, FOR ALL KAYDON PLANS.	

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 D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan 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 <hr/> 2014 <hr/> 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 <u>HOURLY EMPLOYEES PENSION PLAN OF KAYDON CORPORATION</u>	B Three-digit plan number (PN) ►	<u>003</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>KAYDON CORPORATION</u>	D Employer Identification Number (EIN) <u>13-3186040</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
---------------	--

a Name of MTIA, CCT, PSA, or 103-12 IE: KAYDON CORP RET & PEN MSTR TRUST

b Name of sponsor of entity listed in (a): KAYDON CORPORATION

c EIN-PN <u>13-3186040-015</u>	d Entity code <u>M</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>42543244</u>
---------------------------------------	-------------------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
-----------------	----------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
-----------------	----------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
-----------------	----------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
-----------------	----------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
-----------------	----------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
-----------------	----------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

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

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

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

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>HOURLY EMPLOYEES PENSION PLAN OF KAYDON CORPORATION</u>		B Three-digit plan number (PN) ► <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>KAYDON CORPORATION</u>		D Employer Identification Number (EIN) <u>13-3186040</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)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	41118842	42543244
(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)		
(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	41118842	42543244

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	41676	54734
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	41676	54734

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	41077166	42488510
---	-----------	----------	----------

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)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(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)		3993224
(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)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		3993224

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	2509670	
(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)		2509670
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)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	72210	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		72210
j Total expenses. Add all expense amounts in column (b) and enter total	2j		2581880

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		1411344
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: **BAKER TILLY VIRCHOW KRAUSE, LLP**

(2) EIN: **39-0859910**

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	
4c			
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	
4d			
e Was this plan covered by a fidelity bond?	X		5000000
4e			
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	
4f			
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	
4g			
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	
4h			
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		
4i			
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	
4j			
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	
4k			
l Has the plan failed to provide any benefit when due under the plan?.....		X	
4l			
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m			
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.			
4n			

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

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 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 <u>HOURLY EMPLOYEES PENSION PLAN OF KAYDON CORPORATION</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>KAYDON CORPORATION</u>	D Employer Identification Number (EIN) <u>13-3186040</u>

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
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>13-3186040</u>	
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3 <u>0</u>

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

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

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): _____

Hourly Employees Pension Plan of Kaydon Corporation

Financial Statements

December 31, 2014 and 2013



Candor. Insight. Results.

Hourly Employees Pension Plan of Kaydon Corporation

Table of Contents

December 31, 2014 and 2013

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statement of Net Assets Available for Benefits	3
Statement of Changes in Net Assets Available for Benefits	4
Notes to Financial Statements	5

Independent Auditors' Report

Participants and Plan Administrator
Hourly Employees Pension Plan of Kaydon Corporation

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Hourly Employees Pension Plan of Kaydon Corporation (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 for the year ended December 31, 2014 and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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.

Auditors' 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 ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 11, which was certified by The Northern Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2014, and for the year then ended, 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 on the 2014 financial statements. Accordingly, we do not express an opinion on the 2014 financial statements.

Other Matter - 2013 Financial Statements

The financial statements of the Plan as of December 31, 2013 were audited by predecessor auditors. As permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed the predecessor auditors not to perform, and they did not perform, any auditing procedures with respect to the information certified by the trustee. Their report, dated October 3, 2014, indicated that (a) because of the significance of the information that they did not audit, they were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, they did not express an opinion on the financial statements (b) the form and content of the information included in the financial statements other than that derived from the information certified by the trustee, were presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

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

The form and content of the information included in the 2014 financial statements, 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 DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Baker Tilly Viechow Krause, LLP

Philadelphia, Pennsylvania
October 13, 2015

Hourly Employees Pension Plan of Kaydon Corporation

Statement of Net Assets Available for Benefits

December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets		
Investments, at fair value,		
Plan interest in the Kaydon Corporation Retirement and Pension Plan Master Trust	\$ 42,543,244	\$ 41,118,842
Liabilities		
Accrued administrative expenses	<u>54,734</u>	<u>41,676</u>
Net assets available for benefits	<u>\$ 42,488,510</u>	<u>\$ 41,077,166</u>

See notes to financial statements

Hourly Employees Pension Plan of Kaydon Corporation

Statement of Changes in Net Assets Available for Benefits

Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Additions		
Investment income,		
Plan interest in Kaydon Corporation Retirement and		
Pension Plan Master Trust investment income	<u>\$ 3,993,224</u>	<u>\$ 7,166,965</u>
Deductions		
Benefits paid to participants	2,509,670	2,545,382
Administrative expenses	<u>72,210</u>	<u>71,754</u>
Total deductions	<u>2,581,880</u>	<u>2,617,136</u>
Net increase	1,411,344	4,549,829
Net Assets Available for Benefits		
Beginning of year	<u>41,077,166</u>	<u>36,527,337</u>
End of year	<u><u>\$ 42,488,510</u></u>	<u><u>\$ 41,077,166</u></u>

See notes to financial statements

Hourly Employees Pension Plan of Kaydon Corporation

Notes to Financial Statements
December 31, 2014 and 2013

1. Description of the Plan

The following description of the Hourly Employees Pension Plan of Kaydon Corporation (the "Plan") is provided for general information purposes only. Participants should refer to the plan document for a more complete description of the Plan's provisions.

General

The Plan is a noncontributory defined benefit pension plan covering bargaining unit hourly employees of Kaydon Corporation (the "Company"). The Plan was amended in 2009 to limit participation to eligible employees whose most recent hire date is on or before December 4, 2009.

On September 25, 2013, Kaydon Corporation entered into an Agreement and Plan of Merger with Atlas Management, Inc. ("Parent") and Dublin Acquisition Sub Inc. ("Merger Sub"), providing for, among other things, the merger of Merger Sub with and into Kaydon Corporation (the "Merger"), with Kaydon Corporation continuing as the surviving corporation and a direct wholly-owned subsidiary of Parent. Parent is a wholly-owned subsidiary of SKF USA Inc. The Merger became effective on October 16, 2013, pursuant to the Certificate of Merger filed with the Secretary of State of the State of Delaware.

The Plan is administered by the SKF USA Inc. Pension and Benefits Committee ("Committee"). The Committee has overall responsibility for the operation and administration of the Plan. The Committee determines the appropriateness of the Plan's investment offerings, monitors investment performance and reports to the Board of Directors.

The Plan is subject to the provisions of the Employee Retirement Income Securities Act of 1974 ("ERISA").

Pension Benefits

Participants with 5 or more years of credited service are entitled to annual pension benefits beginning at normal retirement age (65) determined by a formula that takes into account the participant's years of credited service and the benefit multiplier in effect on the participant's last day of work as an active participant.

The Plan permits early retirement at ages 55 to 64 for participants with 10 or more years of credited service.

Participants generally elect to receive the value of their accumulated plan benefits in the form of a life annuity (if single) or qualified joint and survivor annuity (if married) upon retirement or termination. If the present value of a benefit is \$1,000 or less, the benefit will be made in one lump-sum payment. If a participant terminates before rendering 5 years of service, they forfeit the right to receive their accumulated plan benefits.

Hourly Employees Pension Plan of Kaydon Corporation

Notes to Financial Statements
December 31, 2014 and 2013

Death and Disability Benefits

If a participant is vested and dies before beginning receipt of a pension benefit, a death benefit is paid to the employee's surviving spouse. Once a participant has commenced receiving payments under the Plan, survivor benefits (if any) are paid according to the form of payment, and to the beneficiary, the participant elected at retirement. If a participant dies while an active participant, an additional lump-sum death benefit may be payable to the beneficiary for Company-provided life insurance.

Employees who have at least 10 years of vesting service when they become disabled or at least 5 years of vesting service if they are at least age 50 when they become disabled, are eligible for a disability retirement benefit from the Plan.

2. Summary of Significant Accounting Policies

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 management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, disclosures of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements, and changes therein. Actual results could differ from those estimates.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Administrative Expenses

The Plan's expenses are paid either by the Plan or the Company, as provided by the plan document. Expenses that are paid directly by the Company are excluded from these financial statements. Certain expenses incurred in connection with the general administration of the Plan that are paid by the Plan are recorded as deductions in the accompanying Statement of Changes in Net Assets Available for Benefits. In addition, certain investment related expenses are included in net appreciation of fair value of investments presented in the accompanying Statement of Changes in Net Assets Available for Benefits.

Hourly Employees Pension Plan of Kaydon Corporation

Notes to Financial Statements
December 31, 2014 and 2013

Investment Valuation and Income Recognition

The Plan's investment interest in the Master Trust is 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. The Committee determines the Plan's valuation policies utilizing information provided by the investment advisors and trustee. See Note 5 for a 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 gains and losses on investments bought and sold as well as held in the Master Trust during the year.

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are based on employees' compensation and years of credited service. The accumulated plan benefits for active employees will equal the accumulation, with interest, of the annual benefit accruals as of the benefit information date. Benefits payable under all circumstances such as retirement, death, disability, and termination of employment are included, to the extent they are attributable to employee service rendered to the valuation date. Benefits to be provided via annuity contracts excluded from plan assets are excluded from accumulated plan benefits.

The actuarial present value of accumulated plan benefits is determined by the Plan's independent actuary as of January 1, 2014. The actuarial present value of accumulated plan benefits is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The actuarial present value of accumulated plan benefits as of January 1, 2014 is as follows:

Vested benefits:	
Participants and beneficiaries currently receiving payments	\$ 29,934,626
Other participants	<u>9,583,105</u>
Total vested benefits	39,517,731
Nonvested benefits	<u>40,137</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 39,557,868</u>

Hourly Employees Pension Plan of Kaydon Corporation

Notes to Financial Statements
December 31, 2014 and 2013

The changes in the actuarial present value of the accumulated plan benefits for the year ended December 31, 2013 are summarized as follows:

Actuarial present value of accumulated plan benefits, at beginning of year	\$ 40,625,177
Increase (decrease) during the year attributable to:	
Benefits accumulated	416,755
Increase for interest due to decrease in discount period	1,507,658
Benefits paid	(2,545,382)
Change in actuarial assumptions	<u>(446,340)</u>
Actuarial present value of accumulated plan benefits, at end of year	<u>\$ 39,557,868</u>

Significant assumptions underlying the actuarial computations are as follows:

Discount rate	4.72 percent for 2013
Long-term rate of return on assets	7.00 percent for 2013
Mortality	RP-2014 Mortality Tables
Retirement age	Age 65

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

The long term rate of return on assets decreased from 7.70 percent to 7.00 percent. The discount rate increased from 3.83 percent to 4.72 percent. The mortality assumption was changed from the 2013 static mortality table for annuitants and non-annuitants per IRS regulation 1.430(h)(3)-1(e) to the RP-2014 Healthy Projected with Scale MP-2014 table.

Recent Accounting Pronouncements

In May 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* ("ASU 2015-07"). ASU 2015-07 removes the requirement to include investments in the fair value hierarchy for which fair value is measured using the net asset value per share practical expedient under Accounting Standards Codification 820. ASU 2015-07 is effective for the Plan for years beginning after December 15, 2016 with early adoption permitted. Management is currently evaluating the impact of the pending adoption of ASU 2015-07 on the Plan's financial statements.

Hourly Employees Pension Plan of Kaydon Corporation

Notes to Financial Statements
December 31, 2014 and 2013

In July 2015, the FASB issued Accounting Standards Update No. 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), and Health and Welfare Benefit Plans (Topic 965) - I. Fully Benefit-Responsive Investment Contracts; II. Plan Investment Disclosures, and III. Measurement Date Practical Expedient* ("ASU 2015-12"). Part I of the accounting standards update requires fully-benefit responsive investment contracts to be measured, presented, and disclosed only at contract value. Part II of this update requires that investments (both participant-directed and nonparticipant-directed investments) be grouped only by general type, eliminating the need to disaggregate the investments in multiple ways. Part II also eliminates the disclosure of individual investments that represent 5 percent or more of net assets available for benefits and the disclosure of net appreciation or depreciation for investments by general type, requiring only presentation of net appreciation (depreciation) in investments in the aggregate. Additionally, if an investment is measured using the net asset value per share (or its equivalent) practical expedient in Topic 820 and that investment is a fund that files a U.S. Department of Labor Form 5500, as a direct filing entity, disclosure of that investment's strategy is no longer required. Part III of the update permits plans to measure investments and investment-related accounts (e.g., a liability for a pending trade with a broker) as of a month-end date that is closest to the plan's fiscal year-end, when the fiscal period does not coincide with month-end. The amendments in ASU 2015-12 are effective for fiscal years beginning after December 15, 2015, with early application permitted. The amendments within Parts I and II require retrospective application; whereas, the amendments within Part III should be applied prospectively. Management is currently evaluating the impact of the pending adoption of ASU 2015-12 on the Plan's financial statements.

Reclassifications

Certain reclassifications have been made to the 2013 Statement of Changes in Net Assets Available for Benefits to correspond with the current year's format and to improve comparability.

3. Investments

The Plan's investment in the Kaydon Corporation Retirement and Pension Plan Master Trust (the "Master Trust") of \$42,543,244 and \$41,118,842 as of December 31, 2014 and 2013, respectively, represents 5 percent or more of the Plan's net assets available for benefits.

During 2014 and 2013, the Plan's investment in the Master Trust (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$3,993,224 and \$7,166,965, respectively.

Hourly Employees Pension Plan of Kaydon Corporation

Notes to Financial Statements
December 31, 2014 and 2013

4. Investment in Master Trust

The Plan's investments are held in the Master Trust, which was established for the investment of assets of the Plan and several other retirement plans sponsored by Kaydon Corporation. Each participating retirement plan has an undivided interest in the Master Trust. The assets of the Master Trust are held by the trustee of the Plan. At both December 31, 2014 and 2013, the Plan's interest in the net assets of the Master Trust was approximately 27 percent. Investment income is allocated to each plan on the basis of each plan's proportionate interest in the assets of the Master Trust.

The following table presents the fair values of investments for the Master Trust as of December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Investments, Common collective trusts	\$ 159,270,566	\$ 151,718,567
Master Trust accrued interest	<u>765</u>	<u>2</u>
Total net assets	<u>\$ 159,271,331</u>	<u>\$ 151,718,569</u>

Investment income for the Master Trust for the years ended December 31, 2014 and 2013 is as follows:

	<u>2014</u>	<u>2013</u>
Net appreciation in fair value of investments, Common collective trusts	\$ 14,850,936	\$ 26,264,375
Interest	<u>2,082</u>	<u>781</u>
Total investment income	<u>\$ 14,853,018</u>	<u>\$ 26,265,156</u>

The change in net assets of the Master Trust during the year is as follows:

	<u>2014</u>	<u>2013</u>
Investment income	\$ 14,853,018	\$ 26,265,156
Contributions	-	951,304
Benefit payments	(6,928,783)	(6,876,073)
Administrative expenses	<u>(371,473)</u>	<u>(434,155)</u>
Increase in net assets	7,552,762	19,906,232
Net assets:		
Beginning of year	<u>151,718,569</u>	<u>131,812,337</u>
End of year	<u>\$ 159,271,331</u>	<u>\$ 151,718,569</u>

Hourly Employees Pension Plan of Kaydon Corporation

Notes to Financial Statements
December 31, 2014 and 2013

The following table sets forth by level, within the fair value hierarchy, the Master Trust's assets at fair value as of December 31, 2014 and 2013:

Assets at Fair Value as of December 29, 2014				
	Level 1	Level 2	Level 3	Total
Common collective trusts:				
Domestic equity:				
Large cap	\$ -	\$ 51,700,346	\$ -	\$ 51,700,346
Mid cap	-	6,200,427	-	6,200,427
Small cap	-	6,439,659	-	6,439,659
International equity	-	11,502,575	-	11,502,575
Emerging markets	-	4,574,073	-	4,574,073
Fixed income	-	72,604,298	-	72,604,298
Collective short term investment fund	-	6,249,188	-	6,249,188
Total	\$ -	\$ 159,270,566	\$ -	\$ 159,270,566

Assets at Fair Value as of December 29, 2013				
Common collective trusts:				
Domestic equity:				
Large cap	\$ -	\$ 66,307,822	\$ -	\$ 66,307,822
Mid cap	-	18,754,100	-	18,754,100
Small cap	-	8,616,922	-	8,616,922
International equity	-	15,672,246	-	15,672,246
Emerging markets	-	7,253,094	-	7,253,094
Fixed income	-	35,107,542	-	35,107,542
Collective short term investment fund	-	6,841	-	6,841
Total	\$ -	\$ 151,718,567	\$ -	\$ 151,718,567

The following investments representing five percent or more of the Master Trust net assets available for benefits as of December 31, 2014 and 2013:

	2014	2013
NTCC International Equity NL Fund	\$ 11,502,575	\$ 15,672,246
MFB NT Collective Russell 1000 Index Fund	27,488,186	32,500,390
NTCC Large Cap NL Fund	24,212,160	33,807,432
MFB NT Collective Long Term Credit Bond Index	72,604,298	35,107,542
NTCC Mid Cap NL Fund	*	18,754,100
NTCC Small Cap NL Fund	*	8,616,922

* Investment did not represent 5 percent of net assets available for benefits

Hourly Employees Pension Plan of Kaydon Corporation

Notes to Financial Statements
December 31, 2014 and 2013

5. Fair Value Measurements of Financial Instruments in Master Trust

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 under authoritative guidance are described as follows:

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 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 maximize the use of relevant observables and minimize the use of unobservable inputs.

The 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 and 2013.

Common collective trusts are valued at the net asset value ("NAV") of units of a collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of the collective trust, the investment adviser reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

Hourly Employees Pension Plan of Kaydon Corporation

Notes to Financial Statements
December 31, 2014 and 2013

The common collective trust fund's objective is to preserve capital, achieve a competitive level of income over time and maintain a stable unit price although unit value is not guaranteed. Returns are derived from income earned less expenses. Individual investment contracts are held within the portfolio and represent credit obligations of the issuer, units of the portfolio are not guaranteed by the trustee, the Company, or any federal or state agency. The portfolio includes contracts issued by insurance companies and other financial institutions, fixed income securities, and money market funds.

The preceding methods 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.

Fair Value of Investments that Calculate Net Asset Value

The following table summarizes investments measured at fair value based on NAV per share as of December 31, 2014 and 2013, respectively.

	December 31, 2014			
	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Common collective trusts	\$ 159,270,566	\$ -	Daily	None
	December 31, 2013			
	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Common collective trusts	\$ 151,718,567	\$ -	Daily	None

6. Funding Policy

The Plan's funding policy is for the Company to contribute an amount which will meet or exceed the annual ERISA minimum funding requirement. No participant contributions are permitted. The minimum funding requirements of ERISA were met for 2014 and 2013.

Although it has not expressed any intention 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 set forth in ERISA.

Hourly Employees Pension Plan of Kaydon Corporation

Notes to Financial Statements
December 31, 2014 and 2013

7. Plan Termination

In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

- a) Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under plan provisions in effect at any time during the five years preceding plan termination.
- b) Other vested benefits insured by the Pension Benefit Guaranty Corporation ("PBGC") (a U.S. government agency) up to the applicable limitations (discussed subsequently).
- c) All other vested benefits (that is, vested benefits not insured by PBGC).
- d) All nonvested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, a statutory ceiling exists, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Company and the level of benefits guaranteed by the PBGC.

8. Related Party and Party In Interest Transactions

The Plan's investments are administered under a master trust agreement with The Northern Trust Company, the trustee of the Plan. Contributions are held and managed by The Northern Trust Company, who invests cash received, interest, and dividend income and makes distributions to participants. These transactions qualify as party in interest transactions which are exempt from the prohibited transactions rules of ERISA.

Certain expenses of The Northern Trust Company are paid by the Plan related to plan operations and investment activity described in Note 1. Additionally, certain administrative functions of the Plan are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan.

Hourly Employees Pension Plan of Kaydon Corporation

Notes to Financial Statements
December 31, 2014 and 2013

9. Tax Status

The Internal Revenue Service ("IRS") has determined and informed the Company by a letter dated August 3, 2011, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). The Plan has been amended since receiving the determination letter. However, the plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require 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.

10. Risks and Uncertainties

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

In addition, the Plan's interest in the Master Trust consists of 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 the amounts reported in the Statement of Net Assets Available for Benefits.

11. Information Certified by Trustee

The plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA for 2014 and 2013. Accordingly, The Northern Trust Company, the trustee of the Plan has certified to the completeness and accuracy of all investments reported in the accompanying Statement of Net Assets Available for Benefits as of December 31, 2014 and 2013 and the related investment activity reported in the Statement of Changes in Net Assets Available for Benefits for the years ended December 31, 2014 and 2013.

Hourly Employees Pension Plan of Kaydon Corporation

Notes to Financial Statements
December 31, 2014 and 2013

12. Subsequent Event

The Committee consented to expand the SKF USA Inc. Master Trust at Bank of New York Mellon to open an account for Plan and to transfer the majority of the assets of the Plan to the SKF USA Inc. Master Trust. Such transfer took place on January 9, 2015. The Committee voted to retain the Northern Trust Company under the existing trust relationship for the foreseeable future to process benefit payments for retirees, until such time as that benefit disbursement function can be transferred to the SKF USA Inc. Master Trust.

The Plan has evaluated subsequent events for recognition or disclosure through October 13, 2015, the date the financial statements were available to be issued

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment 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

2014This Form is Open to Public
InspectionFor calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

▶ 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.

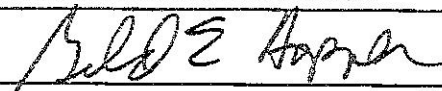
A Name of plan HOURLY EMPLOYEES PENSION PLAN OF KAYDON CORP.		B Three-digit plan number (PN) ▶ 003
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF KAYDON CORPORATION		D Employer Identification Number (EIN) 13-3186040
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B		F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information

1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2014</u>				
2 Assets:				
a Market value.....		2a	41118842	
b Actuarial value.....		2b	37125376	
3 Funding target/participant count breakdown		(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment.....		270	24717628	24717628
b For terminated vested participants.....		67	2287933	2287933
c For active participants.....		50	5164384	5208283
d Total.....		387	32169945	32213844
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	6.34%	
6 Target normal cost.....		6	238584	

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>10/14/2015</u>
Signature of actuary		Date
Gerald E. Hopper		1403618
Type or print name of actuary		Most recent enrollment number
Buck Consultants, LLC		610-647-6400
Firm name		Telephone number (including area code)
200 Berwyn Park, Suite 110		
Berwyn PA 19312-1178		
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) 2014
v. 140124

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).....	0	2738913
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	328798
9 Amount remaining (line 7 minus line 8)	0	2410115
10 Interest on line 9 using prior year's actual return of <u>20.32%</u>	0	489735
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(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.17%</u>		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		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)	0	2899850

Part III Funding Percentages

14 Funding target attainment percentage	14	106.24%
15 Adjusted funding target attainment percentage	15	115.24%
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	100.00%
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:
4.99%2nd segment:
6.32%3rd segment:
6.99%☐ N/A full yield curve used**b Applicable month (enter code)****21b**

0

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**

238584

b Excess assets, if applicable, but not greater than line 31a**31b**

238584

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**

0

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**

Hourly Employees Pension Plan of Kaydon Corporation

EIN / PN: 13-3186040 / 003

Schedule SB, Line 22 – Description of Weighted Average Retirement Age

This table calculates the weighted average retirement age for all active persons in the plan.

(1) Age	(2) Expected Active Headcount	(3) Retirement Rate	(4) Expected Retirements (2)*(3)	(5) Weighted Age (1)*(4)
55	15.6578	0.0280	0.4382	24.1009
56	17.0795	0.0000	0.0000	0.0000
57	18.9092	0.1000	1.8909	107.7824
58	19.8076	0.2000	3.9615	229.7683
59	25.6011	0.1922	4.9202	290.2927
60	26.3304	0.0443	1.1672	70.0331
61	28.7694	0.2693	7.7488	472.6759
62	22.5464	0.9127	20.5784	1,275.8615
63	2.9357	1.0000	2.9357	184.9479
64	1.0000	0.0000	0.0000	0.0000
65	1.9778	0.5056	1.0000	65.0000
66	0.9718	1.0000	<u>0.9718</u>	<u>64.1413</u>
Total			45.6128	2,784.6039
Weighted Average Retirement Age = 2,784.6039 / 45.6128				61.05
Rounded Weighted Average Retirement Age				61

Note to Column 2: The Expected Active Headcount for each age includes persons who are eligible to retire and persons who are not eligible to retire at each age.

Note to Column 3: At each age, these retirement rates are a weighted average of the rates shown in Attachment to Part V for active participants eligible to retire at the age and zero for all other active participants.

General note: The table presents values rounded to fewer significant digits than used in the calculation.

Hourly Employees Pension Plan of Kaydon Corporation
EIN / PN: 13-3186040 / 003

Schedule SB, Line 24 – Change in Actuarial Assumptions

The expense load added to the Target Normal Cost was changed from \$146,251 to \$61,165 to better reflect anticipated plan experience.

Hourly Employees Pension Plan of Kaydon Corporation

EIN / PN: 13-3186040 / 003

Schedule SB, Line 25 – Change in Method

The enrolled actuary and business organization providing actuarial services for the plan changed. The prior enrolled actuary may have used different valuation software and may have applied the overall funding method in a different manner than the current actuary.

The conditions required under IRS Regulation 430 and Announcement 2010-3 for automatic approval for any change in funding method of takeover plans and valuation software changes were met.

Hourly Employees Pension Plan of Kaydon Corporation

EIN / PN: 13-3186040 / 003

Schedule SB, Line 26 – Schedule of Active Participant Data

Distribution of Active Participants as of January 1, 2014 – Age by Service

Age	Years of Service										Total
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 25	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	1	0	0	0	0	0	0	0	1
35-39	0	0	2	0	0	0	0	0	0	0	2
40-44	0	0	2	0	0	0	0	0	0	0	2
45-49	0	0	5	1	0	0	0	0	0	0	6
50-54	0	0	4	0	0	0	0	1	0	0	5
55-59	0	0	4	2	0	5	6	4	1	1	23
60-64	0	0	3	0	0	1	4	2	1	0	11
65-69	0	0	0	0	0	0	0	0	0	0	0
70+	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	21	3	0	6	10	7	2	1	50

Hourly Employees Pension Plan of Kaydon Corporation

EIN / PN: 13-3186040 / 003

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Prescribed Funding Assumptions and Methods

The following assumptions and methods are prescribed by ERISA, as amended by PPA 2006, HATFA.

Funding interest rates

For 2014 Plan Year: Segment Rates with no lookback, constrained in accordance with HATFA as follows:

	Unconstrained Rates*	Rates Reflecting HATFA Corridor**
First Segment Rate	1.25%	4.99%
Second Segment Rate	4.06%	6.32%
Third Segment Rate	5.08%	6.99%

Effective Interest Rate
Based on HATFA rates 6.34%

For 2013 Plan Year: Segment Rates with no lookback, constrained in accordance with MAP-21 as follows:

	Unconstrained Rates*	MAP-21 Corridor	Rates Reflecting MAP-21 Corridor**
First Segment Rate	1.62%	4.94%-6.68%	4.94%
Second Segment Rate	4.40%	6.15%-8.31%	6.15%
Third Segment Rate	5.45%	6.76%-9.14%	6.76%

Effective Interest Rate
Based on MAP-21 rates 6.17%

* Used for maximum tax-deduction purposes

** Used for minimum funding and benefit restriction purposes

Mortality

Mortality tables mandated by PPA as specified in IRS Regulation 1.430(h)(3)-1, applied on a fully generational basis.

Actuarial cost method

The Funding Target is the present value of accrued benefits based on compensation and service to date. The Target Normal Cost is the present value of benefits expected to be accrued during the current plan year, reflecting the effect of expected compensation increases during the year and including expected plan related expenses to be paid from plan assets during the year.

Hourly Employees Pension Plan of Kaydon Corporation

EIN / PN: 13-3186040 / 003

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods (continued)

Non-Prescribed Funding Assumptions and Methods

The following assumptions were selected by the plan's enrolled actuary. The asset valuation method was selected by the plan sponsor with the actuary's advice and is an acceptable method under PPA.

Expenses

Expected plan related expenses of \$61,165 were added to the Target Normal Cost¹.

Frequency of optional payment forms

It is assumed that 100% of participants elect to receive a single life annuity.

Retirement rates

Age	Rate
55	5.00%
56	0.00%
57	10.00%
58	20.00%
59	20.00%
60	5.00%
61	30.00%
62+	100.00%

Terminated vested participants are assumed to commence receiving benefits at the later of current age and age 62.

Marital percentage

80% of males and 80% of females are assumed to be married with husbands assumed to be three years older than their wives.

¹ The expense load is calculated as the prior year actual expenses minus the PBGC premium paid in the prior year plus the expected PBGC premium to be paid in the current year.

Hourly Employees Pension Plan of Kaydon Corporation

EIN / PN: 13-3186040 / 003

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods (continued)

Non-Prescribed Funding Assumptions and Methods (continued)

Withdrawal rates for active participants not eligible for retirement

Age	Years of Service			
	<1	1-2	3-4	5+
15	11.00%	11.00%	11.00%	11.00%
16	11.00%	11.00%	11.00%	11.00%
17	11.00%	11.00%	11.00%	11.00%
18	11.00%	11.00%	11.00%	11.00%
19	11.00%	11.00%	11.00%	11.00%
20	11.00%	11.00%	11.00%	11.00%
21	11.00%	11.00%	11.00%	11.00%
22	10.00%	10.00%	10.00%	10.00%
23	10.00%	10.00%	10.00%	10.00%
24	9.00%	9.00%	9.00%	9.00%
25	8.00%	8.00%	8.00%	8.00%
26	8.00%	8.00%	8.00%	8.00%
27	7.00%	7.00%	7.00%	7.00%
28	7.00%	7.00%	7.00%	7.00%
29	7.00%	7.00%	7.00%	7.00%
30	6.00%	6.00%	6.00%	6.00%
31	6.00%	6.00%	6.00%	6.00%
32	5.00%	5.00%	5.00%	5.00%
33	5.00%	5.00%	5.00%	5.00%
34	5.00%	5.00%	5.00%	5.00%
35	5.00%	4.00%	4.00%	4.00%
36	5.00%	4.00%	4.00%	4.00%
37	5.00%	4.00%	4.00%	4.00%
38	5.00%	4.00%	3.00%	3.00%
39	5.00%	4.00%	3.00%	3.00%
40	5.00%	4.00%	3.00%	3.00%
41	5.00%	4.00%	3.00%	2.00%
42	5.00%	4.00%	3.00%	2.00%
43	5.00%	4.00%	3.00%	2.00%
44	5.00%	4.00%	3.00%	2.00%

Hourly Employees Pension Plan of Kaydon Corporation

EIN / PN: 13-3186040 / 003

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods (continued)

Non-Prescribed Funding Assumptions and Methods (continued)

Withdrawal rates for active participants not eligible for retirement (continued)

Age	Years of Service			
	<1	1-2	3-4	5+
45	5.00%	4.00%	3.00%	2.00%
46	5.00%	4.00%	3.00%	2.00%
47	5.00%	4.00%	3.00%	1.00%
48	5.00%	4.00%	3.00%	1.00%
49	5.00%	4.00%	3.00%	1.00%
50	5.00%	4.00%	3.00%	1.00%
51	5.00%	4.00%	3.00%	1.00%
52	5.00%	4.00%	3.00%	1.00%
53	5.00%	4.00%	3.00%	1.00%
54	5.00%	4.00%	3.00%	1.00%
55+	5.00%	4.00%	3.00%	0.00%

Disability Rates

Age	Male	Female
<28	0.03%	0.03%
28	0.03%	0.04%
29	0.03%	0.04%
30	0.03%	0.04%
31	0.03%	0.05%
32	0.03%	0.05%
33	0.03%	0.06%
34	0.03%	0.06%
35	0.04%	0.07%
36	0.04%	0.08%
37	0.05%	0.09%
38	0.06%	0.10%
39	0.07%	0.12%
40	0.08%	0.13%
41	0.09%	0.15%
42	0.10%	0.17%
43	0.12%	0.19%
44	0.14%	0.22%
45	0.16%	0.24%

Age	Male	Female
46	0.18%	0.27%
47	0.21%	0.30%
48	0.25%	0.33%
49	0.28%	0.36%
50	0.33%	0.40%
51	0.39%	0.44%
52	0.46%	0.49%
53	0.53%	0.54%
54	0.61%	0.59%
55	0.69%	0.64%
56	0.77%	0.69%
57	0.86%	0.74%
58	0.95%	0.80%
59	1.05%	0.85%
60	1.15%	0.90%
61	1.26%	0.96%
62	1.38%	1.01%
63	1.51%	1.05%
64	1.64%	1.09%
65+	0.00%	0.00%

Hourly Employees Pension Plan of Kaydon Corporation

EIN / PN: 13-3186040 / 003

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods (continued)

Non-Prescribed Funding Assumptions and Methods (continued)

Asset valuation method

The Actuarial Value of Assets is Market Value as of the valuation date, including discounted receivable contributions, reduced by 2/3 and 1/3 of the gain/(loss) in the prior two years, respectively. The gain/(loss) for each period is determined as the actual return on Market Value during the period less the expected return on Market Value based on an assumed earnings rate chosen by the plan administrator but required by PPA to be not greater than the applicable third segment rate. The resulting value is constrained to be within a corridor of 90% to 110% of Market Value, including discounted receivable contributions.

	EA's Expected Return	Third Segment Rate	Reflecting PPA Limit
2014 Expected Return	7.00%	6.99%	6.99%
2013 Expected Return	7.70%	6.76%	6.76%
2012 Expected Return	7.70%	7.52%	7.52%

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, changes expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions, applicable law or regulations. Because of limited scope, Buck performed no analysis of the potential range of such future differences.

Hourly Employees Pension Plan of Kaydon Corporation
EIN / PN: 13-3186040 / 003

Schedule SB, Part V – Summary of Plan Provisions

Effective date

The effective date of adoption is December 31, 1955.

Participation

All employees who are members of the International Association of Machinists and Aerospace Workers, AFL-CIO, Local 2597 participate in the plan. Participation was closed as of December 5, 2009.

Normal retirement

Eligibility

Age 65.

Benefit

\$45.00 per month multiplied by years of credited service earned after January 31, 2010 and \$50.00 per month multiplied by years of credited service earned prior to January 1, 2010. Prior benefit multipliers include \$43.75 effective January 1, 2001, \$45.50 effective January 1, 2002, \$48.00 effective January 1, 2003, \$49.00 effective January 1, 2004, and \$50.00 effective January 1, 2005.

Early retirement

Eligibility

Age 55 with 10 years of service.

Benefit

The normal retirement benefit based on service to date of retirement, but reduced 0.25% per month from age 62 if benefits commence on or after age 58, or reduced 0.5% per month from age 62 if benefits commence prior to age 58.

Total and permanent disability retirement

Eligibility

Age 50 with five years of service or 10 years of service.

Benefit

Normal retirement benefit based on service to date of disability. Benefits commence after six months of disability.

Deferred vested

Eligibility

Five years of service.

Benefit

The accrued normal retirement benefit, payable at age 65. Benefits may commence early with 10 years of service. Benefits are reduced for early commencement in the same manner as for early retirement.

Hourly Employees Pension Plan of Kaydon Corporation
EIN / PN: 13-3186040 / 003

Schedule SB, Part V – Summary of Plan Provisions (continued)

Pre-retirement surviving spouse benefit

Eligibility

Eligible for a vested benefit.

Benefit

Early retirement eligible

50% of the benefit the participant was entitled to receive under the early retirement provisions had he retired the day before his death and elected payment in the form of a 50% joint and survivor benefit. This benefit is payable for the life of the spouse.

Not early retirement eligible

50% of the benefit to which the participant was entitled under the plan provisions had the participant terminated employment on the date of death, survived to his earliest retirement age, and elected a postretirement joint and survivor annuity. This benefit is payable for the remaining lifetime of the spouse, beginning when the participant would have been eligible to retire early.

Alternative surviving spouse benefit

Eligibility

10 years of service and married at least one year.

Benefit

50% of the normal retirement benefit based on service to date of death payable immediately. The benefit is not reduced for early commencement.

Lump sum death benefit

Eligibility

Payable upon death prior to retirement.

Benefit

Service	Benefit
Less than 2 years	\$ 1,000
2 or more years	\$ 2,000

Hourly Employees Pension Plan of Kaydon Corporation
EIN / PN: 13-3186040 / 003

Schedule SB, Part V – Summary of Plan Provisions (continued)

Definitions

Credited Service

Credited service is determined as follows:

Hours Credited	Credited Service
0 - 159	0.0
160 – 319	0.1
320 – 479	0.2
480 – 639	0.3
640 – 799	0.4
800 – 959	0.5
960 – 1,119	0.6
1,120 – 1,279	0.7
1,280 – 1,439	0.8
1,440 – 1,599	0.9
1,600 or more	1.0

Vesting Service

One year of vesting service is credited for each year a participant completes 1,000 or more hours of service.

Actuarial Equivalence

For lump sum purposes, mortality and interest rates as set in 417(e). For all other purposes, 1983 GAM weighted 75% male and 7.5% interest.

Normal form of payment

Single participant

Life annuity.

Married Participant

50% joint and survivor annuity. This benefit is the actuarial equivalent of the benefit payable as a life annuity.

Optional forms of payment

- 10-year certain and life
- 100% joint and survivor
- 75% joint and survivor
- 66 2/3% joint and survivor
- Lump sum under \$10,000

Summary of Changes from the January 1, 2013 Valuation

None.

Plan Name _____ EIN: _____
Plan Sponsor's Name _____ PN: _____

[illegible]