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| <b>Form 5500</b><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br><br>This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).<br><br>▶ <b>Complete all entries in accordance with the instructions to the Form 5500.</b> | OMB Nos. 1210-0110<br>1210-0089<br><br><b>2015</b><br><br><b>This Form is Open to Public Inspection</b> |
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| <b>Part I</b>                                                                                            | <b>Annual Report Identification Information</b>                                                                                                                                                                                                                                                                                                 |
| For calendar plan year 2015 or fiscal plan year beginning <u>01/01/2015</u> and ending <u>12/31/2015</u> |                                                                                                                                                                                                                                                                                                                                                 |
| <b>A</b> This return/report is for:                                                                      | <input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or<br><input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) _____ |
| <b>B</b> This return/report is:                                                                          | <input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report;<br><input type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months).                                                                                                       |
| <b>C</b> If the plan is a collectively-bargained plan, check here. ....                                  | <input checked="" type="checkbox"/>                                                                                                                                                                                                                                                                                                             |
| <b>D</b> Check box if filing under:                                                                      | <input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program;<br><input type="checkbox"/> special extension (enter description)                                                                                                                                       |

|                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                        |
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| <b>Part II</b>                                                                                                                                                                                                                                                                                                                                                         | <b>Basic Plan Information</b> —enter all requested information                                                                                                                                         |
| <b>1a</b> Name of plan<br><u>MUELLER GROUP, LLC RETIREMENT SAVINGS PLAN NO. 2</u>                                                                                                                                                                                                                                                                                      | <b>1b</b> Three-digit plan number (PN) ▶ <u>003</u>                                                                                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                        | <b>1c</b> Effective date of plan<br><u>08/16/1999</u>                                                                                                                                                  |
| <b>2a</b> Plan sponsor's name (employer, if for a single-employer plan)<br>Mailing address (include room, apt., suite no. and street, or P.O. Box)<br>City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)<br><u>MUELLER GROUP, LLC</u><br><br><u>1200 ABERNATHY RD, NE, SUITE 1200</u><br><u>ATLANTA, GA 30328</u> | <b>2b</b> Employer Identification Number (EIN)<br><u>37-1387813</u><br><b>2c</b> Plan Sponsor's telephone number<br><u>770-206-4200</u><br><b>2d</b> Business code (see instructions)<br><u>551112</u> |

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

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

|                                                                                                 |                                                          |                   |                                                              |
|-------------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------|--------------------------------------------------------------|
| <b>SIGN HERE</b>                                                                                | <u>Filed with authorized/valid electronic signature.</u> | <u>10/14/2016</u> | <u>JENNIFER O'KEEFE</u>                                      |
|                                                                                                 | <b>Signature of plan administrator</b>                   | Date              | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b>                                                                                |                                                          |                   |                                                              |
|                                                                                                 | <b>Signature of employer/plan sponsor</b>                | Date              | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b>                                                                                |                                                          |                   |                                                              |
|                                                                                                 | <b>Signature of DFE</b>                                  | Date              | Enter name of individual signing as DFE                      |
| Preparer's name (including firm name, if applicable) and address (include room or suite number) |                                                          |                   | Preparer's telephone number                                  |
|                                                                                                 |                                                          |                   |                                                              |

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

Form 5500 (2015)  
v. 150123

|                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
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| <b>3a</b> Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor                                                                                                                                                                                                                                                                                                                   | <b>3b</b> Administrator's EIN<br><br><b>3c</b> Administrator's telephone number<br><br><div style="background-color: #cccccc; height: 40px; width: 100%;"></div>                                                                                                                                                                                                                                                                                                                                  |
| <b>4</b> If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:<br><b>a</b> Sponsor's name                                                                                                                                                                                                          | <b>4b</b> EIN<br><br><b>4c</b> PN                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>5</b> Total number of participants at the beginning of the plan year                                                                                                                                                                                                                                                                                                                                                    | <b>5</b> 1959                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>6</b> Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines <b>6a(1)</b> , <b>6a(2)</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>a(1)</b> Total number of active participants at the beginning of the plan year.....                                                                                                                                                                                                                                                                                                                                     | <b>6a(1)</b> 1633                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>a(2)</b> Total number of active participants at the end of the plan year .....                                                                                                                                                                                                                                                                                                                                          | <b>6a(2)</b> 1866                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>b</b> Retired or separated participants receiving benefits.....                                                                                                                                                                                                                                                                                                                                                         | <b>6b</b> 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>c</b> Other retired or separated participants entitled to future benefits.....                                                                                                                                                                                                                                                                                                                                          | <b>6c</b> 288                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> .....                                                                                                                                                                                                                                                                                                                                                | <b>6d</b> 2155                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....                                                                                                                                                                                                                                                                                                                  | <b>6e</b> 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....                                                                                                                                                                                                                                                                                                                                                                    | <b>6f</b> 2165                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) .....                                                                                                                                                                                                                                                                            | <b>6g</b> 1770                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested .....                                                                                                                                                                                                                                                                                | <b>6h</b> 50                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....                                                                                                                                                                                                                                                                                       | <b>7</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:<br>2E 2F 2G 2J 2K 2T 3H                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>9a</b> Plan funding arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                              | <b>9b</b> Plan benefit arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                                                                                                     |
| <b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>a Pension Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)<br><br>(2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary<br><br>(3) <input type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary | <b>b General Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information)<br>(2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan)<br>(3) <input type="checkbox"/> <b>A</b> (Insurance Information)<br>(4) <input type="checkbox"/> <b>C</b> (Service Provider Information)<br>(5) <input checked="" type="checkbox"/> <b>D</b> (DFE/Participating Plan Information)<br>(6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules) |

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| <b>Part III</b> | <b>Form M-1 Compliance Information (to be completed by welfare benefit plans)</b> |
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**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.

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

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**11c** Enter the Receipt Confirmation Code for the 2015 Form M-1 annual report. If the plan was not required to file the 2015 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 \_\_\_\_\_

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|                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                         |
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| <p style="text-align: center;"><b>SCHEDULE D</b><br/><b>(Form 5500)</b></p> <p style="text-align: center; font-size: small;">Department of the Treasury<br/>Internal Revenue Service</p> <hr/> <p style="text-align: center; font-size: small;">Department of Labor<br/>Employee Benefits Security Administration</p> | <p style="text-align: center;"><b>DFE/Participating Plan Information</b></p> <p style="text-align: center; font-size: small;">This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</p> <p style="text-align: center;">▶ <b>File as an attachment to Form 5500.</b></p> | <p style="text-align: center; font-size: small;">OMB No. 1210-0110</p> <hr/> <p style="text-align: center; font-size: large;"><b>2015</b></p> <hr/> <p style="text-align: center; font-size: small;"><b>This Form is Open to Public Inspection.</b></p> |
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

|                                                                                                             |                                         |                                       |
|-------------------------------------------------------------------------------------------------------------|-----------------------------------------|---------------------------------------|
| <b>A</b> Name of plan<br><span style="color: blue;">MUELLER GROUP, LLC RETIREMENT SAVINGS PLAN NO. 2</span> | <b>B</b> Three-digit plan number (PN) ▶ | <span style="color: blue;">003</span> |
|-------------------------------------------------------------------------------------------------------------|-----------------------------------------|---------------------------------------|

|                                                                                                                              |                                                                                               |
|------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| <b>C</b> Plan or DFE sponsor's name as shown on line 2a of Form 5500<br><span style="color: blue;">MUELLER GROUP, LLC</span> | <b>D</b> Employer Identification Number (EIN)<br><span style="color: blue;">37-1387813</span> |
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|               |                                                                                                                                                                                  |
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| <b>Part I</b> | <b>Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)</b><br>(Complete as many entries as needed to report all interests in DFEs) |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: MUELLER GROUP, LLC DC MASTER TRUST

**b** Name of sponsor of entity listed in (a): MUELLER GROUP, LLC

|                                                                  |                                                          |                                                                                                                                                |
|------------------------------------------------------------------|----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN <span style="color: blue;">04-3521107-001</span> | <b>d</b> Entity code <span style="color: blue;">M</span> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <span style="color: blue;">44227515</span> |
|------------------------------------------------------------------|----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**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  
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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  
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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  
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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  
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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

|                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                              |                                                                                                          |
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| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small><br><br><small>Pension Benefit Guaranty Corporation</small> | <b>Financial Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).<br><br><b>► File as an attachment to Form 5500.</b> | <small>OMB No. 1210-0110</small><br><br><b>2015</b><br><br><b>This Form is Open to Public Inspection</b> |
| For calendar plan year 2015 or fiscal plan year beginning <u>01/01/2015</u> and ending <u>12/31/2015</u>                                                                                                                                                                 |                                                                                                                                                                                                                                                                              |                                                                                                          |
| <b>A</b> Name of plan<br><u>MUELLER GROUP, LLC RETIREMENT SAVINGS PLAN NO. 2</u>                                                                                                                                                                                         | <b>B</b> Three-digit plan number (PN) <span style="float: right;">►</span>                                                                                                                                                                                                   | <u>003</u>                                                                                               |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>MUELLER GROUP, LLC</u>                                                                                                                                                                               | <b>D</b> Employer Identification Number (EIN)<br><u>37-1387813</u>                                                                                                                                                                                                           |                                                                                                          |

| Part I                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Asset and Liability Statement                                                               |                 | (a) Beginning of Year | (b) End of Year |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>1</b> Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. <b>Round off amounts to the nearest dollar.</b> MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions. |                                                                                             |                 |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Assets</b>                                                                               |                 |                       |                 |
| <b>a</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Total noninterest-bearing cash .....                                                        | <b>1a</b>       | 0                     | 0               |
| <b>b</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Receivables (less allowance for doubtful accounts):                                         |                 |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (1) Employer contributions .....                                                            | <b>1b(1)</b>    | 0                     | 0               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (2) Participant contributions .....                                                         | <b>1b(2)</b>    | 0                     | 0               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (3) Other .....                                                                             | <b>1b(3)</b>    | 0                     | 0               |
| <b>c</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | General investments:                                                                        |                 |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (1) Interest-bearing cash (include money market accounts & certificates of deposit) .....   | <b>1c(1)</b>    | 0                     | 0               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (2) U.S. Government securities .....                                                        | <b>1c(2)</b>    | 0                     | 0               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (3) Corporate debt instruments (other than employer securities):                            |                 |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (A) Preferred .....                                                                         | <b>1c(3)(A)</b> | 0                     | 0               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (B) All other .....                                                                         | <b>1c(3)(B)</b> | 0                     | 0               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (4) Corporate stocks (other than employer securities):                                      |                 |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (A) Preferred .....                                                                         | <b>1c(4)(A)</b> | 0                     | 0               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (B) Common .....                                                                            | <b>1c(4)(B)</b> | 0                     | 0               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (5) Partnership/joint venture interests .....                                               | <b>1c(5)</b>    | 0                     | 0               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (6) Real estate (other than employer real property) .....                                   | <b>1c(6)</b>    | 0                     | 0               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (7) Loans (other than to participants) .....                                                | <b>1c(7)</b>    | 0                     | 0               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (8) Participant loans .....                                                                 | <b>1c(8)</b>    | 3784545               | 3775143         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (9) Value of interest in common/collective trusts .....                                     | <b>1c(9)</b>    | 0                     | 0               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (10) Value of interest in pooled separate accounts .....                                    | <b>1c(10)</b>   | 0                     | 0               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (11) Value of interest in master trust investment accounts .....                            | <b>1c(11)</b>   | 44304621              | 44227515        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (12) Value of interest in 103-12 investment entities .....                                  | <b>1c(12)</b>   | 0                     | 0               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (13) Value of interest in registered investment companies (e.g., mutual funds) .....        | <b>1c(13)</b>   | 0                     | 0               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (14) Value of funds held in insurance company general account (unallocated contracts) ..... | <b>1c(14)</b>   |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (15) Other .....                                                                            | <b>1c(15)</b>   | 0                     | 0               |

**1d** Employer-related investments:

|                                                                      |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> | 0                     | 0               |
| (2) Employer real property .....                                     | <b>1d(2)</b> | 0                     | 0               |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    | 0                     | 0               |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 48089166              | 48002658        |

**Liabilities**

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

**Net Assets**

|                                                           |           |          |          |
|-----------------------------------------------------------|-----------|----------|----------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 48089166 | 48002658 |
|-----------------------------------------------------------|-----------|----------|----------|

**Part II Income and Expense Statement**

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

**Income**

|                                                                                                            |                 | (a) Amount | (b) Total |
|------------------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>a Contributions:</b>                                                                                    |                 |            |           |
| (1) Received or receivable in cash from: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> | 1488783    |           |
| <b>(B)</b> Participants .....                                                                              | <b>2a(1)(B)</b> | 1803480    |           |
| <b>(C)</b> Others (including rollovers) .....                                                              | <b>2a(1)(C)</b> | 78716      |           |
| (2) Noncash contributions .....                                                                            | <b>2a(2)</b>    | 0          | 3370979   |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |            |           |
| <b>b Earnings on investments:</b>                                                                          |                 |            |           |
| (1) Interest:                                                                                              |                 |            |           |
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....       | <b>2b(1)(A)</b> | 0          |           |
| <b>(B)</b> U.S. Government securities .....                                                                | <b>2b(1)(B)</b> | 0          |           |
| <b>(C)</b> Corporate debt instruments .....                                                                | <b>2b(1)(C)</b> | 0          |           |
| <b>(D)</b> Loans (other than to participants) .....                                                        | <b>2b(1)(D)</b> | 0          |           |
| <b>(E)</b> Participant loans .....                                                                         | <b>2b(1)(E)</b> | 154356     |           |
| <b>(F)</b> Other .....                                                                                     | <b>2b(1)(F)</b> | 0          |           |
| <b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                              | <b>2b(1)(G)</b> |            | 154356    |
| (2) Dividends: <b>(A)</b> Preferred stock .....                                                            | <b>2b(2)(A)</b> | 0          |           |
| <b>(B)</b> Common stock .....                                                                              | <b>2b(2)(B)</b> | 0          |           |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                                  | <b>2b(2)(C)</b> | 0          |           |
| <b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....                  | <b>2b(2)(D)</b> |            | 0         |
| (3) Rents .....                                                                                            | <b>2b(3)</b>    |            | 0         |
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                                 | <b>2b(4)(A)</b> | 0          |           |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                                              | <b>2b(4)(B)</b> | 0          |           |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....                  | <b>2b(4)(C)</b> |            | 0         |
| (5) Unrealized appreciation (depreciation) of assets: <b>(A)</b> Real estate .....                         | <b>2b(5)(A)</b> | 0          |           |
| <b>(B)</b> Other .....                                                                                     | <b>2b(5)(B)</b> | 0          |           |
| <b>(C)</b> Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....         | <b>2b(5)(C)</b> |            | 0         |

|                                                                                                 |        | (a) Amount | (b) Total |
|-------------------------------------------------------------------------------------------------|--------|------------|-----------|
| (6) Net investment gain (loss) from common/collective trusts .....                              | 2b(6)  |            | 0         |
| (7) Net investment gain (loss) from pooled separate accounts .....                              | 2b(7)  |            | 0         |
| (8) Net investment gain (loss) from master trust investment accounts .....                      | 2b(8)  |            | 400176    |
| (9) Net investment gain (loss) from 103-12 investment entities .....                            | 2b(9)  |            | 0         |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) ..... | 2b(10) |            | 0         |
| c Other income .....                                                                            | 2c     |            | 0         |
| d Total income. Add all <b>income</b> amounts in column (b) and enter total .....               | 2d     |            | 3925511   |

**Expenses**

|                                                                                      |       |         |         |
|--------------------------------------------------------------------------------------|-------|---------|---------|
| e Benefit payment and payments to provide benefits:                                  |       |         |         |
| (1) Directly to participants or beneficiaries, including direct rollovers .....      | 2e(1) | 3804805 |         |
| (2) To insurance carriers for the provision of benefits .....                        | 2e(2) | 0       |         |
| (3) Other .....                                                                      | 2e(3) | 0       |         |
| (4) Total benefit payments. Add lines 2e(1) through (3) .....                        | 2e(4) |         | 3804805 |
| f Corrective distributions (see instructions) .....                                  | 2f    |         | 0       |
| g Certain deemed distributions of participant loans (see instructions) .....         | 2g    |         | 20225   |
| h Interest expense .....                                                             | 2h    |         | 0       |
| i Administrative expenses: (1) Professional fees .....                               | 2i(1) | 0       |         |
| (2) Contract administrator fees .....                                                | 2i(2) | 0       |         |
| (3) Investment advisory and management fees .....                                    | 2i(3) | 0       |         |
| (4) Other .....                                                                      | 2i(4) | 573     |         |
| (5) Total administrative expenses. Add lines 2i(1) through (4) .....                 | 2i(5) |         | 573     |
| j Total expenses. Add all <b>expense</b> amounts in column (b) and enter total ..... | 2j    |         | 3825603 |

**Net Income and Reconciliation**

|                                                          |       |  |        |
|----------------------------------------------------------|-------|--|--------|
| k Net income (loss). Subtract line 2j from line 2d ..... | 2k    |  | 99908  |
| l Transfers of assets:                                   |       |  |        |
| (1) To this plan .....                                   | 2l(1) |  | 0      |
| (2) From this plan .....                                 | 2l(2) |  | 186416 |

**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: BENNETT THRASHER

(2) EIN: 58-1673613

**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:

|                                                                                                                                                                                                                                                                                                                  | Yes                                 | No                                  | N/A                      | Amount |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|--------------------------|--------|
| <b>a</b> Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) .....                 | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | 18093  |
| <b>b</b> Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.) ..... | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> |        |

|                                                                                                                                                                                                                         | Yes | No | N/A | Amount   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|-----|----------|
| <b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)                                          |     | X  |     |          |
| <b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)                               |     | X  |     |          |
| <b>e</b> Was this plan covered by a fidelity bond?                                                                                                                                                                      | X   |    |     | 10000000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?                                                                                       |     | X  |     |          |
| <b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?                                                    |     | X  |     |          |
| <b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?                                          |     | X  |     |          |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)                                                                | X   |    |     |          |
| <b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) |     | X  |     |          |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?                                                           |     | X  |     |          |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan?                                                                                                                                            |     | X  |     |          |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)                                                                                                  |     | X  |     |          |
| <b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.                                     |     | X  |     |          |
| <b>o</b> Did the plan trust incur unrelated business taxable income?                                                                                                                                                    |     |    |     |          |
| <b>p</b> Were in-service distributions made during the plan year?                                                                                                                                                       |     |    |     |          |

**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) |
|--------------------------------------------------|--------------|-------------|
| MUELLER GROUP, LLC RETIREMENT SAVINGS PLAN NO. 1 | 37-1387813   | 004         |
|                                                  |              |             |
|                                                  |              |             |
|                                                  |              |             |
|                                                  |              |             |

**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

|                                        |                                                     |
|----------------------------------------|-----------------------------------------------------|
| <b>6a</b> Name of trust                | <b>6b</b> Trust's EIN                               |
| <b>6c</b> Name of trustee or custodian | <b>6d</b> Trustee's or custodian's telephone number |

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            |                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| <b>SCHEDULE R</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Retirement Plan Information</b><br><br>This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110                              |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            | <b>2015</b>                                    |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            | <b>This Form is Open to Public Inspection.</b> |

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

|                                                                                            |                                                                    |
|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>MUELLER GROUP, LLC RETIREMENT SAVINGS PLAN NO. 2</u>           | <b>B</b> Three-digit plan number (PN) ▶<br><u>003</u>              |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>MUELLER GROUP, LLC</u> | <b>D</b> Employer Identification Number (EIN)<br><u>37-1387813</u> |

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

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

|                                                                                                                                                                                                                                                                    |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....                                                                                                                              | <b>1</b> |
| <b>2</b> Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):<br><br>EIN(s): <u>04-6568107</u> |          |
| <b>Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.</b>                                                                                                                                                                                            |          |
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....                                                                                                                                    | <b>3</b> |

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

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

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

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

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

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

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

Schedule R (Form 5500) 2015  
v. 150123

**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): \_\_\_\_\_

|           |                                                                                                                                                                                                                                                      |            |  |
|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>14</b> | Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:                                                                                                                    |            |  |
|           | <b>a</b> The current year .....                                                                                                                                                                                                                      | <b>14a</b> |  |
|           | <b>b</b> The plan year immediately preceding the current plan year .....                                                                                                                                                                             | <b>14b</b> |  |
|           | <b>c</b> The second preceding plan year .....                                                                                                                                                                                                        | <b>14c</b> |  |
| <b>15</b> | Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:                                                                         |            |  |
|           | <b>a</b> The corresponding number for the plan year immediately preceding the current plan year .....                                                                                                                                                | <b>15a</b> |  |
|           | <b>b</b> The corresponding number for the second preceding plan year .....                                                                                                                                                                           | <b>15b</b> |  |
| <b>16</b> | Information with respect to any employers who withdrew from the plan during the preceding plan year:                                                                                                                                                 |            |  |
|           | <b>a</b> Enter the number of employers who withdrew during the preceding plan year .....                                                                                                                                                             | <b>16a</b> |  |
|           | <b>b</b> If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers .....                                                                               | <b>16b</b> |  |
| <b>17</b> | 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. .... <input type="checkbox"/> |            |  |

|                |                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------|
| <b>Part VI</b> | <b>Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans</b> |
|----------------|---------------------------------------------------------------------------------------------------|

|           |                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>18</b> | 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 ..... <input type="checkbox"/> |
| <b>19</b> | If the total number of participants is 1,000 or more, complete lines (a) through (c)                                                                                                                                                                                                                                                                                                                  |
|           | <b>a</b> Enter the percentage of plan assets held as:<br>Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%                                                                                                                                                                                                                                        |
|           | <b>b</b> Provide the average duration of the combined investment-grade and high-yield debt:<br><input type="checkbox"/> 0-3 years <input type="checkbox"/> 3-6 years <input type="checkbox"/> 6-9 years <input type="checkbox"/> 9-12 years <input type="checkbox"/> 12-15 years <input type="checkbox"/> 15-18 years <input type="checkbox"/> 18-21 years <input type="checkbox"/> 21 years or more  |
|           | <b>c</b> What duration measure was used to calculate line 19(b)?<br><input type="checkbox"/> Effective duration <input type="checkbox"/> Macaulay duration <input type="checkbox"/> Modified duration <input type="checkbox"/> Other (specify): _____                                                                                                                                                 |

|                 |                                 |
|-----------------|---------------------------------|
| <b>Part VII</b> | <b>IRS Compliance Questions</b> |
|-----------------|---------------------------------|

|                                                                                                                                                                                                                                                                                |                                                          |                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------|
| <b>20a</b> Is the plan a 401(k) plan? .....                                                                                                                                                                                                                                    | <input type="checkbox"/> Yes                             | <input type="checkbox"/> No                              |
| <b>20b</b> If "Yes," how does the 401(k) plan satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under sections 401(k)(3) and 401(m)(2)? .....                                                              | <input type="checkbox"/> Design-based safe harbor method | <input type="checkbox"/> ADP/ACP test                    |
| <b>20c</b> If the ADP/ACP test is used, did the 401(k) plan perform ADP/ACP testing for the plan year using the "current year testing method" for nonhighly compensated employees (Treas. Reg sections 1.401(k)-2(a)(2)(ii) and 1.401(m)-2(a)(2)(ii))? .....                   | <input type="checkbox"/> Yes                             | <input type="checkbox"/> No                              |
| <b>21a</b> Check the box to indicate the method used by the plan to satisfy the coverage requirements under section 410(b): .....                                                                                                                                              | <input type="checkbox"/> Ratio percentage test           | <input type="checkbox"/> Average benefit test            |
| <b>21b</b> Does the plan satisfy the coverage and nondiscrimination tests of sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? .....                                                                           | <input type="checkbox"/> Yes                             | <input type="checkbox"/> No                              |
| <b>22a</b> Has the plan been timely amended for all required tax law changes? .....                                                                                                                                                                                            | <input type="checkbox"/> Yes                             | <input type="checkbox"/> No <input type="checkbox"/> N/A |
| <b>22b</b> Date the last plan amendment/restatement for the required tax law changes was adopted ____/____/____. Enter the applicable code _____. (See instructions for tax law changes and codes).                                                                            |                                                          |                                                          |
| <b>22c</b> If the plan sponsor is an adopter of a pre-approved master and prototype (M&P) or volume submitter plan that is subject to a favorable IRS opinion or advisory letter, enter the date of that favorable letter ____/____/____ and the letter's serial number _____. |                                                          |                                                          |
| <b>22d</b> If the plan is an individually-designed plan and received a favorable determination letter from the IRS, enter the date of the plan's last favorable determination letter ____/____/____.                                                                           |                                                          |                                                          |
| <b>23</b> Is the Plan maintained in a U.S. territory (i.e., Puerto Rico (if no election under ERISA section 1022(i)(2) has been made), American Samoa, Guam, the Commonwealth of the Northern Mariana Islands or the U.S. Virgin Islands)? .....                               | <input type="checkbox"/> Yes                             | <input type="checkbox"/> No                              |

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1. The information contained in this e-mail is privileged, confidential and intended only for the use of the management of Mueller Group, LLC Retirement Savings Plan No. 2 (the Plan) and should not be altered. This email was created October 14, 2016 and Bennett Thrasher LLP will maintain a duplicate copy pursuant to our data retention policies. Additional copies may be requested by reference to its unique identification number 11090.
2. With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your (or any other) Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.
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Atlanta, Georgia 30339

General: 770-396-2200  
Fax: 770-390-0394

# Mueller Group, LLC Retirement Savings Plan No. 2



## Financial Statements

December 31, 2015 and 2014



BETTER TOGETHER™

# Mueller Group, LLC Retirement Savings Plan No. 2

## Index

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## **Independent Auditor's Report**

To the Participants of Mueller Group, LLC  
Retirement Savings Plan No. 2 and its  
Employee Benefits Administrative Committee

### **Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of Mueller Group, LLC Retirement Savings Plan No. 2 (the Plan), which comprise the statements of net assets available for benefits at December 31, 2015 and 2014, the related statement of changes in net assets available for benefits for the year ended December 31, 2015, 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.

### ***Auditor's Responsibility***

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

### ***Basis for Disclaimer of Opinion***

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (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 4, which was certified by Fidelity Management 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 at December 31, 2015 and 2014, and for the year ended December 31, 2015, that the information provided to the Plan administrator by the Trustee is complete and accurate.

### ***Disclaimer of Opinion***

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



***Other Matter***

The supplemental information, Schedule H, Part IV, Line 4a – Schedule of Delinquent Participant Contributions and Schedule H, Part IV, Line 4i – Schedule of Assets (Held at End of Year) at and for the year ended December 31, 2015, is required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplemental information.

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

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

*Bennett Thrasher LLP*

October 14, 2016

## Mueller Group, LLC Retirement Savings Plan No. 2

### Statements of Net Assets Available for Benefits

---

|                                              | December 31,         |                      |
|----------------------------------------------|----------------------|----------------------|
|                                              | 2015                 | 2014                 |
| <b>Assets</b>                                |                      |                      |
| Plan interest in Master Trust, at fair value | \$ 44,227,515        | \$ 44,304,622        |
| Receivables:                                 |                      |                      |
| Notes receivable from participants           | 3,775,143            | 3,784,545            |
| Participant contributions                    | 30,459               | 24,402               |
| Employer contributions                       | 18,804               | 6,637                |
| Net assets available for benefits            | <u>\$ 48,051,921</u> | <u>\$ 48,120,206</u> |

*The accompanying notes are an integral part of these financial statements.*

## Mueller Group, LLC Retirement Savings Plan No. 2

### Statement of Changes in Net Assets Available for Benefits

---

|                                                      | <b>For the Year Ended<br/>December 31, 2015</b> |
|------------------------------------------------------|-------------------------------------------------|
| Additions to net assets attributed to:               |                                                 |
| Contributions:                                       |                                                 |
| Participant contributions                            | \$ 1,809,537                                    |
| Employer contributions                               | 1,500,950                                       |
| Participant rollover contributions                   | <u>78,716</u>                                   |
|                                                      | 3,389,203                                       |
| Plan interest in Master Trust investment income      | 432,125                                         |
| Interest on notes receivable from participants       | <u>154,356</u>                                  |
| Total additions                                      | <u>3,975,684</u>                                |
| Deductions from net assets attributed to:            |                                                 |
| Benefits paid to participants                        | 3,825,030                                       |
| Participant balance transfers out                    | 186,416                                         |
| Administrative expenses                              | <u>32,523</u>                                   |
| Total deductions                                     | <u>4,043,969</u>                                |
| Net decrease                                         | (68,285)                                        |
| Net assets available for benefits, beginning of year | <u>48,120,206</u>                               |
| Net assets available for benefits, end of year       | <u><u>\$ 48,051,921</u></u>                     |

*The accompanying notes are an integral part of these financial statements.*

# **Mueller Group, LLC Retirement Savings Plan No. 2**

## **Notes to Financial Statements December 31, 2015 and 2014**

---

### **Note 1: Plan Description**

The following is a brief description of the Mueller Group, LLC Retirement Savings Plan No. 2 (the Plan). The Plan covers certain employees of Mueller Company and Anvil International, segments of Mueller Group, LLC (the Company or Plan Sponsor). The Company is a wholly owned subsidiary of Mueller Water Products, Inc. The Plan is a defined contribution plan providing retirement benefits to eligible employees of the Company. Participants should refer to the Plan Document for more complete information. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

#### **Eligibility**

An eligible employee is either an hourly employee whose compensation is subject to a collective bargaining agreement or a salaried employee identified on a schedule attached to the Plan Document. Leased employees, non-resident aliens, cooperative students, and temporary employees are not eligible to participate in the Plan. Unless participation criteria are specifically stated otherwise in the Plan Document, each employee hired subsequent to August 16, 1999, the Plan's inception date, is eligible to participate in this Plan as of the entry date, which coincides with or immediately follows the latter of: the Plan's inception date, the effective date of the adoption of this Plan by the divisions of the Company, or upon attaining the age of eligibility, which varies depending on the requirements of the Company's divisions, as specified in the Plan Document.

#### **Contributions**

The Plan is funded through both participant and employer contributions. Eligible employees are able to make basic and voluntary contributions, as defined in the Plan Document. In addition, participants in certain divisions of the Company may also make supplemental contributions, as specified by the Plan Document.

The employer makes matching contributions to the Plan based on the formula specified in the Plan Document. Both participant and employer matching contributions are recorded in the period in which the employee payroll deductions are made. The aggregate amount of participant and employer contributions cannot exceed certain limits as established by the provisions of the Plan Document and the Internal Revenue Code (IRC).

Participants may also make rollover contributions to the Plan, provided the amount represents a balance from a qualified plan under the IRC and the amount is contributed to the Plan within 60 days of the original distribution.

#### **Transfers**

Certain employee job classification changes made during the year may warrant a transfer of participant accounts out of the Plan and into another Company-sponsored plan. These transfers represent the participant balance transfers out on the Statement of Changes in Net Assets Available for Benefits.

#### **Vesting**

Participants are immediately vested in their contributions and rollover contributions. Upon the completion of three years of service or upon termination of employment due to retirement, disability, or death, the participant will also be fully vested in that portion of his or her account attributable to employer contributions. In the event of termination of the Plan, all participant accounts become fully vested and nonforfeitable.

## **Participation**

Individual accounts are maintained for each of the Plan's participants to reflect the participant's share of the Plan's earnings or losses, the Company's contributions, if any, and the participant's contributions. Allocation of earnings or losses is based on relative account balances and investment elections. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account balance.

## **Withdrawals and Termination**

Withdrawals from participant accounts may be made for the following reasons: termination of employment, financial hardship, retirement, death or attainment of age 59½.

Hardship withdrawals are permitted if certain criteria are met, as defined by the Plan Document, and are subject to taxes in the year received. Hardship withdrawals result in a suspension of the right to make participant contributions to the Plan for a period of six months.

The Plan does not permit partial or periodic withdrawals from a participant's account, except for hardship withdrawals, attainment of age 70½ and from rollover contributions. Any other types of withdrawals must be for the entire vested balance.

## **Notes Receivable from Participants**

The Plan allows participants currently employed by the Company to borrow amounts not exceeding 50% of their vested account balance. Notes receivable from participants must exceed \$1,000 and cannot exceed \$50,000. Notes receivable bear interest at prevailing rates for comparable notes made by commercial lending institutions. Notes receivable repayments are generally made through payroll deductions and normally must be repaid within a five-year term unless the note was used to purchase a primary residence, which allows extension of the term up to 15 years. Notes receivable become due and payable in full once a participant terminates employment.

## **Plan Termination**

The Company has reserved the right to amend, modify, suspend, or terminate the Plan at any time, subject to the provisions of ERISA. In the event of plan termination, participants would become 100% vested in that portion of their account attributable to employer contributions.

## **Plan Administration**

The Plan's investments are administered by Fidelity Management Trust Company (the Trustee). Upon enrollment in the Plan, a participant may direct the investment of his or her employee and employer contributions in any of the Plan's investment options. The participant may change the investment elections on a daily basis.

## **Forfeitures**

Forfeitures arising upon termination of a participant's employment shall be used to offset future employer matching contributions under the Plan and/or to pay the Plan's administrative expenses. If a terminated participant returns to employment within five years, the amount previously forfeited will be reinstated. Forfeited nonvested amounts available for use totaled \$21,591 and \$2,426 at December 31, 2015 and 2014, respectively. For the year ended December 31, 2015, forfeitures in the amount of \$18,437 were used to offset employer matching contributions and \$900 was used to pay Plan expenses.

## **Note 2: Summary of Significant Accounting Policies**

### **Basis of Accounting**

The financial statements of the Plan have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

### **Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results may differ from those estimates.

### **Investment Valuation**

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for discussion of fair value measurements. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Net appreciation includes gains and losses on the Plan's investments held throughout the year as well as those bought and sold during the year.

### **Risks and Uncertainties**

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

### **Notes Receivable from Participants**

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes are treated as distributions based upon the terms of the Plan Document.

### **Payment of Benefits**

Benefits are recorded when paid.

### **Administrative Expenses**

Expenses of the Plan are paid out of the Plan unless paid by the Company. Transaction expenses are included as part of the cost of the related investments. Fees related to notes receivable from participants are paid by the borrowing participant.

## **New Accounting Pronouncements**

In July 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 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). ASU 2015-12 simplifies current benefit plan accounting and requires (i) fully benefit-responsive investment contracts to be measured, presented, and disclosed only at contract value and accordingly removes the requirement to reconcile their contract value to fair value; (ii) benefit plans to disaggregate their investments measured using fair value by general type, either on the face of the financial statements or in the notes to the financial statements and removes certain disclosure requirements relevant to individual investments that represent five percent or more of net assets available for benefits and (iii) the net appreciation or depreciation for investments to be presented in the aggregate rather than disaggregated and disclosed by general type. The standard also eliminates the requirement to disclose the significant investment strategies for certain investments that are measured using the net asset value per share practical expedient. Further, ASU 2015-12 provides a practical expedient to permit benefit plans to measure investments and investment-related accounts as of the month-end that is closest to the plan's fiscal year-end, when the fiscal period does not coincide with a month-end. Parts I and II of this standard are effective for fiscal years beginning after December 15, 2015 with retrospective application. Part III of this standard is effective for fiscal years beginning after December 15, 2015 with prospective application. Early adoption is permitted. The Plan Sponsor is currently evaluating the impact of this standard on the Plan's financial statements.

### **Note 3: Tax Status of the Plan**

No provision for income taxes has been included in the Plan's financial statements. The Internal Revenue Service (IRS) has determined and informed the Company by a letter dated March 23, 2012 that the Plan and related trust, as then designed, were in accordance with applicable sections of the IRC. The Plan has been amended since receipt of the determination letter. The Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and that the Plan was qualified as tax-exempt at December 31, 2015.

GAAP requires the Plan administrator 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 at December 31, 2015, there were 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 in progress for any tax periods.

#### **Note 4: Financial Information of the Plan Certified by the Trustee**

Assets of the Plan are invested in the Mueller Master Trust (the Master Trust). At December 31, 2015 and 2014, the Master Trust included the investment assets of the Plan and one other Company-sponsored plan, the Mueller Group, LLC Retirement Savings Plan No. 1. Each participating plan has an undivided interest in the Master Trust. The fair value of the Plan's interest in the Master Trust is based on the beginning of year value plus actual contributions and investment income less actual distributions, transfers and administrative expenses. The Plan's interest in the Master Trust as a percentage of net assets was approximately 18% at both December 31, 2015 and 2014.

The Master Trust investments and the Plan interest in the Master Trust, at fair value, are as follows:

|                                              | <b>December 31,</b>   |                       |
|----------------------------------------------|-----------------------|-----------------------|
|                                              | <b>2015</b>           | <b>2014</b>           |
| Master Trust investments, at fair value:     |                       |                       |
| Mutual funds                                 | <u>\$ 244,418,088</u> | <u>\$ 246,874,699</u> |
| Plan interest in Master Trust, at fair value | <u>\$ 44,227,515</u>  | <u>\$ 44,304,622</u>  |

The net investment income of the Master Trust and of the Plan interest in the Master Trust investment income for the year ended December 31, 2015 are as follows:

|                                                 |                     |
|-------------------------------------------------|---------------------|
| Net depreciation in fair value of mutual funds  | \$ (6,037,613)      |
| Interest and dividends, mutual funds            | <u>9,110,182</u>    |
|                                                 | <u>\$ 3,072,569</u> |
| Plan interest in Master Trust investment income | <u>\$ 432,125</u>   |

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Plan administrator instructed the Plan's independent auditors not to perform any audit procedures with respect to the above information certified by the Trustee, except for comparing such information to information included in the Plan's financial statements and supplemental information.

## Note 5: Fair Value Measurements

Mutual funds are valued at the net asset value of shares held by the Plan at December 31, 2015 and 2014. There were no changes in the methodologies used during the year.

The assets of the Master Trust, within the fair value hierarchy are presented below:

|                        | Level 1<br>December 31, |                       |
|------------------------|-------------------------|-----------------------|
|                        | 2015                    | 2014                  |
| Mutual funds:          |                         |                       |
| Large cap funds        | \$ 99,166,492           | \$ 100,884,523        |
| Blended funds          | 62,418,656              | 56,145,999            |
| Mid cap funds          | 19,474,928              | 21,326,955            |
| Bond investments       | 16,681,491              | 18,463,638            |
| Other funds            | 13,437,042              | 12,900,786            |
| Short term investments | 33,239,479              | 37,152,798            |
|                        | <u>\$ 244,418,088</u>   | <u>\$ 246,874,699</u> |

## Note 6: Reconciliation of Financial Statements to Form 5500

The financial information of the Plan, as reported on Form 5500, does not include all amounts necessary for reporting on the accrual basis of accounting. A reconciliation of the amounts appearing on Form 5500 to the accompanying financial statements is as follows:

|                                                                  | December 31,         |                      |
|------------------------------------------------------------------|----------------------|----------------------|
|                                                                  | 2015                 | 2014                 |
| <b>Net Assets Available for Benefits</b>                         |                      |                      |
| Net assets, as reported on Form 5500                             | \$ 48,002,658        | \$ 48,089,167        |
| Adjustment to accrue participant contributions receivable        | 30,459               | 24,402               |
| Adjustment to accrue employer contributions receivable           | 18,804               | 6,637                |
| Net assets, as reported in the accompanying financial statements | <u>\$ 48,051,921</u> | <u>\$ 48,120,206</u> |

### Changes in Net Assets Available for Benefits for the year ended December 31, 2015

|                                                                              |                    |
|------------------------------------------------------------------------------|--------------------|
| Decrease in net assets, as reported on Form 5500                             | \$ (86,509)        |
| Change in adjustment to accrue participant contributions receivable          | 6,057              |
| Change in adjustment to accrue employer contributions receivable             | 12,167             |
| Increase in net assets, as reported in the accompanying financial statements | <u>\$ (68,285)</u> |

**Note 7: Party-in-Interest Transactions**

The Trustee performs services for, sells products to, and manages and maintains certain investments of the Plan for which fees are charged to the Plan. The Trustee is also the record-keeper as defined in the Plan Document. Any transactions with the Trustee qualify as party-in-interest transactions as do notes receivable from participants. Net fees paid to the Trustee were \$32,523 for the year ended December 31, 2015. Such transactions, while considered party-in-interest transactions under ERISA regulations, are permitted under the provisions of the Plan and are specifically exempt from prohibition of party-in-interest transactions under ERISA.

**Note 8: Prohibited Transactions**

The Plan Sponsor deducted, via payroll withholding, an aggregate of \$18,093 during 2015 from participants' gross wages that were not remitted in a timely manner to the Plan in accordance with DOL Rules and Regulations. The Company intends to file Form 5330 with the IRS and intends to remit the required excise tax on the transaction. In addition, the Plan Sponsor intends to make a restoration contribution to restore lost earnings.

**Note 9: Subsequent Events**

Plan management has evaluated for subsequent events between the date of the Statement of Net Assets Available for Benefits at December 31, 2015 and the report date, which is the date the financial statements were available for issuance, and has concluded that all subsequent events requiring recognition or disclosure have been incorporated into these financial statements.

\*\*\*\*\*

## **Supplemental Information**

## Mueller Group, LLC Retirement Savings Plan No. 2

### Schedule H, Part IV, Line 4a - Schedule of Delinquent Participant Contributions

For the Year Ended December 31, 2015

Plan #004 -Employer Identification #20-3547095

| Plan<br>Year | Participant<br>Contributions<br>Transferred<br>Late to Plan | Loan<br>Repayments<br>Included in<br>Late<br>Contributions<br>(Y/N) | Contributions<br>Not Corrected | Transactions                                                                             |                                                                                               |                                                                                                                                   |
|--------------|-------------------------------------------------------------|---------------------------------------------------------------------|--------------------------------|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
|              |                                                             |                                                                     |                                | Contributions<br>Corrected<br>Outside<br>Voluntary<br>Fiduciary<br>Correction<br>Program | Contributions<br>Pending<br>Corrections in<br>Voluntary<br>Fiduciary<br>Correction<br>Program | Total Fully Corrected<br>Under Voluntary<br>Fiduciary Correction<br>Program and<br>Prohibited<br>Transaction<br>Exemption 2002-51 |
| 2015         | \$ 18,093                                                   | Y                                                                   | \$ -                           | \$ -                                                                                     | \$ 18,093 *                                                                                   | \$ -                                                                                                                              |

\* The contributions have been remitted to the Plan, and the Plan Sponsor intends to make a restoration contribution to restore lost earnings.

See accompanying notes to financial statements and independent auditor's report.

## Mueller Group, LLC Retirement Savings Plan No. 2

### Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year)

December 31, 2015

Plan #004 -Employer Identification #20-3547095

| (A) | Identity of issuer, borrower,<br>lessor, or similar party (B) | Description of investment including<br>maturity date, rate of interest,<br>collateral, par, or maturity value (C) | Cost (D) | Current Value (E)                        |
|-----|---------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|----------|------------------------------------------|
|     |                                                               |                                                                                                                   |          |                                          |
| *   | Interest held in Master Trust, at fair value                  | Mutual funds                                                                                                      | **       | \$ 44,227,515                            |
| *   | Notes receivable from participants                            | Interest rates ranging from 4.25% to<br>9.50% with maturity dates ranging<br>from January 2015 - January 2020     |          | <u>3,775,143</u><br><u>\$ 48,002,658</u> |

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

\*\* Not required for participant-directed investments.

*See accompanying notes to financial statements and independent auditor's report.*

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Fax: 770-390-0394

# Mueller Group, LLC Retirement Savings Plan No. 2



## Financial Statements

December 31, 2015 and 2014



BETTER TOGETHER™

# Mueller Group, LLC Retirement Savings Plan No. 2

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## **Independent Auditor's Report**

To the Participants of Mueller Group, LLC  
Retirement Savings Plan No. 2 and its  
Employee Benefits Administrative Committee

### **Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of Mueller Group, LLC Retirement Savings Plan No. 2 (the Plan), which comprise the statements of net assets available for benefits at December 31, 2015 and 2014, the related statement of changes in net assets available for benefits for the year ended December 31, 2015, 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.

### ***Auditor's Responsibility***

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

### ***Basis for Disclaimer of Opinion***

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (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 4, which was certified by Fidelity Management 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 at December 31, 2015 and 2014, and for the year ended December 31, 2015, that the information provided to the Plan administrator by the Trustee is complete and accurate.

### ***Disclaimer of Opinion***

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



***Other Matter***

The supplemental information, Schedule H, Part IV, Line 4a – Schedule of Delinquent Participant Contributions and Schedule H, Part IV, Line 4i – Schedule of Assets (Held at End of Year) at and for the year ended December 31, 2015, is required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplemental information.

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

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

*Bennett Thrasher LLP*

October 14, 2016

## Mueller Group, LLC Retirement Savings Plan No. 2

### Statements of Net Assets Available for Benefits

---

|                                              | December 31,         |                      |
|----------------------------------------------|----------------------|----------------------|
|                                              | 2015                 | 2014                 |
| <b>Assets</b>                                |                      |                      |
| Plan interest in Master Trust, at fair value | \$ 44,227,515        | \$ 44,304,622        |
| Receivables:                                 |                      |                      |
| Notes receivable from participants           | 3,775,143            | 3,784,545            |
| Participant contributions                    | 30,459               | 24,402               |
| Employer contributions                       | 18,804               | 6,637                |
| Net assets available for benefits            | <u>\$ 48,051,921</u> | <u>\$ 48,120,206</u> |

*The accompanying notes are an integral part of these financial statements.*

## Mueller Group, LLC Retirement Savings Plan No. 2

### Statement of Changes in Net Assets Available for Benefits

---

|                                                      | <b>For the Year Ended<br/>December 31, 2015</b> |
|------------------------------------------------------|-------------------------------------------------|
| Additions to net assets attributed to:               |                                                 |
| Contributions:                                       |                                                 |
| Participant contributions                            | \$ 1,809,537                                    |
| Employer contributions                               | 1,500,950                                       |
| Participant rollover contributions                   | <u>78,716</u>                                   |
|                                                      | 3,389,203                                       |
| Plan interest in Master Trust investment income      | 432,125                                         |
| Interest on notes receivable from participants       | <u>154,356</u>                                  |
| Total additions                                      | <u>3,975,684</u>                                |
| Deductions from net assets attributed to:            |                                                 |
| Benefits paid to participants                        | 3,825,030                                       |
| Participant balance transfers out                    | 186,416                                         |
| Administrative expenses                              | <u>32,523</u>                                   |
| Total deductions                                     | <u>4,043,969</u>                                |
| Net decrease                                         | (68,285)                                        |
| Net assets available for benefits, beginning of year | <u>48,120,206</u>                               |
| Net assets available for benefits, end of year       | <u><u>\$ 48,051,921</u></u>                     |

*The accompanying notes are an integral part of these financial statements.*

# **Mueller Group, LLC Retirement Savings Plan No. 2**

## **Notes to Financial Statements December 31, 2015 and 2014**

---

### **Note 1: Plan Description**

The following is a brief description of the Mueller Group, LLC Retirement Savings Plan No. 2 (the Plan). The Plan covers certain employees of Mueller Company and Anvil International, segments of Mueller Group, LLC (the Company or Plan Sponsor). The Company is a wholly owned subsidiary of Mueller Water Products, Inc. The Plan is a defined contribution plan providing retirement benefits to eligible employees of the Company. Participants should refer to the Plan Document for more complete information. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

#### **Eligibility**

An eligible employee is either an hourly employee whose compensation is subject to a collective bargaining agreement or a salaried employee identified on a schedule attached to the Plan Document. Leased employees, non-resident aliens, cooperative students, and temporary employees are not eligible to participate in the Plan. Unless participation criteria are specifically stated otherwise in the Plan Document, each employee hired subsequent to August 16, 1999, the Plan's inception date, is eligible to participate in this Plan as of the entry date, which coincides with or immediately follows the latter of: the Plan's inception date, the effective date of the adoption of this Plan by the divisions of the Company, or upon attaining the age of eligibility, which varies depending on the requirements of the Company's divisions, as specified in the Plan Document.

#### **Contributions**

The Plan is funded through both participant and employer contributions. Eligible employees are able to make basic and voluntary contributions, as defined in the Plan Document. In addition, participants in certain divisions of the Company may also make supplemental contributions, as specified by the Plan Document.

The employer makes matching contributions to the Plan based on the formula specified in the Plan Document. Both participant and employer matching contributions are recorded in the period in which the employee payroll deductions are made. The aggregate amount of participant and employer contributions cannot exceed certain limits as established by the provisions of the Plan Document and the Internal Revenue Code (IRC).

Participants may also make rollover contributions to the Plan, provided the amount represents a balance from a qualified plan under the IRC and the amount is contributed to the Plan within 60 days of the original distribution.

#### **Transfers**

Certain employee job classification changes made during the year may warrant a transfer of participant accounts out of the Plan and into another Company-sponsored plan. These transfers represent the participant balance transfers out on the Statement of Changes in Net Assets Available for Benefits.

#### **Vesting**

Participants are immediately vested in their contributions and rollover contributions. Upon the completion of three years of service or upon termination of employment due to retirement, disability, or death, the participant will also be fully vested in that portion of his or her account attributable to employer contributions. In the event of termination of the Plan, all participant accounts become fully vested and nonforfeitable.

## **Participation**

Individual accounts are maintained for each of the Plan's participants to reflect the participant's share of the Plan's earnings or losses, the Company's contributions, if any, and the participant's contributions. Allocation of earnings or losses is based on relative account balances and investment elections. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account balance.

## **Withdrawals and Termination**

Withdrawals from participant accounts may be made for the following reasons: termination of employment, financial hardship, retirement, death or attainment of age 59½.

Hardship withdrawals are permitted if certain criteria are met, as defined by the Plan Document, and are subject to taxes in the year received. Hardship withdrawals result in a suspension of the right to make participant contributions to the Plan for a period of six months.

The Plan does not permit partial or periodic withdrawals from a participant's account, except for hardship withdrawals, attainment of age 70½ and from rollover contributions. Any other types of withdrawals must be for the entire vested balance.

## **Notes Receivable from Participants**

The Plan allows participants currently employed by the Company to borrow amounts not exceeding 50% of their vested account balance. Notes receivable from participants must exceed \$1,000 and cannot exceed \$50,000. Notes receivable bear interest at prevailing rates for comparable notes made by commercial lending institutions. Notes receivable repayments are generally made through payroll deductions and normally must be repaid within a five-year term unless the note was used to purchase a primary residence, which allows extension of the term up to 15 years. Notes receivable become due and payable in full once a participant terminates employment.

## **Plan Termination**

The Company has reserved the right to amend, modify, suspend, or terminate the Plan at any time, subject to the provisions of ERISA. In the event of plan termination, participants would become 100% vested in that portion of their account attributable to employer contributions.

## **Plan Administration**

The Plan's investments are administered by Fidelity Management Trust Company (the Trustee). Upon enrollment in the Plan, a participant may direct the investment of his or her employee and employer contributions in any of the Plan's investment options. The participant may change the investment elections on a daily basis.

## **Forfeitures**

Forfeitures arising upon termination of a participant's employment shall be used to offset future employer matching contributions under the Plan and/or to pay the Plan's administrative expenses. If a terminated participant returns to employment within five years, the amount previously forfeited will be reinstated. Forfeited nonvested amounts available for use totaled \$21,591 and \$2,426 at December 31, 2015 and 2014, respectively. For the year ended December 31, 2015, forfeitures in the amount of \$18,437 were used to offset employer matching contributions and \$900 was used to pay Plan expenses.

## **Note 2: Summary of Significant Accounting Policies**

### **Basis of Accounting**

The financial statements of the Plan have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

### **Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results may differ from those estimates.

### **Investment Valuation**

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for discussion of fair value measurements. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Net appreciation includes gains and losses on the Plan's investments held throughout the year as well as those bought and sold during the year.

### **Risks and Uncertainties**

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

### **Notes Receivable from Participants**

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes are treated as distributions based upon the terms of the Plan Document.

### **Payment of Benefits**

Benefits are recorded when paid.

### **Administrative Expenses**

Expenses of the Plan are paid out of the Plan unless paid by the Company. Transaction expenses are included as part of the cost of the related investments. Fees related to notes receivable from participants are paid by the borrowing participant.

## **New Accounting Pronouncements**

In July 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 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). ASU 2015-12 simplifies current benefit plan accounting and requires (i) fully benefit-responsive investment contracts to be measured, presented, and disclosed only at contract value and accordingly removes the requirement to reconcile their contract value to fair value; (ii) benefit plans to disaggregate their investments measured using fair value by general type, either on the face of the financial statements or in the notes to the financial statements and removes certain disclosure requirements relevant to individual investments that represent five percent or more of net assets available for benefits and (iii) the net appreciation or depreciation for investments to be presented in the aggregate rather than disaggregated and disclosed by general type. The standard also eliminates the requirement to disclose the significant investment strategies for certain investments that are measured using the net asset value per share practical expedient. Further, ASU 2015-12 provides a practical expedient to permit benefit plans to measure investments and investment-related accounts as of the month-end that is closest to the plan's fiscal year-end, when the fiscal period does not coincide with a month-end. Parts I and II of this standard are effective for fiscal years beginning after December 15, 2015 with retrospective application. Part III of this standard is effective for fiscal years beginning after December 15, 2015 with prospective application. Early adoption is permitted. The Plan Sponsor is currently evaluating the impact of this standard on the Plan's financial statements.

### **Note 3: Tax Status of the Plan**

No provision for income taxes has been included in the Plan's financial statements. The Internal Revenue Service (IRS) has determined and informed the Company by a letter dated March 23, 2012 that the Plan and related trust, as then designed, were in accordance with applicable sections of the IRC. The Plan has been amended since receipt of the determination letter. The Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and that the Plan was qualified as tax-exempt at December 31, 2015.

GAAP requires the Plan administrator 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 at December 31, 2015, there were 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 in progress for any tax periods.

#### **Note 4: Financial Information of the Plan Certified by the Trustee**

Assets of the Plan are invested in the Mueller Master Trust (the Master Trust). At December 31, 2015 and 2014, the Master Trust included the investment assets of the Plan and one other Company-sponsored plan, the Mueller Group, LLC Retirement Savings Plan No. 1. Each participating plan has an undivided interest in the Master Trust. The fair value of the Plan's interest in the Master Trust is based on the beginning of year value plus actual contributions and investment income less actual distributions, transfers and administrative expenses. The Plan's interest in the Master Trust as a percentage of net assets was approximately 18% at both December 31, 2015 and 2014.

The Master Trust investments and the Plan interest in the Master Trust, at fair value, are as follows:

|                                              | <b>December 31,</b>   |                       |
|----------------------------------------------|-----------------------|-----------------------|
|                                              | <b>2015</b>           | <b>2014</b>           |
| Master Trust investments, at fair value:     |                       |                       |
| Mutual funds                                 | <u>\$ 244,418,088</u> | <u>\$ 246,874,699</u> |
| Plan interest in Master Trust, at fair value | <u>\$ 44,227,515</u>  | <u>\$ 44,304,622</u>  |

The net investment income of the Master Trust and of the Plan interest in the Master Trust investment income for the year ended December 31, 2015 are as follows:

|                                                 |                     |
|-------------------------------------------------|---------------------|
| Net depreciation in fair value of mutual funds  | \$ (6,037,613)      |
| Interest and dividends, mutual funds            | <u>9,110,182</u>    |
|                                                 | <u>\$ 3,072,569</u> |
| Plan interest in Master Trust investment income | <u>\$ 432,125</u>   |

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Plan administrator instructed the Plan's independent auditors not to perform any audit procedures with respect to the above information certified by the Trustee, except for comparing such information to information included in the Plan's financial statements and supplemental information.

## Note 5: Fair Value Measurements

Mutual funds are valued at the net asset value of shares held by the Plan at December 31, 2015 and 2014. There were no changes in the methodologies used during the year.

The assets of the Master Trust, within the fair value hierarchy are presented below:

|                        | Level 1<br>December 31, |                       |
|------------------------|-------------------------|-----------------------|
|                        | 2015                    | 2014                  |
| Mutual funds:          |                         |                       |
| Large cap funds        | \$ 99,166,492           | \$ 100,884,523        |
| Blended funds          | 62,418,656              | 56,145,999            |
| Mid cap funds          | 19,474,928              | 21,326,955            |
| Bond investments       | 16,681,491              | 18,463,638            |
| Other funds            | 13,437,042              | 12,900,786            |
| Short term investments | 33,239,479              | 37,152,798            |
|                        | <u>\$ 244,418,088</u>   | <u>\$ 246,874,699</u> |

## Note 6: Reconciliation of Financial Statements to Form 5500

The financial information of the Plan, as reported on Form 5500, does not include all amounts necessary for reporting on the accrual basis of accounting. A reconciliation of the amounts appearing on Form 5500 to the accompanying financial statements is as follows:

|                                                                  | December 31,         |                      |
|------------------------------------------------------------------|----------------------|----------------------|
|                                                                  | 2015                 | 2014                 |
| <b>Net Assets Available for Benefits</b>                         |                      |                      |
| Net assets, as reported on Form 5500                             | \$ 48,002,658        | \$ 48,089,167        |
| Adjustment to accrue participant contributions receivable        | 30,459               | 24,402               |
| Adjustment to accrue employer contributions receivable           | 18,804               | 6,637                |
| Net assets, as reported in the accompanying financial statements | <u>\$ 48,051,921</u> | <u>\$ 48,120,206</u> |

### Changes in Net Assets Available for Benefits for the year ended December 31, 2015

|                                                                              |                    |
|------------------------------------------------------------------------------|--------------------|
| Decrease in net assets, as reported on Form 5500                             | \$ (86,509)        |
| Change in adjustment to accrue participant contributions receivable          | 6,057              |
| Change in adjustment to accrue employer contributions receivable             | 12,167             |
| Increase in net assets, as reported in the accompanying financial statements | <u>\$ (68,285)</u> |

**Note 7: Party-in-Interest Transactions**

The Trustee performs services for, sells products to, and manages and maintains certain investments of the Plan for which fees are charged to the Plan. The Trustee is also the record-keeper as defined in the Plan Document. Any transactions with the Trustee qualify as party-in-interest transactions as do notes receivable from participants. Net fees paid to the Trustee were \$32,523 for the year ended December 31, 2015. Such transactions, while considered party-in-interest transactions under ERISA regulations, are permitted under the provisions of the Plan and are specifically exempt from prohibition of party-in-interest transactions under ERISA.

**Note 8: Prohibited Transactions**

The Plan Sponsor deducted, via payroll withholding, an aggregate of \$18,093 during 2015 from participants' gross wages that were not remitted in a timely manner to the Plan in accordance with DOL Rules and Regulations. The Company intends to file Form 5330 with the IRS and intends to remit the required excise tax on the transaction. In addition, the Plan Sponsor intends to make a restoration contribution to restore lost earnings.

**Note 9: Subsequent Events**

Plan management has evaluated for subsequent events between the date of the Statement of Net Assets Available for Benefits at December 31, 2015 and the report date, which is the date the financial statements were available for issuance, and has concluded that all subsequent events requiring recognition or disclosure have been incorporated into these financial statements.

\*\*\*\*\*

## **Supplemental Information**

## Mueller Group, LLC Retirement Savings Plan No. 2

### Schedule H, Part IV, Line 4a - Schedule of Delinquent Participant Contributions

For the Year Ended December 31, 2015

Plan #004 -Employer Identification #20-3547095

| Plan<br>Year | Participant<br>Contributions<br>Transferred<br>Late to Plan | Loan<br>Repayments<br>Included in<br>Late<br>Contributions<br>(Y/N) | Contributions<br>Not Corrected | Transactions                                                                             |                                                                                               |                                                                                                                                   |
|--------------|-------------------------------------------------------------|---------------------------------------------------------------------|--------------------------------|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
|              |                                                             |                                                                     |                                | Contributions<br>Corrected<br>Outside<br>Voluntary<br>Fiduciary<br>Correction<br>Program | Contributions<br>Pending<br>Corrections in<br>Voluntary<br>Fiduciary<br>Correction<br>Program | Total Fully Corrected<br>Under Voluntary<br>Fiduciary Correction<br>Program and<br>Prohibited<br>Transaction<br>Exemption 2002-51 |
| 2015         | \$ 18,093                                                   | Y                                                                   | \$ -                           | \$ -                                                                                     | \$ 18,093 *                                                                                   | \$ -                                                                                                                              |

\* The contributions have been remitted to the Plan, and the Plan Sponsor intends to make a restoration contribution to restore lost earnings.

See accompanying notes to financial statements and independent auditor's report.

## Mueller Group, LLC Retirement Savings Plan No. 2

### Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year)

December 31, 2015

Plan #004 -Employer Identification #20-3547095

| (A) | Identity of issuer, borrower,<br>lessor, or similar party (B) | Description of investment including<br>maturity date, rate of interest,<br>collateral, par, or maturity value (C) | Cost (D) | Current Value (E)                        |
|-----|---------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|----------|------------------------------------------|
|     |                                                               |                                                                                                                   |          |                                          |
| *   | Interest held in Master Trust, at fair value                  | Mutual funds                                                                                                      | **       | \$ 44,227,515                            |
| *   | Notes receivable from participants                            | Interest rates ranging from 4.25% to<br>9.50% with maturity dates ranging<br>from January 2015 - January 2020     |          | <u>3,775,143</u><br><u>\$ 48,002,658</u> |

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

\*\* Not required for participant-directed investments.

*See accompanying notes to financial statements and independent auditor's report.*

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# Mueller Group, LLC Retirement Savings Plan No. 2



## Financial Statements

December 31, 2015 and 2014



BETTER TOGETHER™

# Mueller Group, LLC Retirement Savings Plan No. 2

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## **Independent Auditor's Report**

To the Participants of Mueller Group, LLC  
Retirement Savings Plan No. 2 and its  
Employee Benefits Administrative Committee

### **Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of Mueller Group, LLC Retirement Savings Plan No. 2 (the Plan), which comprise the statements of net assets available for benefits at December 31, 2015 and 2014, the related statement of changes in net assets available for benefits for the year ended December 31, 2015, 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.

### ***Auditor's Responsibility***

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

### ***Basis for Disclaimer of Opinion***

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (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 4, which was certified by Fidelity Management 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 at December 31, 2015 and 2014, and for the year ended December 31, 2015, that the information provided to the Plan administrator by the Trustee is complete and accurate.

### ***Disclaimer of Opinion***

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



***Other Matter***

The supplemental information, Schedule H, Part IV, Line 4a – Schedule of Delinquent Participant Contributions and Schedule H, Part IV, Line 4i – Schedule of Assets (Held at End of Year) at and for the year ended December 31, 2015, is required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplemental information.

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

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

*Bennett Thrasher LLP*

October 14, 2016

## Mueller Group, LLC Retirement Savings Plan No. 2

### Statements of Net Assets Available for Benefits

---

|                                              | December 31,         |                      |
|----------------------------------------------|----------------------|----------------------|
|                                              | 2015                 | 2014                 |
| <b>Assets</b>                                |                      |                      |
| Plan interest in Master Trust, at fair value | \$ 44,227,515        | \$ 44,304,622        |
| Receivables:                                 |                      |                      |
| Notes receivable from participants           | 3,775,143            | 3,784,545            |
| Participant contributions                    | 30,459               | 24,402               |
| Employer contributions                       | 18,804               | 6,637                |
| Net assets available for benefits            | <u>\$ 48,051,921</u> | <u>\$ 48,120,206</u> |

*The accompanying notes are an integral part of these financial statements.*

## Mueller Group, LLC Retirement Savings Plan No. 2

### Statement of Changes in Net Assets Available for Benefits

---

|                                                      | <b>For the Year Ended<br/>December 31, 2015</b> |
|------------------------------------------------------|-------------------------------------------------|
| Additions to net assets attributed to:               |                                                 |
| Contributions:                                       |                                                 |
| Participant contributions                            | \$ 1,809,537                                    |
| Employer contributions                               | 1,500,950                                       |
| Participant rollover contributions                   | <u>78,716</u>                                   |
|                                                      | 3,389,203                                       |
| Plan interest in Master Trust investment income      | 432,125                                         |
| Interest on notes receivable from participants       | <u>154,356</u>                                  |
| Total additions                                      | <u>3,975,684</u>                                |
| Deductions from net assets attributed to:            |                                                 |
| Benefits paid to participants                        | 3,825,030                                       |
| Participant balance transfers out                    | 186,416                                         |
| Administrative expenses                              | <u>32,523</u>                                   |
| Total deductions                                     | <u>4,043,969</u>                                |
| Net decrease                                         | (68,285)                                        |
| Net assets available for benefits, beginning of year | <u>48,120,206</u>                               |
| Net assets available for benefits, end of year       | <u><u>\$ 48,051,921</u></u>                     |

*The accompanying notes are an integral part of these financial statements.*

# **Mueller Group, LLC Retirement Savings Plan No. 2**

## **Notes to Financial Statements December 31, 2015 and 2014**

---

### **Note 1: Plan Description**

The following is a brief description of the Mueller Group, LLC Retirement Savings Plan No. 2 (the Plan). The Plan covers certain employees of Mueller Company and Anvil International, segments of Mueller Group, LLC (the Company or Plan Sponsor). The Company is a wholly owned subsidiary of Mueller Water Products, Inc. The Plan is a defined contribution plan providing retirement benefits to eligible employees of the Company. Participants should refer to the Plan Document for more complete information. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

#### **Eligibility**

An eligible employee is either an hourly employee whose compensation is subject to a collective bargaining agreement or a salaried employee identified on a schedule attached to the Plan Document. Leased employees, non-resident aliens, cooperative students, and temporary employees are not eligible to participate in the Plan. Unless participation criteria are specifically stated otherwise in the Plan Document, each employee hired subsequent to August 16, 1999, the Plan's inception date, is eligible to participate in this Plan as of the entry date, which coincides with or immediately follows the latter of: the Plan's inception date, the effective date of the adoption of this Plan by the divisions of the Company, or upon attaining the age of eligibility, which varies depending on the requirements of the Company's divisions, as specified in the Plan Document.

#### **Contributions**

The Plan is funded through both participant and employer contributions. Eligible employees are able to make basic and voluntary contributions, as defined in the Plan Document. In addition, participants in certain divisions of the Company may also make supplemental contributions, as specified by the Plan Document.

The employer makes matching contributions to the Plan based on the formula specified in the Plan Document. Both participant and employer matching contributions are recorded in the period in which the employee payroll deductions are made. The aggregate amount of participant and employer contributions cannot exceed certain limits as established by the provisions of the Plan Document and the Internal Revenue Code (IRC).

Participants may also make rollover contributions to the Plan, provided the amount represents a balance from a qualified plan under the IRC and the amount is contributed to the Plan within 60 days of the original distribution.

#### **Transfers**

Certain employee job classification changes made during the year may warrant a transfer of participant accounts out of the Plan and into another Company-sponsored plan. These transfers represent the participant balance transfers out on the Statement of Changes in Net Assets Available for Benefits.

#### **Vesting**

Participants are immediately vested in their contributions and rollover contributions. Upon the completion of three years of service or upon termination of employment due to retirement, disability, or death, the participant will also be fully vested in that portion of his or her account attributable to employer contributions. In the event of termination of the Plan, all participant accounts become fully vested and nonforfeitable.

## **Participation**

Individual accounts are maintained for each of the Plan's participants to reflect the participant's share of the Plan's earnings or losses, the Company's contributions, if any, and the participant's contributions. Allocation of earnings or losses is based on relative account balances and investment elections. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account balance.

## **Withdrawals and Termination**

Withdrawals from participant accounts may be made for the following reasons: termination of employment, financial hardship, retirement, death or attainment of age 59½.

Hardship withdrawals are permitted if certain criteria are met, as defined by the Plan Document, and are subject to taxes in the year received. Hardship withdrawals result in a suspension of the right to make participant contributions to the Plan for a period of six months.

The Plan does not permit partial or periodic withdrawals from a participant's account, except for hardship withdrawals, attainment of age 70½ and from rollover contributions. Any other types of withdrawals must be for the entire vested balance.

## **Notes Receivable from Participants**

The Plan allows participants currently employed by the Company to borrow amounts not exceeding 50% of their vested account balance. Notes receivable from participants must exceed \$1,000 and cannot exceed \$50,000. Notes receivable bear interest at prevailing rates for comparable notes made by commercial lending institutions. Notes receivable repayments are generally made through payroll deductions and normally must be repaid within a five-year term unless the note was used to purchase a primary residence, which allows extension of the term up to 15 years. Notes receivable become due and payable in full once a participant terminates employment.

## **Plan Termination**

The Company has reserved the right to amend, modify, suspend, or terminate the Plan at any time, subject to the provisions of ERISA. In the event of plan termination, participants would become 100% vested in that portion of their account attributable to employer contributions.

## **Plan Administration**

The Plan's investments are administered by Fidelity Management Trust Company (the Trustee). Upon enrollment in the Plan, a participant may direct the investment of his or her employee and employer contributions in any of the Plan's investment options. The participant may change the investment elections on a daily basis.

## **Forfeitures**

Forfeitures arising upon termination of a participant's employment shall be used to offset future employer matching contributions under the Plan and/or to pay the Plan's administrative expenses. If a terminated participant returns to employment within five years, the amount previously forfeited will be reinstated. Forfeited nonvested amounts available for use totaled \$21,591 and \$2,426 at December 31, 2015 and 2014, respectively. For the year ended December 31, 2015, forfeitures in the amount of \$18,437 were used to offset employer matching contributions and \$900 was used to pay Plan expenses.

## **Note 2: Summary of Significant Accounting Policies**

### **Basis of Accounting**

The financial statements of the Plan have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

### **Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results may differ from those estimates.

### **Investment Valuation**

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for discussion of fair value measurements. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Net appreciation includes gains and losses on the Plan's investments held throughout the year as well as those bought and sold during the year.

### **Risks and Uncertainties**

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

### **Notes Receivable from Participants**

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes are treated as distributions based upon the terms of the Plan Document.

### **Payment of Benefits**

Benefits are recorded when paid.

### **Administrative Expenses**

Expenses of the Plan are paid out of the Plan unless paid by the Company. Transaction expenses are included as part of the cost of the related investments. Fees related to notes receivable from participants are paid by the borrowing participant.

## **New Accounting Pronouncements**

In July 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 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). ASU 2015-12 simplifies current benefit plan accounting and requires (i) fully benefit-responsive investment contracts to be measured, presented, and disclosed only at contract value and accordingly removes the requirement to reconcile their contract value to fair value; (ii) benefit plans to disaggregate their investments measured using fair value by general type, either on the face of the financial statements or in the notes to the financial statements and removes certain disclosure requirements relevant to individual investments that represent five percent or more of net assets available for benefits and (iii) the net appreciation or depreciation for investments to be presented in the aggregate rather than disaggregated and disclosed by general type. The standard also eliminates the requirement to disclose the significant investment strategies for certain investments that are measured using the net asset value per share practical expedient. Further, ASU 2015-12 provides a practical expedient to permit benefit plans to measure investments and investment-related accounts as of the month-end that is closest to the plan's fiscal year-end, when the fiscal period does not coincide with a month-end. Parts I and II of this standard are effective for fiscal years beginning after December 15, 2015 with retrospective application. Part III of this standard is effective for fiscal years beginning after December 15, 2015 with prospective application. Early adoption is permitted. The Plan Sponsor is currently evaluating the impact of this standard on the Plan's financial statements.

### **Note 3: Tax Status of the Plan**

No provision for income taxes has been included in the Plan's financial statements. The Internal Revenue Service (IRS) has determined and informed the Company by a letter dated March 23, 2012 that the Plan and related trust, as then designed, were in accordance with applicable sections of the IRC. The Plan has been amended since receipt of the determination letter. The Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and that the Plan was qualified as tax-exempt at December 31, 2015.

GAAP requires the Plan administrator 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 at December 31, 2015, there were 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 in progress for any tax periods.

#### **Note 4: Financial Information of the Plan Certified by the Trustee**

Assets of the Plan are invested in the Mueller Master Trust (the Master Trust). At December 31, 2015 and 2014, the Master Trust included the investment assets of the Plan and one other Company-sponsored plan, the Mueller Group, LLC Retirement Savings Plan No. 1. Each participating plan has an undivided interest in the Master Trust. The fair value of the Plan's interest in the Master Trust is based on the beginning of year value plus actual contributions and investment income less actual distributions, transfers and administrative expenses. The Plan's interest in the Master Trust as a percentage of net assets was approximately 18% at both December 31, 2015 and 2014.

The Master Trust investments and the Plan interest in the Master Trust, at fair value, are as follows:

|                                              | <b>December 31,</b>   |                       |
|----------------------------------------------|-----------------------|-----------------------|
|                                              | <b>2015</b>           | <b>2014</b>           |
| Master Trust investments, at fair value:     |                       |                       |
| Mutual funds                                 | <u>\$ 244,418,088</u> | <u>\$ 246,874,699</u> |
| Plan interest in Master Trust, at fair value | <u>\$ 44,227,515</u>  | <u>\$ 44,304,622</u>  |

The net investment income of the Master Trust and of the Plan interest in the Master Trust investment income for the year ended December 31, 2015 are as follows:

|                                                 |                     |
|-------------------------------------------------|---------------------|
| Net depreciation in fair value of mutual funds  | \$ (6,037,613)      |
| Interest and dividends, mutual funds            | <u>9,110,182</u>    |
|                                                 | <u>\$ 3,072,569</u> |
| Plan interest in Master Trust investment income | <u>\$ 432,125</u>   |

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Plan administrator instructed the Plan's independent auditors not to perform any audit procedures with respect to the above information certified by the Trustee, except for comparing such information to information included in the Plan's financial statements and supplemental information.

## Note 5: Fair Value Measurements

Mutual funds are valued at the net asset value of shares held by the Plan at December 31, 2015 and 2014. There were no changes in the methodologies used during the year.

The assets of the Master Trust, within the fair value hierarchy are presented below:

|                        | <b>Level 1</b>        |                       |
|------------------------|-----------------------|-----------------------|
|                        | <b>December 31,</b>   |                       |
|                        | <b>2015</b>           | <b>2014</b>           |
| Mutual funds:          |                       |                       |
| Large cap funds        | \$ 99,166,492         | \$ 100,884,523        |
| Blended funds          | 62,418,656            | 56,145,999            |
| Mid cap funds          | 19,474,928            | 21,326,955            |
| Bond investments       | 16,681,491            | 18,463,638            |
| Other funds            | 13,437,042            | 12,900,786            |
| Short term investments | 33,239,479            | 37,152,798            |
|                        | <u>\$ 244,418,088</u> | <u>\$ 246,874,699</u> |

## Note 6: Reconciliation of Financial Statements to Form 5500

The financial information of the Plan, as reported on Form 5500, does not include all amounts necessary for reporting on the accrual basis of accounting. A reconciliation of the amounts appearing on Form 5500 to the accompanying financial statements is as follows:

|                                                                  | <b>December 31,</b>  |                      |
|------------------------------------------------------------------|----------------------|----------------------|
|                                                                  | <b>2015</b>          | <b>2014</b>          |
| <b>Net Assets Available for Benefits</b>                         |                      |                      |
| Net assets, as reported on Form 5500                             | \$ 48,002,658        | \$ 48,089,167        |
| Adjustment to accrue participant contributions receivable        | 30,459               | 24,402               |
| Adjustment to accrue employer contributions receivable           | 18,804               | 6,637                |
| Net assets, as reported in the accompanying financial statements | <u>\$ 48,051,921</u> | <u>\$ 48,120,206</u> |

### Changes in Net Assets Available for Benefits for the year ended December 31, 2015

|                                                                              |                    |
|------------------------------------------------------------------------------|--------------------|
| Decrease in net assets, as reported on Form 5500                             | \$ (86,509)        |
| Change in adjustment to accrue participant contributions receivable          | 6,057              |
| Change in adjustment to accrue employer contributions receivable             | 12,167             |
| Increase in net assets, as reported in the accompanying financial statements | <u>\$ (68,285)</u> |

**Note 7: Party-in-Interest Transactions**

The Trustee performs services for, sells products to, and manages and maintains certain investments of the Plan for which fees are charged to the Plan. The Trustee is also the record-keeper as defined in the Plan Document. Any transactions with the Trustee qualify as party-in-interest transactions as do notes receivable from participants. Net fees paid to the Trustee were \$32,523 for the year ended December 31, 2015. Such transactions, while considered party-in-interest transactions under ERISA regulations, are permitted under the provisions of the Plan and are specifically exempt from prohibition of party-in-interest transactions under ERISA.

**Note 8: Prohibited Transactions**

The Plan Sponsor deducted, via payroll withholding, an aggregate of \$18,093 during 2015 from participants' gross wages that were not remitted in a timely manner to the Plan in accordance with DOL Rules and Regulations. The Company intends to file Form 5330 with the IRS and intends to remit the required excise tax on the transaction. In addition, the Plan Sponsor intends to make a restoration contribution to restore lost earnings.

**Note 9: Subsequent Events**

Plan management has evaluated for subsequent events between the date of the Statement of Net Assets Available for Benefits at December 31, 2015 and the report date, which is the date the financial statements were available for issuance, and has concluded that all subsequent events requiring recognition or disclosure have been incorporated into these financial statements.

\*\*\*\*\*

## **Supplemental Information**

## Mueller Group, LLC Retirement Savings Plan No. 2

### Schedule H, Part IV, Line 4a - Schedule of Delinquent Participant Contributions

For the Year Ended December 31, 2015

Plan #004 -Employer Identification #20-3547095

| Plan<br>Year | Participant<br>Contributions<br>Transferred<br>Late to Plan | Loan<br>Repayments<br>Included in<br>Late<br>Contributions<br>(Y/N) | Contributions<br>Not Corrected | Transactions                                                                             |                                                                                               |                                                                                                                                   |
|--------------|-------------------------------------------------------------|---------------------------------------------------------------------|--------------------------------|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
|              |                                                             |                                                                     |                                | Contributions<br>Corrected<br>Outside<br>Voluntary<br>Fiduciary<br>Correction<br>Program | Contributions<br>Pending<br>Corrections in<br>Voluntary<br>Fiduciary<br>Correction<br>Program | Total Fully Corrected<br>Under Voluntary<br>Fiduciary Correction<br>Program and<br>Prohibited<br>Transaction<br>Exemption 2002-51 |
| 2015         | \$ 18,093                                                   | Y                                                                   | \$ -                           | \$ -                                                                                     | \$ 18,093 *                                                                                   | \$ -                                                                                                                              |

\* The contributions have been remitted to the Plan, and the Plan Sponsor intends to make a restoration contribution to restore lost earnings.

See accompanying notes to financial statements and independent auditor's report.

## Mueller Group, LLC Retirement Savings Plan No. 2

### Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year)

December 31, 2015

Plan #004 -Employer Identification #20-3547095

| (A) | Identity of issuer, borrower,<br>lessor, or similar party (B) | Description of investment including<br>maturity date, rate of interest,<br>collateral, par, or maturity value (C) | Cost (D) | Current Value (E)                        |
|-----|---------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|----------|------------------------------------------|
|     |                                                               |                                                                                                                   |          |                                          |
| *   | Interest held in Master Trust, at fair value                  | Mutual funds                                                                                                      | **       | \$ 44,227,515                            |
| *   | Notes receivable from participants                            | Interest rates ranging from 4.25% to<br>9.50% with maturity dates ranging<br>from January 2015 - January 2020     |          | <u>3,775,143</u><br><u>\$ 48,002,658</u> |

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

\*\* Not required for participant-directed investments.

*See accompanying notes to financial statements and independent auditor's report.*