

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089
		2015
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2015 or fiscal plan year beginning <u>01/01/2015</u> and ending <u>12/31/2015</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☒
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>LORD CORPORATION HOURLY EMPLOYEES' PENSION PLAN</u>	1b Three-digit plan number (PN) ▶ <u>002</u> 1c Effective date of plan <u>01/01/1954</u>
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>LORD CORPORATION</u> <u>PO BOX 8012</u> <u>CARY, NC 27512-8012</u>	2b Employer Identification Number (EIN) <u>25-0626921</u> 2c Plan Sponsor's telephone number <u>919-468-5979</u> 2d Business code (see instructions) <u>325500</u>

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

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

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/18/2016</u>	<u>SHAWN HYLTON</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number)			Preparer's telephone number

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 755
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits..... d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits..... f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 317 6a(2) 307 6b 220 6c 142 6d 669 6e 71 6f 740 6g 6h 3
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1B b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

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

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

11c Enter the Receipt Confirmation Code for the 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 _____

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation		Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.		OMB No. 1210-0110 2015 This Form is Open to Public Inspection	
For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015					
▶ Round off amounts to nearest dollar.					
▶ Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.					
A Name of plan LORD CORPORATION HOURLY EMPLOYEES' PENSION PLAN			B Three-digit plan number (PN) ▶		002
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF LORD CORPORATION			D Employer Identification Number (EIN) 25-0626921		
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B			F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500		
Part I Basic Information					
1 Enter the valuation date: Month 01 Day 01 Year 2015					
2 Assets:					
a Market value			2a	39919660	
b Actuarial value			2b	38730793	
3 Funding target/participant count breakdown			(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment			282	17759571	17759571
b For terminated vested participants			156	2916680	2916680
c For active participants			317	14840021	15901089
d Total			755	35516272	36577340
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)			☐		
a Funding target disregarding prescribed at-risk assumptions			4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor			4b		
5 Effective interest rate			5	6.27 %	
6 Target normal cost			6	947919	
Statement by Enrolled Actuary					
To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.					
SIGN HERE					
Signature of actuary			10/03/2016		
LORI A VALIS			Date		
Type or print name of actuary			14-07091		
FIDELITY INVESTMENTS			Most recent enrollment number		
Firm name			617-563-7000		
200 SEAPORT BLVD, ZW10B BOSTON, MA 02210			Telephone number (including area code)		
Address of the firm					
If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐					
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF. Schedule SB (Form 5500) 2015 v. 150123					

Part II	Beginning of Year Carryover and Prefunding Balances
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		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of <u>9.17</u> %	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		1073992
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.47</u> %		69487
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
	c Total available at beginning of current plan year to add to prefunding balance.....		1143479
	d Portion of (c) to be added to prefunding balance		1143479
12	Other reductions in balances due to elections or deemed elections		0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	0	1143479

Part III Funding Percentages

14	Funding target attainment percentage.....	14	102.76 %
15	Adjusted funding target attainment percentage	15	105.88 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	100.74 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV	Contributions and Liquidity Shortfalls
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18 Contributions made to the plan for the plan year by employer(s) and employees:

Contributions made to the plan for the plan year by employer(s) and employee(s)							
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees		
09/14/2016	1900000	0					
			Totals ►	18(b)	1900000	18(c)	0

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

a Contributions allocated toward unpaid minimum required contributions from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date.....	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	1712959

20 Quarterly contributions and liquidity shortfalls:

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

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

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

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

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

21 Discount rate:				
a Segment rates:	1st segment: 4.72 %	2nd segment: 6.11 %	3rd segment: 6.81 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	947919	
b Excess assets, if applicable, but not greater than line 31a	31b	947919	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	1712959	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	1712959	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

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

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

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2015
		This Form is Open to Public Inspection.

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015		
A Name of plan LORD CORPORATION HOURLY EMPLOYEES' PENSION PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 LORD CORPORATION	D Employer Identification Number (EIN) 25-0626921	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No
- b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

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

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-----	--

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

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

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

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

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

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

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

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

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

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

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

a Name:	MCGILL, POWER, BELL & ASSOC, LLP	b EIN:	25-1031405
c Position:	AUDITOR		
d Address:	1920 WEST 8TH STREET ERIE, PA 16505	e Telephone:	814-453-6594

Explanation: LORD MADE THE DECISION TO CHANGE AUDITORS TO BETTER ALIGN SERVICES WITH OTHER FINANCIAL AUDIT PROVIDERS.

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2015 This Form is Open to Public Inspection.
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan <u>LORD CORPORATION HOURLY EMPLOYEES' PENSION PLAN</u>	B Three-digit plan number (PN) ► <u>002</u>	
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>LORD CORPORATION</u>	D Employer Identification Number (EIN) <u>25-0626921</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: SALARIED & HOURLY PENSION TRUST

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

c EIN-PN <u>25-0626921-021</u>	d Entity code <u>M</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>37326935</u>
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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)
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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)
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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)
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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)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

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

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

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

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

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

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

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

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

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

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2015 This Form is Open to Public Inspection
For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015		
A Name of plan LORD CORPORATION HOURLY EMPLOYEES' PENSION PLAN	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 LORD CORPORATION	D Employer Identification Number (EIN) 25-0626921	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.				
	Assets			
a Total noninterest-bearing cash	1a			
b Receivables (less allowance for doubtful accounts):				
(1) Employer contributions	1b(1)	1000000		1900000
(2) Participant contributions	1b(2)			
(3) Other.....	1b(3)			
c General investments:				
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)			
(2) U.S. Government securities.....	1c(2)			
(3) Corporate debt instruments (other than employer securities):				
(A) Preferred	1c(3)(A)			
(B) All other.....	1c(3)(B)			
(4) Corporate stocks (other than employer securities):				
(A) Preferred	1c(4)(A)			
(B) Common	1c(4)(B)			
(5) Partnership/joint venture interests	1c(5)			
(6) Real estate (other than employer real property)	1c(6)			
(7) Loans (other than to participants)	1c(7)			
(8) Participant loans	1c(8)			
(9) Value of interest in common/collective trusts.....	1c(9)			
(10) Value of interest in pooled separate accounts.....	1c(10)			
(11) Value of interest in master trust investment accounts	1c(11)	38819305		37326935
(12) Value of interest in 103-12 investment entities	1c(12)			
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)			
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)			
(15) Other	1c(15)			

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	39819305	39226935

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	39819305	39226935
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	1900000	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1900000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		-680814
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		1219186

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1811556	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		1811556
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total	2j		1811556

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-592370
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unqualified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☐ Yes ☒ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: MCGILL, POWER, BELL & ASSOC., LLP

(2) EIN: 25-1031405

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
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		☒		
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		☒		

	Yes	No	N/A	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X		
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X		
e Was this plan covered by a fidelity bond?	X			3000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X		
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X		
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X		
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)		X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X		
l Has the plan failed to provide any benefit when due under the plan?		X		
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)				
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.				
o Did the plan trust incur unrelated business taxable income?				
p 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)

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

6a Name of trust

6b Trust's EIN

6c Name of trustee or custodian

6d Trustee's or custodian's telephone number

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2015 This Form is Open to Public Inspection.
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan <u>LORD CORPORATION HOURLY EMPLOYEES' PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>LORD CORPORATION</u>	D Employer Identification Number (EIN) <u>25-0626921</u>

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>04-3275867</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>0</u>

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14	Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:		14a	
	a The current year		14b	
	b The plan year immediately preceding the current plan year		14c	
	c The second preceding plan year			
15	Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:			
	a The corresponding number for the plan year immediately preceding the current plan year		15a	
	b The corresponding number for the second preceding plan year		15b	
16	Information with respect to any employers who withdrew from the plan during the preceding plan year:			
	a Enter the number of employers who withdrew during the preceding plan year		16a	
	b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers		16b	
17	If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐			

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

18	If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐
19	If the total number of participants is 1,000 or more, complete lines (a) through (c)
	a Enter the percentage of plan assets held as: Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%
	b Provide the average duration of the combined investment-grade and high-yield debt: ☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more
	c What duration measure was used to calculate line 19(b)? ☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

Part VII	IRS Compliance Questions
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20a Is the plan a 401(k) plan?	☐ Yes	☐ No
20b 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)?	☐ Design-based safe harbor method	☐ ADP/ACP test
20c 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))?	☐ Yes	☐ No
21a Check the box to indicate the method used by the plan to satisfy the coverage requirements under section 410(b):	☐ Ratio percentage test	☐ Average benefit test
21b 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?	☐ Yes	☐ No
22a Has the plan been timely amended for all required tax law changes?	☐ Yes	☐ No ☐ N/A
22b 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).		
22c 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 _____.		
22d 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 ____/____/____.		
23 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)?	☐ Yes	☐ No

AUDITED FINANCIAL STATEMENTS

LORD Corporation
Hourly Employees' Pension Plan

Years Ended December 31, 2015 and 2014
With Report of Independent Auditors

LORD Corporation
Hourly Employees' Pension Plan

Audited Financial Statements

Years Ended December 31, 2015 and 2014

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Report of Independent Auditors

Investments and Benefits Committee
LORD Corporation

We have audited the accompanying financial statements of LORD Corporation Hourly Employees' Pension Plan, which comprise the statement of net assets available for benefits as of December 31, 2015, and the related statement of changes in net assets available for benefits for the year then ended, 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 conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of LORD Corporation Hourly Employees' Pension Plan at December 31, 2015, and the changes in its net assets available for benefits for the year then ended, in conformity with U.S. generally accepted accounting principles.

Report of Other Auditors on 2014 Financial Statements

The 2014 financial statements of LORD Corporation Hourly Employees' Pension were audited by other auditors who expressed an unmodified opinion on those statements on October 6, 2015.

Ernst & Young LLP

October 17, 2016

LORD Corporation
Hourly Employees' Pension Plan

Statements of Net Assets Available for Benefits

	December 31	
	2015	2014
Assets		
Investments:		
Plan interest in LORD Corporation Master Pension Trust <i>(Note 3)</i>	\$ 37,326,935	\$ 38,819,305
Receivables:		
Employer contribution receivable	1,900,000	1,000,000
Net assets available for benefits	<u>\$ 39,226,935</u>	<u>\$ 39,819,305</u>

See accompanying notes.

LORD Corporation
Hourly Employees' Pension Plan

Statements of Changes in Net Assets Available for Benefits

	Year Ended December 31	
	2015	2014
Additions		
Investment income (loss):		
Plan interest in net investment loss of LORD Corporation		
Master Pension Trust (<i>Note 3</i>)	\$ (375,611)	\$ 3,283,848
Contributions:		
Employer	1,900,000	1,741,000
Total additions, net of investment loss	1,524,389	5,024,848
Deductions		
Benefits paid to participants	1,811,556	1,799,220
Operating expenses	305,203	195,456
Total deductions	2,116,759	1,994,676
Net (decrease) increase	(592,370)	3,030,172
Net assets available for benefits:		
Beginning of year	39,819,305	36,789,133
End of year	<u>\$ 39,226,935</u>	<u>\$ 39,819,305</u>

See accompanying notes.

LORD Corporation
Hourly Employees' Pension Plan

Notes to Financial Statements

December 31, 2015

1. Description of the Plan and Benefits

The following brief description of the LORD Corporation Hourly Employees' Pension Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

General

The Plan is a non-contributory defined benefit pension plan covering substantially all hourly employees of LORD Corporation (Company). It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Pension Benefits

Participants with 5 or more years of service are entitled to annual pension benefits beginning at normal retirement age 65 based on the number of years of service and the collectively bargained benefit multiplier. Participants attaining minimum age 60 and length of vesting service combination equaling or exceeding 95 are eligible to retire at full pension. The Plan permits early retirement at ages 55 to 64 with benefits reduced by 5/12% for each month the early retirement date precedes the normal retirement date. If participants terminate before rendering 5 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to the Company's contributions. Married participants receive their pension benefits in the form of a 50% joint and survivor annuity, unless they elect to receive other annuity options. Participants with \$10,000 or less in accumulated plan benefits may elect to receive the value of their benefits as a lump-sum distribution upon retirement or termination.

Death and Disability Benefits

If an active participant dies at age 55 or older, a death benefit equal to the value of the participant's accumulated pension benefits is paid to the participant's surviving spouse. If an active participant dies on or before age 55, the benefit is based on the amount that would have been payable if the participant reached age 55. The survivor benefit is payable on the date the deceased participant would have reached age 55. Active participants with at least 5 years of vesting service who become totally disabled receive annual disability benefits starting six months after the inception date of the permanent disability that are equal to the normal retirement benefits they have accumulated as of

LORD Corporation
Hourly Employees' Pension Plan

Notes to Financial Statements (continued)

2. Significant Accounting Policies

the time they become disabled. Disabled participants with at least 10 years of service receive monthly pension benefits immediately.

Basis of Accounting

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

Accounting Pronouncements to be Adopted

In June 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2014-11, *Transfers and Servicing (Topic 860): Repurchase-to-Maturity Transactions, Repurchase Financing, and Disclosure*, (ASU 2014-11). ASU 2014-11 requires repurchase-to-maturity transactions to be accounted for as secured borrowings rather than as sales with a forward repurchase commitment and eliminates current guidance on repurchase financing. ASU 2014-11 requires separate accounting for a transfer of a financial asset executed contemporaneously with a repurchase agreement with the same counterparty that will result in secured borrowing accounting for the repurchase agreement. ASU 2014-11 requires new disclosure for repurchase agreements, securities lending transactions, and repurchase-to-maturity transactions that are accounted for as secured borrowings. These disclosures include information about the types of assets pledged and the relationship between those assets and the related obligation to return the proceeds. ASU 2014-11 also requires new disclosures for transfers of financial assets that are accounted for as sales that involve an agreement with the transferee entered into in contemplation of the initial transfer that result in the transferor retaining substantially all of the exposure to the economic return on the transferred financial assets throughout the term of the transaction. These accounting and disclosure changes are effective for annual periods beginning after December 15, 2014. The ASU had no impact on the Plan's net assets available for benefits or related disclosures.

In May 2015, the FASB issued Accounting Standards Update 2015-07, *Disclosures for Investments in Certain Entities that Calculate Net Asset Value Per Share (or its Equivalent)*, (ASU 2015-07). ASU 2015-07 removes the requirement to categorize within the fair value hierarchy investments for which fair values are estimated using the net asset value practical expedient provided by Accounting Standards Codification 820, Fair Value Measurement. Disclosures about investments in certain entities that calculate net asset value per share are limited under ASU 2015-07 to those investments for which the entity has elected to estimate the fair value using the net asset value practical expedient. ASU 2015-07 is effective for entities (other than public business entities) for fiscal years beginning after December 15, 2016, with retrospective application to all

LORD Corporation
Hourly Employees' Pension Plan

Notes to Financial Statements (continued)

2. Significant Accounting Policies (continued)

periods presented. Early application is permitted. Management has elected to adopt ASU 2015-07 early.

In July 2015, the FASB issued ASU 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient*. Part I of the ASU eliminates the requirements to measure the fair value of fully benefit-responsive investment contracts and provide certain disclosures. Contract value is the only required measure for fully benefit-responsive investment contracts. Part II of the ASU eliminates the requirements to disclose individual investments that represent 5 percent or more of net assets available for benefits and the net appreciation or depreciation in fair value of investments by general type. It also simplifies the level of disaggregation of investments that are measured using fair value. Plans will continue to disaggregate investments that are measured using fair value by general type; however, plans are no longer required to also disaggregate investments by nature, characteristics and risks. Further, the disclosure of information about fair value measurements shall be provided by general type of plan asset. Part III of the ASU allows a plan with a fiscal year end that doesn't coincide with the end of a calendar month to measure its investments and investment-related accounts using the month end closest to its fiscal year end. The ASU is effective for fiscal years beginning after December 15, 2015. Parts I and II are to be applied retrospectively. Part III is to be applied prospectively. Plans can early adopt any of the ASU's three parts without early adopting the other parts. Management has elected to adopt Part II of the ASU early. Parts I and III are not applicable to the Plan.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

Payments of Benefits

Benefit payments to participants are recorded upon distribution.

LORD Corporation
Hourly Employees' Pension Plan

Notes to Financial Statements (continued)

2. Significant Accounting Policies (continued)

Investment Valuation

The Plan's investments are held in the LORD Corporation Master Pension Trust (the Master Pension Trust) and are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). See Note 3 for further discussion and disclosures related to fair value measurements.

Funding Policy

The Company's policy is to contribute amounts recommended by its consulting actuaries as are necessary to provide the Plan with assets sufficient to fund the benefits to be paid and to meet or exceed the minimum funding requirements of ERISA. The Company's contributions for 2015 and 2014 exceeded these minimum funding requirements.

Effective January 1, 1979, the Board of Directors discontinued employee contributions and authorized that accumulated employee contributions could be withdrawn from the Plan upon requests from participants. Present employees' accumulated contributions at the actuarial valuation dates for years ending December 31, 2015 and 2014, were \$202,648 and \$227,629, respectively, including an interest credit based on interest rates of 2.10% and 2.10% for the 2015 and 2014 plan years, respectively. Interest applied to these balances is based on annual compounding, at a rate 120% of the Federal Mid-Term AFR, and is determined each January.

3. Investment in Master Pension Trust

Investments of the Plan are in the LORD Corporation Master Pension Trust, which was established for the purpose of receiving, holding, investing and disbursing the assets of the employee pension plans sponsored by LORD Corporation. Each participating retirement plan has an undivided interest in the Master Pension Trust. The assets of the Master Pension Trust were held by State Street Bank and Trust, through June, 30 2015 and subsequently by Northern Trust.

LORD Corporation
Hourly Employees' Pension Plan

Notes to Financial Statements (continued)

3. Investment in Master Pension Trust (continued)

Investment income earned and indirect expenses paid by the Master Pension Trust are allocated monthly to the individual plans based upon the beginning balances of each Plan. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. At December 31, 2015 and 2014, the Plan's interest in the net assets of the Master Pension Trust was 16.18% and 15.24%, respectively.

From time to time, participants of the Hourly Pension Plan transfer into the Salaried Pension Plan and vice versa. Since all benefits are paid from the Plan in which the participant most recently participated, the transfer of an appropriate amount of assets is required, representing the present value of benefits for those participants transferred. There were no transfers between plans during 2015 and 2014.

The following table presents the fair value of the net assets in the Master Trust:

	December 31	
	2015	2014
Collective Investment Trusts		
Cash and cash equivalents	\$ 373,771	\$ 23,274
International Equity	57,604,681	43,857,777
Growth Equity	54,439,140	7,123,074
Fixed Income	114,606,494	141,016,533
Small-cap equity	10,005,688	-
Value equity	-	6,704,170
Large-cap passive equity	-	56,021,885
Total net assets	<u>\$ 237,029,774</u>	<u>\$ 254,746,713</u>

LORD Corporation
Hourly Employees' Pension Plan

Notes to Financial Statements (continued)

3. Investment in Master Pension Trust (continued)

Investment income for Master Pension Trust for the years ended December 31, 2015 and 2014, is as follows:

	<u>2015</u>	<u>2014</u>
Net appreciation in fair value of collective investment funds	\$ (1,517,208)	\$ 22,473,594
Interest income	3,445	–
Less investment expenses	(680,496)	(589,885)
Increase in interest in Master Pension Trust	<u>\$ (2,194,259)</u>	<u>\$ 21,883,709</u>

Fair Value Measurement of Investments in Master Pension Trust

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

Level 1 – Unadjusted quoted prices in active markets that are accessible to the reporting entity at the measurement date for identical assets and liabilities.

Level 2 – Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets that are not active;
- Observable inputs other than quoted prices that are used in the valuation of the asset or liabilities (e.g., interest rate and yield curve quotes at commonly quoted intervals);
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

LORD Corporation
Hourly Employees' Pension Plan

Notes to Financial Statements (continued)

3. Investment in Master Pension Trust (continued)

Level 3 – Unobservable inputs for the asset or liability (i.e., supported by little or no market activity). Level 3 inputs include management's own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

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

Following is a description of the valuation methodologies used for assets measured at fair value. The Plan's Investment & Benefits Committee determines the plan's valuation policies utilizing information provided by the investment advisors and the custodian. There have been no changes in the methodologies used at December 31, 2015 and 2014.

Collective Investment Trusts: Valued at the Net Asset Value (NAV) of units of a collective trust. The NAV, as provided by the custodian, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Each of the collective investment trusts are comprised of multiple managers that make up the collective trust, with varying weights between the managers held in each trust. The investment strategy of the collective trusts are consistent with each trusts specific mandate, identified in the name of the collective trust. Each fund provides for daily redemptions by the Plan with no advance notice requirements, and has redemption prices that are determined by the fund's net asset value per unit. Participant transactions (purchases and sales) may occur daily.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

LORD Corporation
Hourly Employees' Pension Plan

Notes to Financial Statements (continued)

3. Investment in Master Pension Trust (continued)

In accordance with the Plan's adoption of ASU 2015-07 as described in Note 2, investments valued using the NAV practical expedient are no longer required to be presented in a level in the fair value hierarchy table. Therefore no table is presented.

Fair Value of Investments in Entities that Use NAV

The following tables summarize investments measured at fair value based on the net asset value per share.

Collective Trusts	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
December 31, 2015	\$ 237,029,774	N/A	Daily	None
December 31, 2014	\$ 254,723,439	N/A	Daily	None

Master Pension Trust Related-Party Transactions

For the first half of the year the Master Pension Trusts held proprietary funds of Mercer Trust Company, an affiliate of Mercer Investment Management, Inc. the equity investment advisor for the Plan. Direct investment advisory and management fees paid by the Master Pension Trust to Mercer Investment Management, Inc. totaled \$434,356 and \$539,152 in 2015 and 2014, respectively. There are additional indirect fees paid for investment management and other eligible services that are netted in the return on investments. The Master Pension Trust paid direct trustee fees to State Street Bank and Trust during 2015 and 2014 of \$38,434 and \$50,733, respectively. In July the assets were transferred to Northern Trust who now performs the investment advisory and trustee services. Fees paid to Northern Trust were \$207,706 and \$0 in 2015 and 2014, respectively.

4. Plan Termination

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

1. Benefits attributable to employee contributions, taking into account those paid out before termination.

LORD Corporation
Hourly Employees' Pension Plan

Notes to Financial Statements (continued)

4. Plan Termination (continued)

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

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

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the plan sponsor and the level of benefits guaranteed by the PBGC. Some benefits may be fully or partially provided for by the then-existing net assets of the Plan and the PBGC guarantee, while other benefits may not be provided for at all.

5. Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump sum distributions that are attributable under the Plan's provisions to the service employees have rendered.

LORD Corporation
Hourly Employees' Pension Plan

Notes to Financial Statements (continued)

5. Actuarial Present Value of Accumulated Plan Benefits (continued)

Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died and (c) present employees or their beneficiaries. Benefits payable under all circumstances (retirement, death, disability and termination of employment) are included to the extent they are deemed attributable to employee service rendered to the valuation date.

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

The significant actuarial assumptions utilized in determining the actuarial present value of accumulated plan benefits are as follows:

Interest rate	7.3% in 2015 and 7.5% in 2014, compounded annually
Mortality basis	RP-2014 Blue Collar Mortality Table with the MP-2014 Mortality improvement scale applied on the generational basis (previously RP-2000 Blue Collar Mortality Table Projected to 2025 Using Scale AA)
Retirement rates	Rates varying by age and Social Security Normal Retirement Age, Plan normal retirement age is 65 years

The actuarial present value of accumulated plan benefits was calculated by the consulting actuaries as of December 31, 2014 (the valuation dates) as follows:

	2014
Vested benefits:	
Participants currently receiving payments	\$ 16,827,468
Other participants	16,302,946
	<u>33,130,414</u>
Non-vested benefits	657,357
Total actuarial present value of accumulated plan benefits	<u><u>\$ 33,787,771</u></u>

LORD Corporation
Hourly Employees' Pension Plan

Notes to Financial Statements (continued)

5. Actuarial Present Value of Accumulated Plan Benefits (continued)

The increase in the actuarial present value of the accumulated plan benefits resulted from the following:

	<u>2014</u>
Balance at December 31, 2013	\$ 30,819,898
Increase (decrease) attributable to:	
Benefits accumulated	203,848
Interest due to decrease in the discount period	2,245,341
Assumption changes	2,028,856
Plan amendments	289,048
Benefits paid	<u>(1,799,220)</u>
Balance at December 31, 2014	<u>\$ 33,787,771</u>

The accumulated plan benefits presented above do not reflect any amendments to the Plan that became effective after December 31, 2014.

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

The actuary estimated the accumulated plan benefits as of January 1, 2015. There were no significant changes to the Plan that would have changed the valuation had it been performed as of December 31, 2014.

6. Tax Status

The Plan has received a determination letter from the Internal Revenue Service (IRS) dated March 4, 2014, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and therefore, the related trust is exempt from taxation. Subsequent to this determination by the IRS, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualified status. The plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and therefore believes that the Plan, as amended, is qualified and the related trust is tax-exempt.

LORD Corporation
Hourly Employees' Pension Plan

Notes to Financial Statements (continued)

6. Tax Status (continued)

Accounting principles generally accepted in the United States require plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2015, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

7. Risks and Uncertainties

The Master Pension Trust 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 change could materially affect the amounts reported in the statements of net assets available for benefits.

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

8. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of investment activity per the financial statements at December 31, 2015, to Form 5500, line 2b(8) net investment gain from master trust investment accounts:

	<u>2015</u>
Investment activity – per the financial statements	\$ (375,611)
Less – Plan operating expenses (reported at master trust level for 5500 purposes)	<u>(305,203)</u>
Per Form 5500	<u><u>\$ (680,814)</u></u>

LORD Corporation
Hourly Employees' Pension Plan

Notes to Financial Statements (continued)

9. Subsequent Event

The Plan has evaluated subsequent events through October 17, 2016, the date the financial statements were available to be issued. As noted in footnote 1 under Pension Benefits, employees attaining minimum age 60 and length of vesting service combination equaling or exceeding 95 are eligible to retire at full pension. Effective March 11, 2016 the age requirement is removed and an employee will be eligible to retire at full pension when any combination of their age plus years of service equal or exceed 95.

2015 Form 5500 Schedule SB Attachments
Schedule SB, Line 26 - Schedule of Active Participant Data
Lord Corporation
Lord Corporation Hourly Employees' Pension Plan
For Plan Year Ended December 31, 2015

EIN: 25-0626921
Plan Number: 002

Schedule of Active Participants

Attained Age	Completed Years of Service on January 1, 2015										Total
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 25	0	10	0	0	0	0	0	0	0	0	10
25-29	0	23	1	0	0	0	0	0	0	0	24
30-34	0	24	8	9	1	0	0	0	0	0	42
35-39	0	21	7	7	2	0	0	0	0	0	37
40-44	0	17	5	4	8	0	0	0	0	0	34
45-49	0	8	6	5	4	0	0	0	0	0	23
50-54	0	8	11	8	6	0	0	1	4	0	38
55-59	0	16	7	5	7	4	1	7	29	5	81
60-64	0	0	3	3	1	0	1	1	8	7	24
65-69	0	0	1	0	1	0	0	0	1	1	4
Over 69	0	0	0	0	0	0	0	0	0	0	0
Total	0	127	49	41	30	4	2	9	42	13	317

Actuarial Assumptions and Methods

ERISA Interest Rates as required by IRC Section 430 based on plan sponsor election of the look-back month for the segment rates:

“Minimum” means for the purpose of calculating the PPA funding liability and normal cost for the minimum required contribution.

“Maximum” means for the purpose of calculating the PPA funding liability and normal cost for the maximum tax-deductible contribution.

	2015 Plan Year		2014 Plan Year	
Purpose	Minimum	Maximum	Minimum	Maximum
Segment rates or full yield curve	Segment	Segment	Segment	Segment
Look-back months	4	4	4	4
First 5 years	4.72%	1.15%	4.99%	1.37%
Next 15 years	6.11%	4.06%	6.32%	4.05%
Over 20 years	6.81%	5.15%	6.99%	5.06%
Applicable Law for the segment rates corridor	HATFA	Not Applicable	HATFA	Not Applicable

Administrative Expenses: Plan expenses expected to be paid out of the plan's assets estimated based on the average of the non-investment administrative expenses excluding PBGC premiums paid from the trust in the prior three years plus the current year PBGC premium.

Mortality:

ERISA: IRS 2015 Static Mortality Table, using separate tables for annuitants and non-annuitants (previously IRS 2014 Static Mortality Table, using separate tables for annuitants and non-annuitants). These tables include future mortality improvement of 7 years for annuitants and 15 years for non-annuitants.

Actuarial Assumptions and Methods (continued)

Retirement Rates: Rates varying by age and Social Security normal retirement age (SSNRA), based on the assumption used by the prior actuary for this plan. There has been no pattern of significant consistent gains or consistent losses related to this decrement.

Age	SSNRA		
	65	66	67
55	3%	3%	3%
56	3	3	3
57	3	3	3
58	3	3	3
59	3	3	3
60	10	5	5
61	15	10	5
62	40	30	25
63	20	20	20
64	20	20	20
65	100	20	20
66	100	100	20
67	100	100	100

Termination: Rates varying by age and service, based on the assumption used by the prior actuary for this plan. There has been no pattern of significant consistent gains or consistent losses related to this decrement.

Sample rates are shown below:

Years of Service	Age 25	Age 40	Age 50
< 5	15.44%	10.30%	5.13%
≥ 5	7.72%	5.15%	2.56%

Actuarial Assumptions and Methods (continued)

Disability: Rates varying by age and service, based on the assumption used by the prior actuary for this plan. There has been no pattern of significant consistent gains or consistent losses related to this decrement. Sample rates are shown below:

<u>Age</u>	<u>Male</u>	<u>Female</u>
25	0.06%	0.06%
40	0.16%	0.32%
55	0.91%	0.81%

Marital Status: 80% of males and females are assumed married, with females 3 years younger than males based on a study of experience under this plan conducted several years ago, and checked for reasonability each year.

Maximum Benefit: \$210,000 for 2015.

Form of Payment: It has been assumed benefits will be paid in the normal annuity form applicable to the particular benefit (5-year certain and continuous annuity). To the extent optional forms of payment are elected and conversions are determined under an actuarial basis, which differs from the basis funded in the valuation, gains or losses will occur. These gains or losses will be recognized through the routine application of the actuarial cost method.

Actuarial Assumptions and Methods (continued)

Actuarial Value of Plan Assets for Funding Purposes: The actuarial value of assets is equal to:

- a) the market value of assets, including discounted receivables, on the valuation date, less
- b) the following percentages of prior years' investment gains (losses):
 - 1. 67% of the prior year, and
 - 2. 33% of the second prior year

Investment gains and losses are defined as the excess or deficiency of the expected return on the market value (at an assumed rate of 7.50%, not to exceed the third segment rate for that year) over the actual return on the market value of assets, including discounted receivables, for any given year.

- c) The actuarial value of assets can be neither less than 90% nor greater than 110% of the market value of assets, including discounted receivables.

Shortfall Amortization Charge for ERISA Funding Purposes: Per IRC Section 430(c), the shortfall amortization charge for any plan year is the aggregate total (not less than zero) of the shortfall amortization installments for such plan year with respect to any shortfall amortization base which has not been fully amortized. The shortfall amortization installments are the amounts necessary to amortize the shortfall amortization base of the plan for any plan year in level annual installments over the 7-year period beginning with such plan year.

Actuarial Assumptions and Methods (continued)

Actuarial Cost Method: The unit credit cost method is used for ERISA funding target (FT). Under this method, accrued pension benefits are determined for all eligible active participants. These benefits reflect service, salary and negotiated benefit increases to date. The liability is then equal to the present value of all benefits (PVAB) for inactive participants plus the PVAB for active participants.

The normal cost is determined on an individual basis for all active participants who have not attained the assumed retirement age and is equal to the present value of the difference between the current accrued benefit and the anticipated accrued benefit one year later, with the accrued benefit based upon earnings, or negotiated benefit increases, to date in both cases. The total normal cost is based upon the sum of the individual normal costs. The target normal cost for funding is equal to the total normal cost plus assumed administrative expenses expected to be paid from the trust.

The projected unit credit method is used for IRS maximum deductible limit cushion amount purposes. Under this method, accrued pension benefits are determined for all eligible active participants. These benefits reflect service to date and anticipated salary and negotiated benefit increases to the assumed retirement age. The liability is then equal to the present value of all benefits for inactive participants plus the PVAB for active participants.

The normal cost is determined on an individual basis for all active participants who have not attained the assumed retirement age and is equal to the present value of the difference between the current accrued benefit and the anticipated accrued benefit one year later, with the accrued benefit based upon earnings and negotiated benefit increases projected to assumed retirement age in both cases. The total normal cost is based upon the sum of the individual normal costs.

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2015 This Form is Open to Public Inspection
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

► **Round off amounts to nearest dollar.**
 ► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan LORD CORPORATION HOURLY EMPLOYEES' PENSION PLAN	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF LORD CORPORATION	D Employer Identification Number (EIN) 25-0626921	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500	

Part I Basic Information				
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2015</u>				
2 Assets:				
a Market value	2a	39919660		
b Actuarial value	2b	38730793		
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target	
a For retired participants and beneficiaries receiving payment.....	282	17759571	17759571	
b For terminated vested participants.....	156	2916680	2916680	
c For active participants.....	317	14840021	15901089	
d Total.....	755	35516272	36577340	
4 If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐				
a Funding target disregarding prescribed at-risk assumptions	4a			
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b			
5 Effective interest rate.....	5	6.27%		
6 Target normal cost.....	6	947919		

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

SIGN HERE	 Signature of actuary LORI A VALIS Type or print name of actuary FIDELITY INVESTMENTS Firm name 200 SEAPORT BLVD, ZW10B BOSTON MA 02210 Address of the firm	<u>10-3-2016</u> Date 1407091 Most recent enrollment number 617-563-7000 Telephone number (including area code)
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Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	0	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8).....	0	0
10 Interest on line 9 using prior year's actual return of <u>9.17%</u>	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year).....		1073992
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.47%</u>		69487
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		1143479
d Portion of (c) to be added to prefunding balance.....		1143479
12 Other reductions in balances due to elections or deemed elections.....		0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	1143479

Part III Funding Percentages

14 Funding target attainment percentage	14	102.76%
15 Adjusted funding target attainment percentage	15	105.88%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	100.74%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
09/14/2016	1900000	0			
Totals ▶			18(b)	1900000	18(c) 0

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

a Contributions allocated toward unpaid minimum required contributions from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	1712959

20 Quarterly contributions and liquidity shortfalls:

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

Liquidity shortfall as of end of quarter of this plan year

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

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

21 Discount rate:			
a Segment rates:	1st segment: 4.72%	2nd segment: 6.11%	3rd segment: 6.81%
			☐ N/A, full yield curve used
b Applicable month (enter code).....			21b 4
22 Weighted average retirement age			22 63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)		31a	947919
b Excess assets, if applicable, but not greater than line 31a		31b	947919
32 Amortization installments:		Outstanding Balance	Installment
a Net shortfall amortization installment		0	0
b Waiver amortization installment		0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount		33	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)		34	0
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0
36 Additional cash requirement (line 34 minus line 35)		36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)		37	1712959
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)		38a	1712959
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances		38b	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)		39	0
40 Unpaid minimum required contributions for all years		40	0

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

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

2015 Form 5500 Schedule SB Attachments

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

Lord Corporation

Lord Corporation Hourly Employees' Pension Plan

For Plan Year Ended December 31, 2015

EIN: 25-0626921

Plan Number: 002

Development of Weighted Average Retirement Age

Weighted Average of the 3 Sets of Retirement Rates

	Average Retirement Age*	Weight
SSNRA = 65	62	N/A*
SSNRA = 66	62.6	50%
SSNRA = 67	63.1	50%

Weighted Average of the 3 Groups : 63
(rounded to the nearest year)

*All participants with SSNRA = 65 are eligible for Normal Retirement and are assumed to retire immediately

2015 Form 5500 Schedule SB Attachments

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

Lord Corporation

EIN: 25-0626921

Lord Corporation Hourly Employees' Pension Plan

Plan Number: 002

For Plan Year Ended December 31, 2015

Development of Weighted Average Retirement Age (continued)

SSNRA = 65 Retirement Rates

<u>Age</u>	<u>Rates of Retirement</u>	<u>lx</u>	<u># Retire</u>	<u># Ret x Age</u>
55	0.03	1000	30	1650
56	0.03	970	29	1630
57	0.03	941	28	1609
58	0.03	913	27	1588
59	0.03	885	27	1567
60	0.10	859	86	5152
61	0.15	773	116	7072
62	0.40	657	263	16292
63	0.20	394	79	4966
64	0.20	315	63	4036
65	1.00	252	252	16397

1000 61959

Weighted Average Retirement Age: 62.0

2015 Form 5500 Schedule SB Attachments

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

Lord Corporation

EIN: 25-0626921

Lord Corporation Hourly Employees' Pension Plan

Plan Number: 002

For Plan Year Ended December 31, 2015

Development of Weighted Average Retirement Age (continued)

SSNRA = 66 Retirement Rates

<u>Age</u>	<u>Rates of Retirement</u>	<u>lx</u>	<u># Retire</u>	<u># Ret x Age</u>
55	0.03	1000	30	1650
56	0.03	970	29	1630
57	0.03	941	28	1609
58	0.03	913	27	1588
59	0.03	885	27	1567
60	0.05	859	43	2576
61	0.10	816	82	4976
62	0.30	734	220	13656
63	0.20	514	103	6476
64	0.20	411	82	5263
65	0.20	329	66	4276
66	1.00	263	263	17367
			1000	62635

Weighted Average Retirement Age: 62.6

2015 Form 5500 Schedule SB Attachments

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

Lord Corporation

EIN: 25-0626921

Lord Corporation Hourly Employees' Pension Plan

Plan Number: 002

For Plan Year Ended December 31, 2015

Development of Weighted Average Retirement Age (continued)

SSNRA = 67 Retirement Rates

<u>Age</u>	<u>Rates of Retirement</u>	<u>lx</u>	<u># Retire</u>	<u># Ret x Age</u>
55	0.03	1000	30	1650
56	0.03	970	29	1630
57	0.03	941	28	1609
58	0.03	913	27	1588
59	0.03	885	27	1567
60	0.05	859	43	2576
61	0.05	816	41	2488
62	0.25	775	194	12013
63	0.20	581	116	7324
64	0.20	465	93	5952
65	0.20	372	74	4836
66	0.20	298	60	3928
67	1.00	238	238	15952
			1000	63112

Weighted Average Retirement Age: 63.1

Actuarial Assumptions and Methods

ERISA Interest Rates as required by IRC Section 430 based on plan sponsor election of the look-back month for the segment rates:

“Minimum” means for the purpose of calculating the PPA funding liability and normal cost for the minimum required contribution.

“Maximum” means for the purpose of calculating the PPA funding liability and normal cost for the maximum tax-deductible contribution.

	2015 Plan Year		2014 Plan Year	
Purpose	Minimum	Maximum	Minimum	Maximum
Segment rates or full yield curve	Segment	Segment	Segment	Segment
Look-back months	4	4	4	4
First 5 years	4.72%	1.15%	4.99%	1.37%
Next 15 years	6.11%	4.06%	6.32%	4.05%
Over 20 years	6.81%	5.15%	6.99%	5.06%
Applicable Law for the segment rates corridor	HATFA	Not Applicable	HATFA	Not Applicable

Administrative Expenses: Plan expenses expected to be paid out of the plan's assets estimated based on the average of the non-investment administrative expenses excluding PBGC premiums paid from the trust in the prior three years plus the current year PBGC premium.

Mortality:

ERISA: IRS 2015 Static Mortality Table, using separate tables for annuitants and non-annuitants (previously IRS 2014 Static Mortality Table, using separate tables for annuitants and non-annuitants). These tables include future mortality improvement of 7 years for annuitants and 15 years for non-annuitants.

Actuarial Assumptions and Methods (continued)

Retirement Rates: Rates varying by age and Social Security normal retirement age (SSNRA), based on the assumption used by the prior actuary for this plan. There has been no pattern of significant consistent gains or consistent losses related to this decrement.

Age	SSNRA		
	65	66	67
55	3%	3%	3%
56	3	3	3
57	3	3	3
58	3	3	3
59	3	3	3
60	10	5	5
61	15	10	5
62	40	30	25
63	20	20	20
64	20	20	20
65	100	20	20
66	100	100	20
67	100	100	100

Termination: Rates varying by age and service, based on the assumption used by the prior actuary for this plan. There has been no pattern of significant consistent gains or consistent losses related to this decrement.

Sample rates are shown below:

Years of Service	Age 25	Age 40	Age 50
< 5	15.44%	10.30%	5.13%
≥ 5	7.72%	5.15%	2.56%

Actuarial Assumptions and Methods (continued)

Disability: Rates varying by age and service, based on the assumption used by the prior actuary for this plan. There has been no pattern of significant consistent gains or consistent losses related to this decrement. Sample rates are shown below:

<u>Age</u>	<u>Male</u>	<u>Female</u>
25	0.06%	0.06%
40	0.16%	0.32%
55	0.91%	0.81%

Marital Status: 80% of males and females are assumed married, with females 3 years younger than males based on a study of experience under this plan conducted several years ago, and checked for reasonability each year.

Maximum Benefit: \$210,000 for 2015.

Form of Payment: It has been assumed benefits will be paid in the normal annuity form applicable to the particular benefit (5-year certain and continuous annuity). To the extent optional forms of payment are elected and conversions are determined under an actuarial basis, which differs from the basis funded in the valuation, gains or losses will occur. These gains or losses will be recognized through the routine application of the actuarial cost method.

Actuarial Assumptions and Methods (continued)

Actuarial Value of Plan Assets for Funding Purposes: The actuarial value of assets is equal to:

- a) the market value of assets, including discounted receivables, on the valuation date, less
- b) the following percentages of prior years' investment gains (losses):
 - 1. 67% of the prior year, and
 - 2. 33% of the second prior year

Investment gains and losses are defined as the excess or deficiency of the expected return on the market value (at an assumed rate of 7.50%, not to exceed the third segment rate for that year) over the actual return on the market value of assets, including discounted receivables, for any given year.

- c) The actuarial value of assets can be neither less than 90% nor greater than 110% of the market value of assets, including discounted receivables.

Shortfall Amortization Charge for ERISA Funding Purposes: Per IRC Section 430(c), the shortfall amortization charge for any plan year is the aggregate total (not less than zero) of the shortfall amortization installments for such plan year with respect to any shortfall amortization base which has not been fully amortized. The shortfall amortization installments are the amounts necessary to amortize the shortfall amortization base of the plan for any plan year in level annual installments over the 7-year period beginning with such plan year.

Actuarial Assumptions and Methods (continued)

Actuarial Cost Method: The unit credit cost method is used for ERISA funding target (FT). Under this method, accrued pension benefits are determined for all eligible active participants. These benefits reflect service, salary and negotiated benefit increases to date. The liability is then equal to the present value of all benefits (PVAB) for inactive participants plus the PVAB for active participants.

The normal cost is determined on an individual basis for all active participants who have not attained the assumed retirement age and is equal to the present value of the difference between the current accrued benefit and the anticipated accrued benefit one year later, with the accrued benefit based upon earnings, or negotiated benefit increases, to date in both cases. The total normal cost is based upon the sum of the individual normal costs. The target normal cost for funding is equal to the total normal cost plus assumed administrative expenses expected to be paid from the trust.

The projected unit credit method is used for IRS maximum deductible limit cushion amount purposes. Under this method, accrued pension benefits are determined for all eligible active participants. These benefits reflect service to date and anticipated salary and negotiated benefit increases to the assumed retirement age. The liability is then equal to the present value of all benefits for inactive participants plus the PVAB for active participants.

The normal cost is determined on an individual basis for all active participants who have not attained the assumed retirement age and is equal to the present value of the difference between the current accrued benefit and the anticipated accrued benefit one year later, with the accrued benefit based upon earnings and negotiated benefit increases projected to assumed retirement age in both cases. The total normal cost is based upon the sum of the individual normal costs.

2015 Form 5500 Schedule SB Attachments
Schedule SB, Part V – Summary of Plan Provisions
Lord Corporation
Lord Corporation Hourly Employees' Pension Plan
For Plan Year Ended December 31, 2015

EIN: 25-0626921
Plan Number: 002

Plan Provisions

Name of Plan: LORD Corporation Hourly Employees' Pension Plan.

Employer Identification Number / Plan Number: 25-0626921/002.

Effective Date: January 1, 1954. Effective date of most recent amendment, January 1, 2012.

Covered Employees: All members as of December 31, 1975. All employees who transfer from the salaried plan. All other hourly employees.

Participation Date: Date of becoming a covered employee.

Definitions:

Vesting service:

Prior to January 1, 1979: The greater of years and months of credited service as calculated under the previous plan or one year of vesting service for each year during which 1,000 or more hours were completed.

After January 1, 1979: One year of vesting service credited on completion of 900 hours or more. Under 900 hours - One month is credited for each 150 hours and an additional month is credited if the remainder is 120 hours or more.

Vesting service prior to July 1, 1978 for former employees of Nichols Engineering – credited with full years and months of continuous employment with Nichols Engineering.

Vesting service prior to July 1, 1978 for Nichols Engineering employees is credited from date of hire. Vesting service after July 1, 1978 for these employees is credited according to the previous paragraph.

Vesting service includes vesting service with the salaried plan.

2015 Form 5500 Schedule SB Attachments
Schedule SB, Part V – Summary of Plan Provisions
Lord Corporation
Lord Corporation Hourly Employees' Pension Plan
For Plan Year Ended December 31, 2015

EIN: 25-0626921
Plan Number: 002

Plan Provisions (continued)

Benefit service:

Prior to January 1, 1979: Benefit service equals years and months of credited service as calculated under prior plan.

After to January 1, 1979: One year of benefit service is credited if 1,800 or more hours of service are completed. If under 1,800 hours, then one month is credited for each 150 hours and an additional one month is credited if the remaining hours are 120 or more.

Benefit service for former Nichols Engineering employees is credited from July 1, 1978.

Pensionable pay: Total pay.

Average earnings: The greater of the average of the highest five consecutive calendar years of pensionable pay during the ten-year period preceding termination.

Normal retirement date (NRD): The participant's 65th birthday.

Monthly pension benefit: Schedule based on average earnings as follows.

Prior to January 10, 1996:

Average Earnings	Monthly Pension Benefit Per year of Benefit Service
Below \$11,500	\$10.00
\$11,500 – \$11,999	\$10.50
\$12,000 – \$12,499	\$11.25
\$13,000 – \$13,499	\$11.75
\$13,500 – \$13,999	\$12.25
\$14,000 – \$14,499	\$13.00
\$14,500 – \$14,999	\$14.00
\$15,000 – \$15,499	\$14.75
\$15,500 – \$15,999	\$15.25
\$16,000 – \$16,499	\$16.00
\$16,500 – \$16,999	\$16.50
\$17,000 – \$17,499	\$17.00
\$17,500 – \$17,999	\$17.50
\$18,000 – \$18,499	\$18.00
\$18,500 – \$18,999	\$18.50
\$19,000 – \$19,499	\$19.00
\$19,500 – \$19,999	\$19.50
\$20,000 – \$20,499	\$20.00
\$20,500 – \$20,999	\$20.50
\$21,000 – \$21,499	\$21.00
\$21,500 – \$21,999	\$21.50
\$22,000 and over	\$22.00

2015 Form 5500 Schedule SB Attachments
Schedule SB, Part V – Summary of Plan Provisions
Lord Corporation
Lord Corporation Hourly Employees' Pension Plan
For Plan Year Ended December 31, 2015

EIN: 25-0626921
Plan Number: 002

Plan Provisions (continued)

Monthly pension benefit: (continued)

Effective January 10, 1996:

<u>Average Earnings</u>	<u>Monthly Pension Benefit Per Year of Benefit Service</u>
\$22,000 – \$22,499	\$22.00
\$22,500 – \$22,999	\$22.50
\$23,000 – \$23,499	\$23.00
\$23,500 – \$23,999	\$23.50
\$24,000 and over	\$24.00

Effective January 10, 1997:

<u>Average Earnings</u>	<u>Monthly Pension Benefit Per Year of Benefit Service</u>
\$24,000 – \$24,499	\$24.00
\$24,500 – \$24,999	\$24.50
\$25,000 – \$25,499	\$25.00
\$25,500 – \$25,999	\$25.50
\$26,000 – \$26,499	\$26.00
\$26,500 – \$26,999	\$26.50
\$27,000 and over	\$27.00

Effective January 10, 1998:

<u>Average Earnings</u>	<u>Monthly Pension Benefit Per Year of Benefit Service</u>
\$27,000 – \$27,499	\$27.00
\$27,500 – \$27,999	\$27.50
\$28,000 and over	\$28.00

2015 Form 5500 Schedule SB Attachments
Schedule SB, Part V – Summary of Plan Provisions
Lord Corporation
Lord Corporation Hourly Employees' Pension Plan
For Plan Year Ended December 31, 2015

EIN: 25-0626921
Plan Number: 002

Plan Provisions (continued)

Monthly pension benefit: (continued)

Effective January 10, 1999:

<u>Average Earnings</u>	<u>Monthly Pension Benefit Per year of Benefit Service</u>
\$28,000 – \$28,499	\$28.00
\$28,500 – \$28,999	\$28.50
\$29,000 – \$29,499	\$29.00
\$29,500 – \$29,999	\$29.50
\$30,000 – \$30,499	\$30.00
\$30,500 – \$30,999	\$30.50
\$31,000 and over	\$31.00

Effective January 10, 2000:

<u>Average Earnings</u>	<u>Monthly Pension Benefit Per year of Benefit Service</u>
\$31,000 – \$31,499	\$31.00
\$31,500 – \$31,999	\$31.50
\$32,000 and over	\$32.00

Effective January 10, 2001:

<u>Average Earnings</u>	<u>Monthly Pension Benefit Per Year of Benefit Service</u>
\$32,000 – \$32,499	\$32.00
\$32,500 – \$32,999	\$32.50
\$33,000 and over	\$33.00

Effective January 10, 2002:

<u>Average Earnings</u>	<u>Monthly Pension Benefit Per year of Benefit Service</u>
\$33,000 – \$33,499	\$33.00
\$33,500 – \$33,999	\$33.50
\$34,000 and over	\$34.00

2015 Form 5500 Schedule SB Attachments
Schedule SB, Part V – Summary of Plan Provisions
Lord Corporation
Lord Corporation Hourly Employees' Pension Plan
For Plan Year Ended December 31, 2015

EIN: 25-0626921
Plan Number: 002

Plan Provisions (continued)

Monthly pension benefit: (continued)

Effective January 10, 2003:

<u>Average Earnings</u>	<u>Monthly Pension Benefit Per Year of Benefit Service</u>
\$34,000 – \$34,499	\$34.00
\$34,500 – \$34,999	\$34.50
\$35,000 and over	\$35.00

Effective March 1, 2004: All participants have a monthly pension benefit per year of benefit service of \$36.00.

Effective January 10, 2006: All participants have a monthly pension benefit per year of benefit service of \$37.00.

Effective January 10, 2007: All participants have a monthly pension benefit per year of benefit service of \$38.00.

Effective January 10, 2008: All participants have a monthly pension benefit per year of benefit service of \$39.00.

Effective January 11, 2009: All participants have a monthly pension benefit per year of benefit service of \$41.00.

Effective January 11, 2010: All participants have a monthly pension benefit per year of benefit service of \$42.00.

Effective January 11, 2011: All participants have a monthly pension benefit per year of benefit service of \$43.00.

Effective January 11, 2012: All participants have a monthly pension benefit per year of benefit service of \$44.00.

Effective January 11, 2014: All participants have a monthly pension benefit per year of benefit service of \$46.00.

Effective January 11, 2015: All participants have a monthly pension benefit per year of benefit service of \$47.00.

Effective January 11, 2016: All participants have a monthly pension benefit per year of benefit service of \$48.00.

2015 Form 5500 Schedule SB Attachments
Schedule SB, Part V – Summary of Plan Provisions
Lord Corporation
Lord Corporation Hourly Employees' Pension Plan
For Plan Year Ended December 31, 2015

EIN: 25-0626921
Plan Number: 002

Plan Provisions (continued)

Monthly pre-retirement spouse death benefit: For participants who leave their contributions in the plan, the greatest of [(a), (b), or (c)] or (d); for participants who have no contributions have withdrawn their contributions, or are no longer active employees – (d):

- a) Refund of contributions with interest.
- b) Earnings for 1978.
- c) If eligible for early retirement on January 1, 1978 – accrued benefit as of January 1, 1978, payable immediately for five years.
- d) 50% of monthly pension benefit as of the date of death, reduced for the 50% joint and survivor election and early retirement.

Eligibility for Benefits:

NRD: Retirement on NRD.

Early retirement: Optional retirement – Age 55 and five years of vesting service. Rule of 95 – age plus service equals 95, minimum age 60 at termination.

Postponed retirement: Retirement after NRD.

Deferred vested: Terminations for reasons other than death, disability, or retirement after completing five years of vesting service. All participants are 100% vested in their December 31, 1993 accrued benefit.

Pre-retirement spouse benefit: Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse.

Disability: Permanently and totally disabled.

2015 Form 5500 Schedule SB Attachments
Schedule SB, Part V – Summary of Plan Provisions
Lord Corporation
Lord Corporation Hourly Employees' Pension Plan
For Plan Year Ended December 31, 2015

EIN: 25-0626921
Plan Number: 002

Plan Provisions (continued)

Monthly Benefits Paid Upon the Following Events:

Normal retirement: Monthly pension benefit determined as of NRD.

Early retirement: The Monthly pension benefit payable at age 65 reduced 5/12 of 1% for each month benefit commencement precedes age 65. Rule of 95 retirements are unreduced for early commencement.

Postponed retirement: Monthly pension benefit determined as of actual retirement date.

Termination with deferred vested benefit: Monthly pension benefit determined as of termination date, reduced 5/12 of 1% for each month benefit commencement precedes the participant's NRD. Any participant who is not vested is eligible for refund of employee contributions with interest.

Death with pre-retirement spouse benefit: Monthly pre-retirement spouse benefit is payable. If the participant was eligible for early retirement, the benefit is payable immediately. Otherwise, the benefit is payable when the participant would have been eligible for early retirement. If less than five years of vesting service, participant contributions will be refunded.

Disability: If the participant has ten or more years of vesting service, then the monthly pension benefit is payable immediately.

Other Plan Provisions:

Normal form (single participants): Five year certain and continuous annuity.

Normal form (married participants): Actuarially reduced 50% joint and survivor annuity with spouse as beneficiary.

Optional forms: Participants who retire under the plan may elect a ten-year certain and continuous annuity, life annuity, joint and survivor annuity, or, if the present value of their benefit is \$10,000 or less, a lump sum distribution.

Maximum on benefits and pay: All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective.

Future Plan Changes: No future plan changes were recognized in determining pension cost or in determining minimum and maximum contributions.

2015 Form 5500 Schedule SB Attachments
Schedule SB, Line 26 - Schedule of Active Participant Data
Lord Corporation
Lord Corporation Hourly Employees' Pension Plan
For Plan Year Ended December 31, 2015

EIN: 25-0626921
Plan Number: 002

Schedule of Active Participants

Attained Age	Completed Years of Service on January 1, 2015										Total
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 25	0	10	0	0	0	0	0	0	0	0	10
25-29	0	23	1	0	0	0	0	0	0	0	24
30-34	0	24	8	9	1	0	0	0	0	0	42
35-39	0	21	7	7	2	0	0	0	0	0	37
40-44	0	17	5	4	8	0	0	0	0	0	34
45-49	0	8	6	5	4	0	0	0	0	0	23
50-54	0	8	11	8	6	0	0	1	4	0	38
55-59	0	16	7	5	7	4	1	7	29	5	81
60-64	0	0	3	3	1	0	1	1	8	7	24
65-69	0	0	1	0	1	0	0	0	1	1	4
Over 69	0	0	0	0	0	0	0	0	0	0	0
Total	0	127	49	41	30	4	2	9	42	13	317

2015 Form 5500 Schedule SB Attachments

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

Lord Corporation

Lord Corporation Hourly Employees' Pension Plan

For Plan Year Ended December 31, 2015

EIN: 25-0626921

Plan Number: 002

Development of Weighted Average Retirement Age

Weighted Average of the 3 Sets of Retirement Rates

	Average Retirement Age*	Weight
SSNRA = 65	62	N/A*
SSNRA = 66	62.6	50%
SSNRA = 67	63.1	50%

Weighted Average of the 3 Groups : 63
(rounded to the nearest year)

*All participants with SSNRA = 65 are eligible for Normal Retirement and are assumed to retire immediately

2015 Form 5500 Schedule SB Attachments**Schedule SB, Line 22 – Description of Weighted Average Retirement Age****Lord Corporation****Lord Corporation Hourly Employees' Pension Plan****For Plan Year Ended December 31, 2015****EIN: 25-0626921****Plan Number: 002****Development of Weighted Average Retirement Age (continued)**

SSNRA = 65 Retirement Rates

<u>Age</u>	<u>Rates of Retirement</u>	<u>lx</u>	<u># Retire</u>	<u># Ret x Age</u>
55	0.03	1000	30	1650
56	0.03	970	29	1630
57	0.03	941	28	1609
58	0.03	913	27	1588
59	0.03	885	27	1567
60	0.10	859	86	5152
61	0.15	773	116	7072
62	0.40	657	263	16292
63	0.20	394	79	4966
64	0.20	315	63	4036
65	1.00	252	252	16397

1000 61959

Weighted Average Retirement Age: 62.0

2015 Form 5500 Schedule SB Attachments

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

Lord Corporation

EIN: 25-0626921

Lord Corporation Hourly Employees' Pension Plan

Plan Number: 002

For Plan Year Ended December 31, 2015

Development of Weighted Average Retirement Age (continued)

SSNRA = 66 Retirement Rates

<u>Age</u>	<u>Rates of Retirement</u>	<u>lx</u>	<u># Retire</u>	<u># Ret x Age</u>
55	0.03	1000	30	1650
56	0.03	970	29	1630
57	0.03	941	28	1609
58	0.03	913	27	1588
59	0.03	885	27	1567
60	0.05	859	43	2576
61	0.10	816	82	4976
62	0.30	734	220	13656
63	0.20	514	103	6476
64	0.20	411	82	5263
65	0.20	329	66	4276
66	1.00	263	263	17367
			1000	62635

Weighted Average Retirement Age: 62.6

2015 Form 5500 Schedule SB Attachments

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

Lord Corporation

EIN: 25-0626921

Lord Corporation Hourly Employees' Pension Plan

Plan Number: 002

For Plan Year Ended December 31, 2015

Development of Weighted Average Retirement Age (continued)

SSNRA = 67 Retirement Rates

<u>Age</u>	<u>Rates of Retirement</u>	<u>lx</u>	<u># Retire</u>	<u># Ret x Age</u>
55	0.03	1000	30	1650
56	0.03	970	29	1630
57	0.03	941	28	1609
58	0.03	913	27	1588
59	0.03	885	27	1567
60	0.05	859	43	2576
61	0.05	816	41	2488
62	0.25	775	194	12013
63	0.20	581	116	7324
64	0.20	465	93	5952
65	0.20	372	74	4836
66	0.20	298	60	3928
67	1.00	238	238	15952
			1000	63112

Weighted Average Retirement Age: 63.1



LORD Corporation
111 LORD Drive
Cary, NC 27511
USA
+1 877 Ask LORD (275 5673)
www.lord.com

October 12, 2016

McGill, Power, Bell & Associates, LLP
1920 West 8th Street
Erie, PA 16505

I, as plan administrator, verify that the explanation that is reproduced below is the explanation concerning your termination reported on the Schedule C (Form 5500) attached to the 2015 Form 5500, Annual Return/Report of Employee Benefit Plan, for the following Plans:

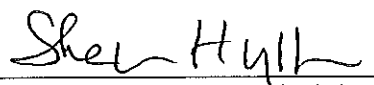
Lord Corporation Salaried Employees' Pension Plan 001, EIN – 25-0626921

Lord Corporation Hourly Employees' Pension Plan 002, EIN – 25-0626921

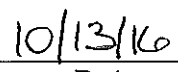
LORD made the decision to change auditors to better align services with other financial audit providers.

You have the opportunity to comment to the Department of Labor concerning any aspect of this explanation. Comments should include the name, EIN, and PN of the plan and be submitted to:

Office of Enforcement,
Employee Benefits Security Administration
U.S. Department of Labor,
200 Constitution Avenue, N.W.
Washington, DC 20210



Signature of Plan Administrator



Date

**2015 Form 5500 Schedule SB Attachments
Schedule SB, Part V – Summary of Plan Provisions
Lord Corporation
Lord Corporation Hourly Employees' Pension Plan
For Plan Year Ended December 31, 2015**

**EIN: 25-0626921
Plan Number: 002**

Plan Provisions

Name of Plan: LORD Corporation Hourly Employees' Pension Plan.

Employer Identification Number / Plan Number: 25-0626921/002.

Effective Date: January 1, 1954. Effective date of most recent amendment, January 1, 2012.

Covered Employees: All members as of December 31, 1975. All employees who transfer from the salaried plan. All other hourly employees.

Participation Date: Date of becoming a covered employee.

Definitions:

Vesting service:

Prior to January 1, 1979: The greater of years and months of credited service as calculated under the previous plan or one year of vesting service for each year during which 1,000 or more hours were completed.

After January 1, 1979: One year of vesting service credited on completion of 900 hours or more. Under 900 hours - One month is credited for each 150 hours and an additional month is credited if the remainder is 120 hours or more.

Vesting service prior to July 1, 1978 for former employees of Nichols Engineering – credited with full years and months of continuous employment with Nichols Engineering.

Vesting service prior to July 1, 1978 for Nichols Engineering employees is credited from date of hire. Vesting service after July 1, 1978 for these employees is credited according to the previous paragraph.

Vesting service includes vesting service with the salaried plan.

2015 Form 5500 Schedule SB Attachments
Schedule SB, Part V – Summary of Plan Provisions
Lord Corporation
Lord Corporation Hourly Employees' Pension Plan
For Plan Year Ended December 31, 2015

EIN: 25-0626921
Plan Number: 002

Plan Provisions (continued)

Benefit service:

Prior to January 1, 1979: Benefit service equals years and months of credited service as calculated under prior plan.

After to January 1, 1979: One year of benefit service is credited if 1,800 or more hours of service are completed. If under 1,800 hours, then one month is credited for each 150 hours and an additional one month is credited if the remaining hours are 120 or more.

Benefit service for former Nichols Engineering employees is credited from July 1, 1978.

Pensionable pay: Total pay.

Average earnings: The greater of the average of the highest five consecutive calendar years of pensionable pay during the ten-year period preceding termination.

Normal retirement date (NRD): The participant's 65th birthday.

Monthly pension benefit: Schedule based on average earnings as follows.

Prior to January 10, 1996:

Average Earnings	Monthly Pension Benefit Per year of Benefit Service
Below \$11,500	\$10.00
\$11,500 – \$11,999	\$10.50
\$12,000 – \$12,499	\$11.25
\$13,000 – \$13,499	\$11.75
\$13,500 – \$13,999	\$12.25
\$14,000 – \$14,499	\$13.00
\$14,500 – \$14,999	\$14.00
\$15,000 – \$15,499	\$14.75
\$15,500 – \$15,999	\$15.25
\$16,000 – \$16,499	\$16.00
\$16,500 – \$16,999	\$16.50
\$17,000 – \$17,499	\$17.00
\$17,500 – \$17,999	\$17.50
\$18,000 – \$18,499	\$18.00
\$18,500 – \$18,999	\$18.50
\$19,000 – \$19,499	\$19.00
\$19,500 – \$19,999	\$19.50
\$20,000 – \$20,499	\$20.00
\$20,500 – \$20,999	\$20.50
\$21,000 – \$21,499	\$21.00
\$21,500 – \$21,999	\$21.50
\$22,000 and over	\$22.00

2015 Form 5500 Schedule SB Attachments
Schedule SB, Part V – Summary of Plan Provisions
Lord Corporation
Lord Corporation Hourly Employees' Pension Plan
For Plan Year Ended December 31, 2015

EIN: 25-0626921
Plan Number: 002

Plan Provisions (continued)

Monthly pension benefit: (continued)

Effective January 10, 1996:

<u>Average Earnings</u>	<u>Monthly Pension Benefit Per Year of Benefit Service</u>
\$22,000 – \$22,499	\$22.00
\$22,500 – \$22,999	\$22.50
\$23,000 – \$23,499	\$23.00
\$23,500 – \$23,999	\$23.50
\$24,000 and over	\$24.00

Effective January 10, 1997:

<u>Average Earnings</u>	<u>Monthly Pension Benefit Per Year of Benefit Service</u>
\$24,000 – \$24,499	\$24.00
\$24,500 – \$24,999	\$24.50
\$25,000 – \$25,499	\$25.00
\$25,500 – \$25,999	\$25.50
\$26,000 – \$26,499	\$26.00
\$26,550 – \$26,999	\$26.50
\$27,000 and over	\$27.00

Effective January 10, 1998:

<u>Average Earnings</u>	<u>Monthly Pension Benefit Per Year of Benefit Service</u>
\$27,000 – \$27,499	\$27.00
\$27,500 – \$27,999	\$27.50
\$28,000 and over	\$28.00

2015 Form 5500 Schedule SB Attachments
Schedule SB, Part V – Summary of Plan Provisions
Lord Corporation
Lord Corporation Hourly Employees' Pension Plan
For Plan Year Ended December 31, 2015

EIN: 25-0626921
Plan Number: 002

Plan Provisions (continued)

Monthly pension benefit: (continued)

Effective January 10, 1999:

<u>Average Earnings</u>	<u>Monthly Pension Benefit Per year of Benefit Service</u>
\$28,000 – \$28,499	\$28.00
\$28,500 – \$28,999	\$28.50
\$29,000 – \$29,499	\$29.00
\$29,500 – \$29,999	\$29.50
\$30,000 – \$30,499	\$30.00
\$30,500 – \$30,999	\$30.50
\$31,000 and over	\$31.00

Effective January 10, 2000:

<u>Average Earnings</u>	<u>Monthly Pension Benefit Per year of Benefit Service</u>
\$31,000 – \$31,499	\$31.00
\$31,500 – \$31,999	\$31.50
\$32,000 and over	\$32.00

Effective January 10, 2001:

<u>Average Earnings</u>	<u>Monthly Pension Benefit Per Year of Benefit Service</u>
\$32,000 – \$32,499	\$32.00
\$32,500 – \$32,999	\$32.50
\$33,000 and over	\$33.00

Effective January 10, 2002:

<u>Average Earnings</u>	<u>Monthly Pension Benefit Per year of Benefit Service</u>
\$33,000 – \$33,499	\$33.00
\$33,500 – \$33,999	\$33.50
\$34,000 and over	\$34.00

2015 Form 5500 Schedule SB Attachments
Schedule SB, Part V – Summary of Plan Provisions
Lord Corporation
Lord Corporation Hourly Employees' Pension Plan
For Plan Year Ended December 31, 2015

EIN: 25-0626921
Plan Number: 002

Plan Provisions (continued)

Monthly pension benefit: (continued)

Effective January 10, 2003:

<u>Average Earnings</u>	<u>Monthly Pension Benefit Per Year of Benefit Service</u>
\$34,000 – \$34,499	\$34.00
\$34,500 – \$34,999	\$34.50
\$35,000 and over	\$35.00

Effective March 1, 2004: All participants have a monthly pension benefit per year of benefit service of \$36.00.

Effective January 10, 2006: All participants have a monthly pension benefit per year of benefit service of \$37.00.

Effective January 10, 2007: All participants have a monthly pension benefit per year of benefit service of \$38.00.

Effective January 10, 2008: All participants have a monthly pension benefit per year of benefit service of \$39.00.

Effective January 11, 2009: All participants have a monthly pension benefit per year of benefit service of \$41.00.

Effective January 11, 2010: All participants have a monthly pension benefit per year of benefit service of \$42.00.

Effective January 11, 2011: All participants have a monthly pension benefit per year of benefit service of \$43.00.

Effective January 11, 2012: All participants have a monthly pension benefit per year of benefit service of \$44.00.

Effective January 11, 2014: All participants have a monthly pension benefit per year of benefit service of \$46.00.

Effective January 11, 2015: All participants have a monthly pension benefit per year of benefit service of \$47.00.

Effective January 11, 2016: All participants have a monthly pension benefit per year of benefit service of \$48.00.

2015 Form 5500 Schedule SB Attachments
Schedule SB, Part V – Summary of Plan Provisions
Lord Corporation
Lord Corporation Hourly Employees' Pension Plan
For Plan Year Ended December 31, 2015

EIN: 25-0626921
Plan Number: 002

Plan Provisions (continued)

Monthly pre-retirement spouse death benefit: For participants who leave their contributions in the plan, the greatest of [(a), (b), or (c)] or (d); for participants who have no contributions have withdrawn their contributions, or are no longer active employees – (d):

- a) Refund of contributions with interest.
- b) Earnings for 1978.
- c) If eligible for early retirement on January 1, 1978 – accrued benefit as of January 1, 1978, payable immediately for five years.
- d) 50% of monthly pension benefit as of the date of death, reduced for the 50% joint and survivor election and early retirement.

Eligibility for Benefits:

NRD: Retirement on NRD.

Early retirement: Optional retirement – Age 55 and five years of vesting service. Rule of 95 – age plus service equals 95, minimum age 60 at termination.

Postponed retirement: Retirement after NRD.

Deferred vested: Terminations for reasons other than death, disability, or retirement after completing five years of vesting service. All participants are 100% vested in their December 31, 1993 accrued benefit.

Pre-retirement spouse benefit: Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse.

Disability: Permanently and totally disabled.

2015 Form 5500 Schedule SB Attachments
Schedule SB, Part V – Summary of Plan Provisions
Lord Corporation
Lord Corporation Hourly Employees' Pension Plan
For Plan Year Ended December 31, 2015

EIN: 25-0626921
Plan Number: 002

Plan Provisions (continued)

Monthly Benefits Paid Upon the Following Events:

Normal retirement: Monthly pension benefit determined as of NRD.

Early retirement: The Monthly pension benefit payable at age 65 reduced 5/12 of 1% for each month benefit commencement precedes age 65. Rule of 95 retirements are unreduced for early commencement.

Postponed retirement: Monthly pension benefit determined as of actual retirement date.

Termination with deferred vested benefit: Monthly pension benefit determined as of termination date, reduced 5/12 of 1% for each month benefit commencement precedes the participant's NRD. Any participant who is not vested is eligible for refund of employee contributions with interest.

Death with pre-retirement spouse benefit: Monthly pre-retirement spouse benefit is payable. If the participant was eligible for early retirement, the benefit is payable immediately. Otherwise, the benefit is payable when the participant would have been eligible for early retirement. If less than five years of vesting service, participant contributions will be refunded.

Disability: If the participant has ten or more years of vesting service, then the monthly pension benefit is payable immediately.

Other Plan Provisions:

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Normal form (married participants): Actuarially reduced 50% joint and survivor annuity with spouse as beneficiary.

Optional forms: Participants who retire under the plan may elect a ten-year certain and continuous annuity, life annuity, joint and survivor annuity, or, if the present value of their benefit is \$10,000 or less, a lump sum distribution.

Maximum on benefits and pay: All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective.

Future Plan Changes: No future plan changes were recognized in determining pension cost or in determining minimum and maximum contributions.