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| <b>Form 5500</b><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br>This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).<br><br><p style="text-align: center;">▶ <b>Complete all entries in accordance with the instructions to the Form 5500.</b></p> | OMB Nos. 1210-0110<br>1210-0089<br><br><div style="text-align: center; font-size: 1.5em; font-weight: bold;">2015</div><br><br><b>This Form is Open to Public Inspection</b> |
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|                                                                                                          |                                                                |                                                                                                                                                                                    |                                            |
|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| <b>Part I</b>                                                                                            | <b>Annual Report Identification Information</b>                |                                                                                                                                                                                    |                                            |
| For calendar plan year 2015 or fiscal plan year beginning <u>04/01/2015</u> and ending <u>03/31/2016</u> |                                                                |                                                                                                                                                                                    |                                            |
| <b>A</b> This return/report is for:                                                                      | <input type="checkbox"/> a multiemployer plan;                 | <input type="checkbox"/> a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or |                                            |
|                                                                                                          | <input checked="" type="checkbox"/> a single-employer plan;    | <input type="checkbox"/> a DFE (specify) ____                                                                                                                                      |                                            |
| <b>B</b> This return/report is:                                                                          | <input type="checkbox"/> the first return/report;              | <input type="checkbox"/> the final return/report;                                                                                                                                  |                                            |
|                                                                                                          | <input type="checkbox"/> an amended return/report;             | <input type="checkbox"/> a short plan year return/report (less than 12 months).                                                                                                    |                                            |
| <b>C</b> If the plan is a collectively-bargained plan, check here. ....                                  | <input type="checkbox"/>                                       |                                                                                                                                                                                    |                                            |
| <b>D</b> Check box if filing under:                                                                      | <input checked="" type="checkbox"/> Form 5558;                 | <input type="checkbox"/> automatic extension;                                                                                                                                      | <input type="checkbox"/> the DFVC program; |
|                                                                                                          | <input type="checkbox"/> special extension (enter description) |                                                                                                                                                                                    |                                            |

|                                                                                                         |                                                                |                                          |                   |
|---------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|------------------------------------------|-------------------|
| <b>Part II</b>                                                                                          | <b>Basic Plan Information</b> —enter all requested information |                                          |                   |
| <b>1a</b> Name of plan                                                                                  | <u>SUPERIOR MACHINE COMPANY OF SC, INC. SAVINGS</u>            | <b>1b</b> Three-digit plan number (PN) ▶ | <u>001</u>        |
|                                                                                                         |                                                                | <b>1c</b> Effective date of plan         | <u>04/08/1971</u> |
| <b>2a</b> 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>SUPERIOR MACHINE COMPANY OF SOUTH CAROLINA, INC.</u>                                                 |                                                                |                                          |                   |
|                                                                                                         | <b>2b</b> Employer Identification Number (EIN)                 | <u>57-0743770</u>                        |                   |
|                                                                                                         | <b>2c</b> Plan Sponsor's telephone number                      | <u>843-468-9218</u>                      |                   |
| <u>692 NORTH CASHUA DRIVE</u>                                                                           | <b>2d</b> Business code (see instructions)                     | <u>333900</u>                            |                   |
| <u>FLORENCE, SC 29502</u>                                                                               |                                                                |                                          |                   |

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

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

|                                                                                                 |                                                          |                   |                                                              |
|-------------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------|--------------------------------------------------------------|
| <b>SIGN HERE</b>                                                                                | <u>Filed with authorized/valid electronic signature.</u> | <u>11/11/2016</u> | <u>CATHEY ALLEN</u>                                          |
|                                                                                                 | <b>Signature of plan administrator</b>                   | Date              | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b>                                                                                |                                                          |                   |                                                              |
|                                                                                                 | <b>Signature of employer/plan sponsor</b>                | Date              | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b>                                                                                |                                                          |                   |                                                              |
|                                                                                                 | <b>Signature of DFE</b>                                  | Date              | Enter name of individual signing as DFE                      |
| Preparer's name (including firm name, if applicable) and address (include room or suite number) |                                                          |                   | Preparer's telephone number                                  |
|                                                                                                 |                                                          |                   |                                                              |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3a</b> Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>3b</b> Administrator's EIN<br><br><b>3c</b> Administrator's telephone number<br><br><div style="background-color: #cccccc; height: 40px; width: 100%;"></div>                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>4</b> If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:<br><b>a</b> Sponsor's name                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>4b</b> EIN<br><br><b>4c</b> PN                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>5</b> Total number of participants at the beginning of the plan year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>5</b> 187                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>6</b> Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines <b>6a(1)</b> , <b>6a(2)</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).<br><br><b>a(1)</b> Total number of active participants at the beginning of the plan year .....<br><b>a(2)</b> Total number of active participants at the end of the plan year .....<br><br><b>b</b> Retired or separated participants receiving benefits.....<br><b>c</b> Other retired or separated participants entitled to future benefits.....<br><b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> .....<br><b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....<br><b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....<br><br><b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) .....<br><br><b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested ..... | <b>6a(1)</b> 170<br><b>6a(2)</b> 179<br><b>6b</b> 0<br><b>6c</b> 19<br><b>6d</b> 198<br><b>6e</b> 0<br><b>6f</b> 198<br><b>6g</b> 118<br><b>6h</b> 2                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>7</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:<br>2E 2F 2G 2J 2K 2T 3D<br><br><b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>9a</b> Plan funding arrangement (check all that apply)<br><b>(1)</b> <input type="checkbox"/> Insurance<br><b>(2)</b> <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br><b>(3)</b> <input checked="" type="checkbox"/> Trust<br><b>(4)</b> <input type="checkbox"/> General assets of the sponsor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>9b</b> Plan benefit arrangement (check all that apply)<br><b>(1)</b> <input type="checkbox"/> Insurance<br><b>(2)</b> <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br><b>(3)</b> <input checked="" type="checkbox"/> Trust<br><b>(4)</b> <input type="checkbox"/> General assets of the sponsor                                                                                                                                                                                                                              |
| <b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>a Pension Schedules</b><br><b>(1)</b> <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)<br><br><b>(2)</b> <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary<br><br><b>(3)</b> <input type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>b General Schedules</b><br><b>(1)</b> <input checked="" type="checkbox"/> <b>H</b> (Financial Information)<br><b>(2)</b> <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan)<br><b>(3)</b> <input type="checkbox"/> <b>A</b> (Insurance Information)<br><b>(4)</b> <input checked="" type="checkbox"/> <b>C</b> (Service Provider Information)<br><b>(5)</b> <input checked="" type="checkbox"/> <b>D</b> (DFE/Participating Plan Information)<br><b>(6)</b> <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules) |

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

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

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

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

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**11c** Enter the Receipt Confirmation Code for the 2015 Form M-1 annual report. If the plan was not required to file the 2015 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code \_\_\_\_\_

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

For calendar plan year 2015 or fiscal plan year beginning **04/01/2015** and ending **03/31/2016**

|                                                                                                                          |                                                                    |
|--------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><b>SUPERIOR MACHINE COMPANY OF SC, INC. SAVINGS</b>                                             | <b>B</b> Three-digit plan number (PN) ▶ <b>001</b>                 |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><b>SUPERIOR MACHINE COMPANY OF SOUTH CAROLINA, INC.</b> | <b>D</b> Employer Identification Number (EIN)<br><b>57-0743770</b> |

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

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

**1 Information on Persons Receiving Only Eligible Indirect Compensation**

**a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

**b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

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

**04-2929221**

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

**75-2401150**

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

**13-5673135**

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

**06-1194217**

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

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GOLDMAN SACHS

13-5108880

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

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HARBOR

04-2679462

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

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JANUS

43-1804048

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

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NORTHERN FUNDS

39-1777365

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

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OAKMARK

04-3276558

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

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PIMCO FUNDS

95-2632339

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

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T. ROWE PRICE

52-2264646

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

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THORNBURG

85-0301299

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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)

WELLS FARGO BANK, N.A.

94-1347393

| (b)<br>Service Code(s)  | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 15 37 49 50<br>60 62 64 | SERVICE PROVIDER                                                                                  | 29940                                                                  | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                  | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                            | 0                                                                                                                                                                               | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                          |

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

WELLS FARGO ADVISORS WBS

56-0898180

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 27 51                  | NONE                                                                                              | 0                                                                      | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                                            | 10613                                                                                                                                                                           | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                          |

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

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

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

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

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

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

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

**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<br>(see instructions) | (c) Enter amount of indirect compensation |
|---------------------------------------------------------|-----------------------------------------|-------------------------------------------|
| WELLS FARGO ADVISORS WBS                                | 27 51                                   | 10613                                     |

| (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. |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| WELLS FARGO BANK, N.A.<br><br>94-1347393                            | 20 BASIS POINTS                                                                                                                                                    |

| (a) Enter service provider name as it appears on line 2 | (b) Service Codes<br>(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<br>(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.

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

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                                                                                                                                                                                                           |                                                                                                                                                                                                                              |                                                                                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>SCHEDULE D</b><br><b>(Form 5500)</b><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small> | <b>DFE/Participating Plan Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2015</b><br><br><b>This Form is Open to Public Inspection.</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|

For calendar plan year 2015 or fiscal plan year beginning 04/01/2015 and ending 03/31/2016

|                                                                                                                                 |                                                                    |  |
|---------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|--|
| <b>A</b> Name of plan<br><u>SUPERIOR MACHINE COMPANY OF SC, INC. SAVINGS</u>                                                    | <b>B</b> Three-digit plan number (PN) <b>►</b> <u>001</u>          |  |
| <b>C</b> Plan or DFE sponsor's name as shown on line 2a of Form 5500<br><u>SUPERIOR MACHINE COMPANY OF SOUTH CAROLINA, INC.</u> | <b>D</b> Employer Identification Number (EIN)<br><u>57-0743770</u> |  |

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

|                                                                                           |                               |                                                                                                                    |  |  |
|-------------------------------------------------------------------------------------------|-------------------------------|--------------------------------------------------------------------------------------------------------------------|--|--|
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>WELLS FARGO CORE BOND TR</u>            |                               |                                                                                                                    |  |  |
| <b>b</b> Name of sponsor of entity listed in (a): <u>WELLS FARGO BANK, N.A.</u>           |                               |                                                                                                                    |  |  |
| <b>c</b> EIN-PN <u>94-3222878-001</u>                                                     | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>18045</u>   |  |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>WELLS FARGO ENHANCED STOCK MARKET N</u> |                               |                                                                                                                    |  |  |
| <b>b</b> Name of sponsor of entity listed in (a): <u>WELLS FARGO BANK, N.A.</u>           |                               |                                                                                                                    |  |  |
| <b>c</b> EIN-PN <u>56-6288528-001</u>                                                     | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>980126</u>  |  |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>WELLS FARGO INTERNATIONAL BOND TR</u>   |                               |                                                                                                                    |  |  |
| <b>b</b> Name of sponsor of entity listed in (a): <u>WELLS FARGO BANK, N.A.</u>           |                               |                                                                                                                    |  |  |
| <b>c</b> EIN-PN <u>46-6136833-001</u>                                                     | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>12984</u>   |  |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>WELLS FARGO STABLE RETURN FUND N</u>    |                               |                                                                                                                    |  |  |
| <b>b</b> Name of sponsor of entity listed in (a): <u>WELLS FARGO BANK, N.A.</u>           |                               |                                                                                                                    |  |  |
| <b>c</b> EIN-PN <u>41-6202499-001</u>                                                     | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>3034462</u> |  |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>WELLS FARGO STABLE RETURN FUND TR</u>   |                               |                                                                                                                    |  |  |
| <b>b</b> Name of sponsor of entity listed in (a): <u>WELLS FARGO BANK, N.A.</u>           |                               |                                                                                                                    |  |  |
| <b>c</b> EIN-PN <u>46-6208187-001</u>                                                     | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>14999</u>   |  |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>WF/BLACKROCK INTL EQUITY INDEX TR</u>   |                               |                                                                                                                    |  |  |
| <b>b</b> Name of sponsor of entity listed in (a): <u>WELLS FARGO BANK, N.A.</u>           |                               |                                                                                                                    |  |  |
| <b>c</b> EIN-PN <u>52-2265229-001</u>                                                     | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>22649</u>   |  |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>WF/BLACKROCK RUSSELL 2000 INDEX TR</u>  |                               |                                                                                                                    |  |  |
| <b>b</b> Name of sponsor of entity listed in (a): <u>WELLS FARGO BANK, N.A.</u>           |                               |                                                                                                                    |  |  |
| <b>c</b> EIN-PN <u>52-2265233-001</u>                                                     | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>6497</u>    |  |  |

|                                                                                                        |                                        |                                                                                                                           |
|--------------------------------------------------------------------------------------------------------|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <a href="#">WF/BLACKROCK S&amp;P 500 INDEX TR</a>       |                                        |                                                                                                                           |
| <b>b</b> Name of sponsor of entity listed in (a): <a href="#">WELLS FARGO BANK, N.A.</a>               |                                        |                                                                                                                           |
| <b>c</b> EIN-PN <a href="#">94-3224211-001</a>                                                         | <b>d</b> Entity code <a href="#">C</a> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <a href="#">41841</a> |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <a href="#">WF/BLACKROCK S&amp;P MIDCAP INDEX TR</a>    |                                        |                                                                                                                           |
| <b>b</b> Name of sponsor of entity listed in (a): <a href="#">WELLS FARGO BANK, N.A.</a>               |                                        |                                                                                                                           |
| <b>c</b> EIN-PN <a href="#">52-2265235-001</a>                                                         | <b>d</b> Entity code <a href="#">C</a> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <a href="#">16854</a> |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <a href="#">WF/BLACKROCK U.S. AGG BOND INDEX N</a>      |                                        |                                                                                                                           |
| <b>b</b> Name of sponsor of entity listed in (a): <a href="#">WELLS FARGO BANK, N.A.</a>               |                                        |                                                                                                                           |
| <b>c</b> EIN-PN <a href="#">20-5699010-001</a>                                                         | <b>d</b> Entity code <a href="#">C</a> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <a href="#">80897</a> |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <a href="#">WF/BLACKROCK U.S. AGG BOND INDEX TR</a>     |                                        |                                                                                                                           |
| <b>b</b> Name of sponsor of entity listed in (a): <a href="#">WELLS FARGO BANK, N.A.</a>               |                                        |                                                                                                                           |
| <b>c</b> EIN-PN <a href="#">20-5699010-001</a>                                                         | <b>d</b> Entity code <a href="#">C</a> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <a href="#">48556</a> |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <a href="#">WF/CAUSEWAY INTERNATIONAL VALUE TR</a>      |                                        |                                                                                                                           |
| <b>b</b> Name of sponsor of entity listed in (a): <a href="#">WELLS FARGO BANK, N.A.</a>               |                                        |                                                                                                                           |
| <b>c</b> EIN-PN <a href="#">47-6375784-001</a>                                                         | <b>d</b> Entity code <a href="#">C</a> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <a href="#">10148</a> |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <a href="#">WF/DODGE &amp; COX INTERMEDIATE BOND TR</a> |                                        |                                                                                                                           |
| <b>b</b> Name of sponsor of entity listed in (a): <a href="#">WELLS FARGO BANK, N.A.</a>               |                                        |                                                                                                                           |
| <b>c</b> EIN-PN <a href="#">47-6566265-001</a>                                                         | <b>d</b> Entity code <a href="#">C</a> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <a href="#">17333</a> |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <a href="#">WF/MFS VALUE TR</a>                         |                                        |                                                                                                                           |
| <b>b</b> Name of sponsor of entity listed in (a): <a href="#">WELLS FARGO BANK, N.A.</a>               |                                        |                                                                                                                           |
| <b>c</b> EIN-PN <a href="#">45-6648640-001</a>                                                         | <b>d</b> Entity code <a href="#">C</a> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <a href="#">30610</a> |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <a href="#">WF/MULTI-MANAGER SMALL CAP TR</a>           |                                        |                                                                                                                           |
| <b>b</b> Name of sponsor of entity listed in (a): <a href="#">WELLS FARGO BANK, N.A.</a>               |                                        |                                                                                                                           |
| <b>c</b> EIN-PN <a href="#">45-6648658-001</a>                                                         | <b>d</b> Entity code <a href="#">C</a> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <a href="#">8029</a>  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <a href="#">WF/T. ROWE PRICE INST EQUITY INCOME</a>     |                                        |                                                                                                                           |
| <b>b</b> Name of sponsor of entity listed in (a): <a href="#">WELLS FARGO BANK, N.A.</a>               |                                        |                                                                                                                           |
| <b>c</b> EIN-PN <a href="#">46-6586666-001</a>                                                         | <b>d</b> Entity code <a href="#">C</a> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <a href="#">9</a>     |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <a href="#">WF/T. ROWE PRICE INST LARGE-CAP GR</a>      |                                        |                                                                                                                           |
| <b>b</b> Name of sponsor of entity listed in (a): <a href="#">WELLS FARGO BANK, N.A.</a>               |                                        |                                                                                                                           |
| <b>c</b> EIN-PN <a href="#">45-6648614-001</a>                                                         | <b>d</b> Entity code <a href="#">C</a> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <a href="#">7987</a>  |

**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

|                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                              |                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small><br><br><small>Pension Benefit Guaranty Corporation</small> | <b>Financial Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><div style="border: 1px solid black; padding: 5px; font-size: 1.2em; font-weight: bold;">2015</div><br><br><b>This Form is Open to Public Inspection</b> |
| For calendar plan year 2015 or fiscal plan year beginning <span style="color: blue;">04/01/2015</span> and ending <span style="color: blue;">03/31/2016</span>                                                                                                           |                                                                                                                                                                                                                                                                              |                                                                                                                                                                                   |
| <b>A</b> Name of plan<br><span style="color: blue;">SUPERIOR MACHINE COMPANY OF SC, INC. SAVINGS</span>                                                                                                                                                                  | <b>B</b> Three-digit plan number (PN) <span style="float: right;">►</span>                                                                                                                                                                                                   | <div style="border: 1px solid black; padding: 2px; color: blue; font-weight: bold;">001</div>                                                                                     |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><span style="color: blue;">SUPERIOR MACHINE COMPANY OF SOUTH CAROLINA, INC.</span>                                                                                                                      | <b>D</b> Employer Identification Number (EIN)<br><span style="color: blue;">57-0743770</span>                                                                                                                                                                                |                                                                                                                                                                                   |

| Part I                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Asset and Liability Statement                                                                     |                 | (a) Beginning of Year | (b) End of Year |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>1</b> Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. <b>Round off amounts to the nearest dollar.</b> MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions. |                                                                                                   |                 |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Assets</b>                                                                                     |                 |                       |                 |
| <b>a</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Total noninterest-bearing cash .....                                                              | <b>1a</b>       |                       |                 |
| <b>b</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Receivables (less allowance for doubtful accounts):                                               |                 |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(1)</b> Employer contributions .....                                                           | <b>1b(1)</b>    |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(2)</b> Participant contributions .....                                                        | <b>1b(2)</b>    |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(3)</b> Other.....                                                                             | <b>1b(3)</b>    |                       |                 |
| <b>c</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | General investments:                                                                              |                 |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....  | <b>1c(1)</b>    |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(2)</b> U.S. Government securities.....                                                        | <b>1c(2)</b>    |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(3)</b> Corporate debt instruments (other than employer securities):                           |                 |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(A)</b> Preferred .....                                                                        | <b>1c(3)(A)</b> |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(B)</b> All other.....                                                                         | <b>1c(3)(B)</b> |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(4)</b> Corporate stocks (other than employer securities):                                     |                 |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(A)</b> Preferred .....                                                                        | <b>1c(4)(A)</b> |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(B)</b> Common .....                                                                           | <b>1c(4)(B)</b> |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(5)</b> Partnership/joint venture interests .....                                              | <b>1c(5)</b>    |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(6)</b> Real estate (other than employer real property) .....                                  | <b>1c(6)</b>    |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(7)</b> Loans (other than to participants) .....                                               | <b>1c(7)</b>    |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(8)</b> Participant loans .....                                                                | <b>1c(8)</b>    | 124615                | 173020          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(9)</b> Value of interest in common/collective trusts.....                                     | <b>1c(9)</b>    | 4186623               | 4352026         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(10)</b> Value of interest in pooled separate accounts.....                                    | <b>1c(10)</b>   |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(11)</b> Value of interest in master trust investment accounts .....                           | <b>1c(11)</b>   |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(12)</b> Value of interest in 103-12 investment entities .....                                 | <b>1c(12)</b>   |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....        | <b>1c(13)</b>   | 1100695               | 1100687         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts)..... | <b>1c(14)</b>   |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>(15)</b> Other .....                                                                           | <b>1c(15)</b>   |                       |                 |

| <b>1d</b> Employer-related investments:                              |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> |                       |                 |
| (2) Employer real property .....                                     | <b>1d(2)</b> |                       |                 |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    |                       |                 |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 5411933               | 5625733         |

**Liabilities**

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

**Net Assets**

|                                                           |           |         |         |
|-----------------------------------------------------------|-----------|---------|---------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 5411933 | 5625733 |
|-----------------------------------------------------------|-----------|---------|---------|

**Part II Income and Expense Statement**

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

**Income**

|                                                                                                            |                 | (a) Amount | (b) Total |
|------------------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>a Contributions:</b>                                                                                    |                 |            |           |
| (1) Received or receivable in cash from: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> | 111391     |           |
| <b>(B)</b> Participants .....                                                                              | <b>2a(1)(B)</b> | 347707     |           |
| <b>(C)</b> Others (including rollovers) .....                                                              | <b>2a(1)(C)</b> |            |           |
| (2) Noncash contributions .....                                                                            | <b>2a(2)</b>    |            |           |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |            | 459098    |
| <b>b Earnings on investments:</b>                                                                          |                 |            |           |
| (1) Interest:                                                                                              |                 |            |           |
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....       | <b>2b(1)(A)</b> |            |           |
| <b>(B)</b> U.S. Government securities .....                                                                | <b>2b(1)(B)</b> |            |           |
| <b>(C)</b> Corporate debt instruments .....                                                                | <b>2b(1)(C)</b> |            |           |
| <b>(D)</b> Loans (other than to participants) .....                                                        | <b>2b(1)(D)</b> |            |           |
| <b>(E)</b> Participant loans .....                                                                         | <b>2b(1)(E)</b> | 6581       |           |
| <b>(F)</b> Other .....                                                                                     | <b>2b(1)(F)</b> |            |           |
| <b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                              | <b>2b(1)(G)</b> |            | 6581      |
| (2) Dividends: <b>(A)</b> Preferred stock .....                                                            | <b>2b(2)(A)</b> |            |           |
| <b>(B)</b> Common stock .....                                                                              | <b>2b(2)(B)</b> |            |           |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                                  | <b>2b(2)(C)</b> | 9372       |           |
| <b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....                  | <b>2b(2)(D)</b> |            | 9372      |
| (3) Rents .....                                                                                            | <b>2b(3)</b>    |            |           |
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                                 | <b>2b(4)(A)</b> | 41         |           |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                                              | <b>2b(4)(B)</b> |            |           |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....                  | <b>2b(4)(C)</b> |            | 41        |
| (5) Unrealized appreciation (depreciation) of assets: <b>(A)</b> Real estate .....                         | <b>2b(5)(A)</b> |            |           |
| <b>(B)</b> Other .....                                                                                     | <b>2b(5)(B)</b> |            |           |
| <b>(C)</b> Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....         | <b>2b(5)(C)</b> |            | 0         |

|                                                                                                        |               | (a) Amount | (b) Total |
|--------------------------------------------------------------------------------------------------------|---------------|------------|-----------|
| <b>(6)</b> Net investment gain (loss) from common/collective trusts .....                              | <b>2b(6)</b>  |            | 68795     |
| <b>(7)</b> Net investment gain (loss) from pooled separate accounts .....                              | <b>2b(7)</b>  |            |           |
| <b>(8)</b> Net investment gain (loss) from master trust investment accounts .....                      | <b>2b(8)</b>  |            |           |
| <b>(9)</b> Net investment gain (loss) from 103-12 investment entities .....                            | <b>2b(9)</b>  |            |           |
| <b>(10)</b> Net investment gain (loss) from registered investment companies (e.g., mutual funds) ..... | <b>2b(10)</b> |            | -55131    |
| <b>c</b> Other income .....                                                                            | <b>2c</b>     |            |           |
| <b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total .....               | <b>2d</b>     |            | 488756    |

**Expenses**

|                                                                                             |              |        |        |
|---------------------------------------------------------------------------------------------|--------------|--------|--------|
| <b>e</b> Benefit payment and payments to provide benefits:                                  |              |        |        |
| <b>(1)</b> Directly to participants or beneficiaries, including direct rollovers .....      | <b>2e(1)</b> | 237869 |        |
| <b>(2)</b> To insurance carriers for the provision of benefits .....                        | <b>2e(2)</b> |        |        |
| <b>(3)</b> Other .....                                                                      | <b>2e(3)</b> |        |        |
| <b>(4)</b> Total benefit payments. Add lines <b>2e(1)</b> through <b>(3)</b> .....          | <b>2e(4)</b> |        | 237869 |
| <b>f</b> Corrective distributions (see instructions) .....                                  | <b>2f</b>    |        | 5590   |
| <b>g</b> Certain deemed distributions of participant loans (see instructions) .....         | <b>2g</b>    |        | -7196  |
| <b>h</b> Interest expense .....                                                             | <b>2h</b>    |        |        |
| <b>i</b> Administrative expenses: <b>(1)</b> Professional fees .....                        | <b>2i(1)</b> |        |        |
| <b>(2)</b> Contract administrator fees .....                                                | <b>2i(2)</b> |        |        |
| <b>(3)</b> Investment advisory and management fees .....                                    | <b>2i(3)</b> |        |        |
| <b>(4)</b> Other .....                                                                      | <b>2i(4)</b> | 38693  |        |
| <b>(5)</b> Total administrative expenses. Add lines <b>2i(1)</b> through <b>(4)</b> .....   | <b>2i(5)</b> |        | 38693  |
| <b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total ..... | <b>2j</b>    |        | 274956 |

**Net Income and Reconciliation**

|                                                                               |              |  |        |
|-------------------------------------------------------------------------------|--------------|--|--------|
| <b>k</b> Net income (loss). Subtract line <b>2j</b> from line <b>2d</b> ..... | <b>2k</b>    |  | 213800 |
| <b>l</b> Transfers of assets:                                                 |              |  |        |
| <b>(1)</b> To this plan .....                                                 | <b>2l(1)</b> |  |        |
| <b>(2)</b> From this plan .....                                               | <b>2l(2)</b> |  |        |

**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: BAUKNIGHT, PIETRAS & STORMER, P.A.

**(2)** EIN: 57-0940019

**d** The opinion of an independent qualified public accountant is **not attached** because:

**(1)** ☐ This form is filed for a CCT, PSA, or MTIA. **(2)** ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

**Part IV Compliance Questions**

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

During the plan year:

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

|                                                                                                                                                                                                                         | Yes | No | N/A | Amount |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|-----|--------|
| <b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)                                          |     | X  |     |        |
| <b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)                               |     | X  |     |        |
| <b>e</b> Was this plan covered by a fidelity bond?                                                                                                                                                                      | X   |    |     | 500000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?                                                                                       |     | X  |     |        |
| <b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?                                                    |     | X  |     |        |
| <b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?                                          |     | X  |     |        |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)                                                                | X   |    |     |        |
| <b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) |     | X  |     |        |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?                                                           |     | X  |     |        |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan?                                                                                                                                            |     | X  |     |        |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)                                                                                                  |     | X  |     |        |
| <b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.                                     |     |    |     |        |
| <b>o</b> Did the plan trust incur unrelated business taxable income?                                                                                                                                                    |     |    |     |        |
| <b>p</b> Were in-service distributions made during the plan year?                                                                                                                                                       |     |    |     |        |

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?  
 If "Yes," enter the amount of any plan assets that reverted to the employer this year. ☐ Yes ☒ No Amount:

**5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

| 5b(1) Name of plan(s) | 5b(2) EIN(s) | 5b(3) PN(s) |
|-----------------------|--------------|-------------|
|                       |              |             |
|                       |              |             |
|                       |              |             |
|                       |              |             |
|                       |              |             |

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

## Part V Trust Information

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

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

For calendar plan year 2015 or fiscal plan year beginning 04/01/2015 and ending 03/31/2016

|                                                                                                                          |                                                                    |
|--------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>SUPERIOR MACHINE COMPANY OF SC, INC. SAVINGS</u>                                             | <b>B</b> Three-digit plan number (PN) ▶<br><u>001</u>              |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>SUPERIOR MACHINE COMPANY OF SOUTH CAROLINA, INC.</u> | <b>D</b> Employer Identification Number (EIN)<br><u>57-0743770</u> |

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

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

|                                                                                                                                                                                                                                                                    |          |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....                                                                                                                              | <b>1</b> | <u>0</u> |
| <b>2</b> Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):<br><br>EIN(s): <u>41-6257133</u> |          |          |
| <b>Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.</b>                                                                                                                                                                                            |          |          |
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....                                                                                                                                    | <b>3</b> |          |

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

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

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

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

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

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

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

Schedule R (Form 5500) 2015  
v. 150123

**Part V Additional Information for Multiemployer Defined Benefit Pension Plans**

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

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

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

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

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

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

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Financial Statements  
and Supplemental Schedule

Superior Machine Company of SC, Inc.  
Savings Incentive Plan

*Years Ended March 31, 2016 and 2015  
with Report of Independent Auditors*

Superior Machine Company of SC, Inc. Savings Incentive Plan  
Financial Statements  
and Supplemental Schedule  
Years Ended March 31, 2016 and 2015

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## **Report of Independent Auditors**

Retirement Committee

Superior Machine Company of SC, Inc. Savings Incentive Plan

We were engaged to audit the accompanying financial statements of the Superior Machine Company of SC, Inc. Savings Incentive Plan (the “Plan”), which comprise the statements of net assets available for plan benefits as of March 31, 2016 and 2015, and the related statements of changes in net assets available for plan benefits for the years 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 accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors’ Responsibility**

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

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

As permitted by 29 CFR 2520.103-8 of the Department of Labor’s (“DOL”) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (“ERISA”), the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the Plan’s investment information, which was certified by Wells Fargo Bank, N.A., (“the trustee”) of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the trustee holds the Plan’s investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of and for the years ended March 31, 2016 and 2015, that the information provided to the Plan administrator by the trustee is complete and accurate.



Retirement Committee  
Superior Machine Company of SC, Inc. Savings Incentive Plan

**Disclaimer of Opinion**

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

**Other Matter**

The supplemental schedule of assets held for investment purposes as of March 31, 2016, is required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule referred to above.

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

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

*Baughnigh Piethan & Storrer, P.A.*

October 12, 2016

Superior Machine Company of SC, Inc. Savings Incentive Plan  
Statements of Net Assets Available for Plan Benefits

|                                              | March 31,    |              |
|----------------------------------------------|--------------|--------------|
|                                              | 2016         | 2015         |
| <b>Assets</b>                                |              |              |
| Investments, at fair value:                  |              |              |
| Collective trusts                            | \$ 4,352,026 | \$ 4,241,587 |
| Mutual funds                                 | 1,100,687    | 1,100,695    |
| Total investments                            | 5,452,713    | 5,342,282    |
| Participant loans receivable                 | 173,020      | 124,615      |
| Employee contributions receivable            | 12,349       | --           |
| Employer contributions receivable            | 3,881        | --           |
| Total assets                                 | 5,641,963    | 5,466,897    |
| <b>Liabilities</b>                           |              |              |
| Excess contributions payable to participants | --           | 5,590        |
| Net assets available for plan benefits       | \$ 5,641,963 | \$ 5,461,307 |

See accompanying notes.

Superior Machine Company of SC, Inc. Savings Incentive Plan  
Statements of Changes in Net Assets Available for Plan Benefits

|                                                               | <b>Years Ended March 31,</b> |                            |
|---------------------------------------------------------------|------------------------------|----------------------------|
|                                                               | <b>2016</b>                  | <b>2015</b>                |
| <b>Additions to net assets attributed to:</b>                 |                              |                            |
| Investment income:                                            |                              |                            |
| Net appreciation (depreciation) in fair value of investments: |                              |                            |
| Mutual funds                                                  | \$ (55,131)                  | \$ 15,470                  |
| Collective trusts                                             | 13,831                       | 216,427                    |
| Interest and dividends                                        | 9,413                        | 86,028                     |
|                                                               | <u>(31,887)</u>              | <u>317,925</u>             |
| Interest on participant loans receivable                      | 6,581                        | 6,342                      |
| Employee contributions, including rollovers                   | 360,056                      | 362,819                    |
| Employer contributions                                        | 115,272                      | 98,593                     |
| Total net additions                                           | <u>450,022</u>               | <u>785,679</u>             |
| <b>Deductions from net assets attributed to:</b>              |                              |                            |
| Benefits paid to participants, including rollovers            | 230,673                      | 280,727                    |
| Administrative expenses                                       | 38,693                       | 42,096                     |
| Total deductions                                              | <u>269,366</u>               | <u>322,823</u>             |
| Net change                                                    | 180,656                      | 462,856                    |
| Net assets available for plan benefits, beginning             | <u>5,461,307</u>             | <u>4,998,451</u>           |
| Net assets available for plan benefits, ending                | <u><u>\$ 5,641,963</u></u>   | <u><u>\$ 5,461,307</u></u> |

See accompanying notes.

Superior Machine Company of SC, Inc. Savings Incentive Plan  
Notes to Financial Statements  
March 31, 2016 and 2015

**1. Description of Plan**

The following description of the Superior Machine Company of SC, Inc. Savings Incentive Plan (the “Plan”) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions.

**General**

The Plan is a defined contribution plan covering all full-time employees of Superior Machine Company of South Carolina, Inc. (the “Company”). The Plan amended eligibility requirements for participation in the Plan, effective July 1, 2015, with retroactive application, with eligibility being concurrent with commencement of full-time employment. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

**Contributions**

Contributions to the Plan are made by the Company and its employees. Employee salary reduction contributions range between one percent and one hundred percent of the employee’s salary, subject to certain Internal Revenue Code (“IRC”) limitations. The Plan has an automatic enrollment provision whereby all newly eligible employees are automatically enrolled in the Plan, unless they affirmatively elect not to participate, with a default deferral rate set at 2%. The Company may make a discretionary matching and/or a profit sharing contribution. The Company made discretionary matching contributions of approximately \$115,000 and \$99,000 for the years ended March 31, 2016 and 2015, respectively.

Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing rollover distributions from other qualified benefit plans.

**Participant Accounts**

Each participant's account is credited with the participant’s contributions, allocations of the Company’s contributions, if any, and Plan earnings or losses. Each participant’s account is charged with an allocation of administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account. Forfeitures of the non-vested portion of terminated participants account balances remain in the Plan. These forfeitures may be used for paying administrative expenses and/or reducing employer contributions. At March 31, 2016 and 2015, there were no significant forfeiture balances.

Superior Machine Company of SC, Inc. Savings Incentive Plan  
Notes to Financial Statements  
March 31, 2016 and 2015

**1. Description of Plan (continued)**

**Vesting**

Participants are immediately vested in their voluntary contributions plus actual earnings thereon. Vesting in the remainder of their accounts is based on years of continuous service. Vesting is based on years of continuous service according to the following schedule:

| <u>Years of Service</u> | <u>Vesting<br/>Percentage</u> |
|-------------------------|-------------------------------|
| 1                       | 0%                            |
| 2                       | 50%                           |
| 3                       | 100%                          |

**Participant Loans Receivable**

Participants are permitted to borrow a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance, subject to Internal Revenue Service (“IRS”) guidelines. Terms range from one to ten years and loans bear interest at prime plus one percent at the date the loan is issued. Interest rates on outstanding loans range from 4.25% to 8.75% at March 31, 2016 and 2015. Each loan is collateralized by the balance in the participant’s account.

**Payment of Benefits**

Upon retirement, disability, death, termination of employment or attainment of age 59½, participants or their beneficiaries may elect to receive their vested portion of Plan assets. While employed by the Company, participants are permitted to withdraw funds before age 59½ only in cases of severe financial hardship.

**2. Summary of Significant Accounting Policies**

**Basis of Accounting**

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States (“GAAP”).

**Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets during the reporting period. Actual results could differ from those estimates.

Superior Machine Company of SC, Inc. Savings Incentive Plan  
Notes to Financial Statements  
March 31, 2016 and 2015

**2. Summary of Significant Accounting Policies (continued)**

**Participant Loans Receivable**

Loans receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based on the terms of the Plan document.

**Risks and Uncertainties**

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

**Investment Valuation and Income Recognition**

The Plan's investments are held in mutual funds and collective trusts by Wells Fargo Bank, N.A. (the "Trustee").

Investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements.

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

Participants who withdraw amounts that are invested in fully benefit-responsive contracts prior to the termination of the contract are subject to withdrawal charges equal to the difference between the guaranteed interest rate in effect for new contributions at the date of surrender and the composite guaranteed rate of the investments being surrendered, multiplied by the number of years or portion thereof remaining in the contract period, multiplied by the total amount being surrendered.

**Administrative Expenses**

The Plan pays all custodial and recordkeeping fees. All other professional fees are paid by the Company.

Superior Machine Company of SC, Inc. Savings Incentive Plan  
Notes to Financial Statements  
March 31, 2016 and 2015

**2. Summary of Significant Accounting Policies (continued)**

**Recent Accounting Pronouncements**

In May 2015, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2015-07, “Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities that Calculate Net Asset Value (“NAV”) per Share (or its Equivalent)”. This update removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using net asset value per share as a practical expedient. ASU 2015-07 affects only the Plan’s disclosures and requires retrospective application. The Plan is required to adopt ASU 2015-07 for fiscal years beginning after December 15, 2015; however, the Plan has elected to adopt this provision for fiscal 2016, as allowed.

In July 2015, the FASB issued ASU No. 2015-12 “Plan Accounting: Defined Contribution Pension Plans – Part I: Fully Benefit-Responsive Investment Contracts, Part II: Plan Investment Disclosures, and Part III: Measurement Date Practical Expedient.” The main provisions include: eliminating the requirement to measure the fair value of fully benefit-responsive investment contracts, simplifying investment disclosures by eliminating the requirements to disaggregate investments by class and eliminating the requirement to disclose individual investments with a fair value in excess of 5% of net assets available for plan benefits. The Plan is required to adopt ASU 2015-12 for fiscal years beginning after December 15, 2015, on a retrospective basis for Part I and Part II and on a prospective basis for Part III; however, the Plan elected to adopt the provision for fiscal 2016, as allowed. As a result, amounts in the fiscal 2015 financial statements have been changed to conform to the new standard.

**3. Fair Value Measurements**

The methods used to measure fair value may produce amounts that may not be indicative of net realizable values or reflective of future fair values. Furthermore, although plan management believes the valuation methods used 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.

GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 inputs consist of observable inputs other than quoted prices for identical assets; and Level 3 inputs to the valuation methodology are unobservable and have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. All of the Plan’s mutual fund investments were valued using Level 1 inputs, based on quoted market prices.

Superior Machine Company of SC, Inc. Savings Incentive Plan  
Notes to Financial Statements  
March 31, 2016 and 2015

**3. Fair Value Measurements (continued)**

The plan invests in collective trusts where the underlying investments primarily consist of investment contracts and security-backed contracts. The collective trusts are valued at the NAV of units of the accounts. The NAV, as provided by the issuer, is used as a practical expedient to estimate fair value. The NAV of each account is based on the fair value of the underlying investments held less the account's liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of the accounts, the account provider reserves the right to temporarily delay withdrawal from the accounts in order to ensure that security liquidations will be carried out in an orderly business manner.

**4. Party-in-Interest Transactions**

Plan investments are managed by the Trustee. Fees paid by the Plan to the Trustee for custodial, recordkeeping, and investment advisory services amounted to approximately \$39,000 and \$42,000 for the years ended March 31, 2016 and 2015, respectively. All transactions with the Trustee qualify as party-in-interest transactions, which are exempt from the prohibited transaction rules of ERISA.

**5. Income Tax Status**

On March 31, 2008, the IRS stated that the prototype adopted by the Plan, as then designed, qualified under Section 401(a) of the IRC. The Plan has not received a determination letter specific to the Plan itself. The Plan has been amended and restated to comply with legislative actions since adopting the prototype.

The Plan administrator believes the Plan was designed and is currently being operated in compliance with the applicable requirements of the IRC and believes the Plan is qualified and the related trust was tax-exempt, therefore, no provision for income taxes has been included in the Plan's financial statements.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability for any uncertain position that more likely than not would not be sustained upon examination by the IRS. No such liabilities were identified at March 31, 2016 and 2015. The Plan is subject to routine audits by tax authorities; however, there are currently no audits in progress for any open tax periods. The Plan administrator believes the Plan is no longer subject to income tax examinations for years prior to fiscal 2013.

**6. Plan Termination**

Although it has not expressed any intent to do so, the Company has the right, under the Plan, to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their employer contributions.

Superior Machine Company of SC, Inc. Savings Incentive Plan  
Notes to Financial Statements  
March 31, 2016 and 2015

**7. Reconciliation of Audited Financial Statements to Form 5500**

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500:

|                                                                                                              | <b>March 31,</b>             |                     |
|--------------------------------------------------------------------------------------------------------------|------------------------------|---------------------|
|                                                                                                              | <b>2016</b>                  | <b>2015</b>         |
| Net assets available for benefits per the financial statements                                               | \$ 5,641,963                 | \$ 5,461,307        |
| Adjustment for employer contribution receivable                                                              | (3,881)                      | --                  |
| Adjustment for employee contribution receivable                                                              | (12,349)                     | --                  |
| Adjustment for excess contributions liability                                                                | --                           | 5,590               |
| Adjustment from contract value to fair value for fully benefit-responsive investment contracts               | --                           | (54,964)            |
| Net assets available for benefits per Form 5500                                                              | <u>\$ 5,625,733</u>          | <u>\$ 5,411,933</u> |
|                                                                                                              | <b>Years Ended March 31,</b> |                     |
|                                                                                                              | <b>2016</b>                  | <b>2015</b>         |
| Increase in net assets per the financial statements                                                          | \$ 180,656                   | \$ 462,856          |
| Adjustment for prior year excess contributions liability                                                     | (5,590)                      | (40,000)            |
| Adjustment for current year excess contributions liability                                                   | --                           | 5,590               |
| Adjustment for current year employee contribution receivable                                                 | (12,349)                     | --                  |
| Adjustment for prior year employer contribution receivable                                                   | --                           | 87,237              |
| Adjustment for current year employer contribution receivable                                                 | (3,881)                      | --                  |
| Change in the adjustment from fair value to contract value for fully benefit-responsive investment contracts | 54,964                       | (54,964)            |
| Net increase per Form 5500                                                                                   | <u>\$ 213,800</u>            | <u>\$ 460,719</u>   |

**8. Subsequent Events**

The Plan evaluated events and transactions after March 31, 2016 through October 12, 2016, the date the financial statements were available to be issued, for subsequent events and determined that there were no subsequent events to report.

## **SUPPLEMENTAL SCHEDULE**

Superior Machine Company of SC, Inc. Savings Incentive Plan

Employer ID# 57-0743770/Plan #001

Schedule H, Line 4i-Schedule of Assets Held for Investment Purposes at End of Year

March 31, 2016

| ( a ) | ( b )<br>Identity of issue, borrower,<br>lessor, or similar party | ( c )<br>Description of investment<br>including maturity date,<br>rate of interest, collateral,<br>par or maturity value | ( d )<br>Cost | ( e )<br>Current<br>Value |
|-------|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|---------------|---------------------------|
|       | <b>Mutual Funds:</b>                                              |                                                                                                                          |               |                           |
|       | Janis Balanced Fund N #1451                                       | Mutual fund                                                                                                              | \$ --         | \$ 534,919                |
|       | Dreyfus Midcap Index Fund #113                                    | Mutual fund                                                                                                              | --            | 228,008                   |
|       | Goldman Sachs S/C Value-A #819                                    | Mutual fund                                                                                                              | --            | 224,474                   |
|       | American Beacon L/Cap Val Inv CL                                  | Mutual fund                                                                                                              | --            | 38,804                    |
|       | Pimco High Yield Fund for Advice                                  | Mutual fund                                                                                                              | --            | 17,046                    |
|       | Janus Triton Fund-R                                               | Mutual fund                                                                                                              | --            | 11,698                    |
|       | Acadian Emerging Markets Equity Fund                              | Mutual fund                                                                                                              | --            | 11,521                    |
|       | Harbor International Instl TR                                     | Mutual fund                                                                                                              | --            | 10,147                    |
|       | Pimco Real Return Fund Inst                                       | Mutual fund                                                                                                              | --            | 8,585                     |
|       | Northern Global Real Estate Index TR                              | Mutual fund                                                                                                              | --            | 7,927                     |
|       | Harbor International Instl #2011                                  | Mutual fund                                                                                                              | --            | 7,558                     |
|       |                                                                   |                                                                                                                          | <hr/>         | <hr/>                     |
|       |                                                                   |                                                                                                                          | \$ --         | \$ 1,100,687              |
|       | <b>Common/Collective Trusts:</b>                                  |                                                                                                                          |               |                           |
| *     | WF Stable Return Fund N                                           | Collective trust                                                                                                         | \$ --         | \$ 3,034,462              |
| *     | WF Enhanced Stock Market Fund N                                   | Collective trust                                                                                                         | --            | 980,126                   |
| *     | W/BR US AGG BD Index CIT AT                                       | Collective trust                                                                                                         | --            | 80,897                    |
| *     | Blackrock US AGG BD Index CIT TR                                  | Collective trust                                                                                                         | --            | 48,556                    |
| *     | WF/Blackrock S&P 500 Index CIT TR                                 | Collective trust                                                                                                         | --            | 41,841                    |
| *     | WF / MFS Value CIT AT                                             | Collective trust                                                                                                         | --            | 30,610                    |
| *     | WF/Blackrock Intl Eq Index CIT TR                                 | Collective trust                                                                                                         | --            | 22,649                    |
| *     | Wells Fargo Core Bond CIT AT                                      | Collective trust                                                                                                         | --            | 18,044                    |
| *     | WF / D&C Intermed BD CIT AT                                       | Collective trust                                                                                                         | --            | 17,333                    |
| *     | WF/Blackrock S&P Midcap Index CIT TR                              | Collective trust                                                                                                         | --            | 16,854                    |
|       | Stable Return Fund AT                                             | Collective trust                                                                                                         | --            | 14,999                    |
| *     | WF / International Bond CIT AT                                    | Collective trust                                                                                                         | --            | 12,984                    |
| *     | WF / Causeway Intl Value CIT AT                                   | Collective trust                                                                                                         | --            | 10,148                    |
| *     | WF / Multi-Manager Small Cap CIT AT                               | Collective trust                                                                                                         | --            | 8,029                     |
| *     | WF / TRP Inst LCG MGD CIT AT                                      | Collective trust                                                                                                         | --            | 7,987                     |
| *     | WF/Blackrock RU 2000 Index CIT TR                                 | Collective trust                                                                                                         | --            | 6,497                     |
| *     | WF / TRP INST EQ INC MGD CIT AT                                   | Collective trust                                                                                                         | --            | 10                        |
|       |                                                                   |                                                                                                                          | <hr/>         | <hr/>                     |
|       |                                                                   |                                                                                                                          | \$ --         | \$ 4,352,026              |
| *     | <b>Participant Notes Receivable</b>                               | Interest Rate Range: 4.25% to 8.75%                                                                                      | \$ --         | \$ 173,020                |

\* Indicates a party-in-interest to the Plan.

Note: The above schedule was derived from information certified by the Trustee. Cost information has been omitted for participant-directed funds.

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Financial Statements  
and Supplemental Schedule

Superior Machine Company of SC, Inc.  
Savings Incentive Plan

*Years Ended March 31, 2016 and 2015  
with Report of Independent Auditors*

Superior Machine Company of SC, Inc. Savings Incentive Plan  
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## **Report of Independent Auditors**

Retirement Committee

Superior Machine Company of SC, Inc. Savings Incentive Plan

We were engaged to audit the accompanying financial statements of the Superior Machine Company of SC, Inc. Savings Incentive Plan (the “Plan”), which comprise the statements of net assets available for plan benefits as of March 31, 2016 and 2015, and the related statements of changes in net assets available for plan benefits for the years 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 accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors’ Responsibility**

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

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

As permitted by 29 CFR 2520.103-8 of the Department of Labor’s (“DOL”) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (“ERISA”), the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the Plan’s investment information, which was certified by Wells Fargo Bank, N.A., (“the trustee”) of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the trustee holds the Plan’s investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of and for the years ended March 31, 2016 and 2015, that the information provided to the Plan administrator by the trustee is complete and accurate.



Retirement Committee  
Superior Machine Company of SC, Inc. Savings Incentive Plan

**Disclaimer of Opinion**

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

**Other Matter**

The supplemental schedule of assets held for investment purposes as of March 31, 2016, is required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule referred to above.

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

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

*Baughnigh Piethan & Storrer, P.A.*

October 12, 2016

Superior Machine Company of SC, Inc. Savings Incentive Plan  
Statements of Net Assets Available for Plan Benefits

|                                              | March 31,    |              |
|----------------------------------------------|--------------|--------------|
|                                              | 2016         | 2015         |
| <b>Assets</b>                                |              |              |
| Investments, at fair value:                  |              |              |
| Collective trusts                            | \$ 4,352,026 | \$ 4,241,587 |
| Mutual funds                                 | 1,100,687    | 1,100,695    |
| Total investments                            | 5,452,713    | 5,342,282    |
| Participant loans receivable                 | 173,020      | 124,615      |
| Employee contributions receivable            | 12,349       | --           |
| Employer contributions receivable            | 3,881        | --           |
| Total assets                                 | 5,641,963    | 5,466,897    |
| <b>Liabilities</b>                           |              |              |
| Excess contributions payable to participants | --           | 5,590        |
| Net assets available for plan benefits       | \$ 5,641,963 | \$ 5,461,307 |

See accompanying notes.

Superior Machine Company of SC, Inc. Savings Incentive Plan  
Statements of Changes in Net Assets Available for Plan Benefits

|                                                               | <b>Years Ended March 31,</b> |                            |
|---------------------------------------------------------------|------------------------------|----------------------------|
|                                                               | <b>2016</b>                  | <b>2015</b>                |
| <b>Additions to net assets attributed to:</b>                 |                              |                            |
| Investment income:                                            |                              |                            |
| Net appreciation (depreciation) in fair value of investments: |                              |                            |
| Mutual funds                                                  | \$ (55,131)                  | \$ 15,470                  |
| Collective trusts                                             | 13,831                       | 216,427                    |
| Interest and dividends                                        | 9,413                        | 86,028                     |
|                                                               | <u>(31,887)</u>              | <u>317,925</u>             |
| Interest on participant loans receivable                      | 6,581                        | 6,342                      |
| Employee contributions, including rollovers                   | 360,056                      | 362,819                    |
| Employer contributions                                        | 115,272                      | 98,593                     |
| Total net additions                                           | <u>450,022</u>               | <u>785,679</u>             |
| <b>Deductions from net assets attributed to:</b>              |                              |                            |
| Benefits paid to participants, including rollovers            | 230,673                      | 280,727                    |
| Administrative expenses                                       | 38,693                       | 42,096                     |
| Total deductions                                              | <u>269,366</u>               | <u>322,823</u>             |
| Net change                                                    | 180,656                      | 462,856                    |
| Net assets available for plan benefits, beginning             | <u>5,461,307</u>             | <u>4,998,451</u>           |
| Net assets available for plan benefits, ending                | <u><u>\$ 5,641,963</u></u>   | <u><u>\$ 5,461,307</u></u> |

See accompanying notes.

Superior Machine Company of SC, Inc. Savings Incentive Plan  
Notes to Financial Statements  
March 31, 2016 and 2015

**1. Description of Plan**

The following description of the Superior Machine Company of SC, Inc. Savings Incentive Plan (the “Plan”) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions.

**General**

The Plan is a defined contribution plan covering all full-time employees of Superior Machine Company of South Carolina, Inc. (the “Company”). The Plan amended eligibility requirements for participation in the Plan, effective July 1, 2015, with retroactive application, with eligibility being concurrent with commencement of full-time employment. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

**Contributions**

Contributions to the Plan are made by the Company and its employees. Employee salary reduction contributions range between one percent and one hundred percent of the employee’s salary, subject to certain Internal Revenue Code (“IRC”) limitations. The Plan has an automatic enrollment provision whereby all newly eligible employees are automatically enrolled in the Plan, unless they affirmatively elect not to participate, with a default deferral rate set at 2%. The Company may make a discretionary matching and/or a profit sharing contribution. The Company made discretionary matching contributions of approximately \$115,000 and \$99,000 for the years ended March 31, 2016 and 2015, respectively.

Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing rollover distributions from other qualified benefit plans.

**Participant Accounts**

Each participant's account is credited with the participant’s contributions, allocations of the Company’s contributions, if any, and Plan earnings or losses. Each participant’s account is charged with an allocation of administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account. Forfeitures of the non-vested portion of terminated participants account balances remain in the Plan. These forfeitures may be used for paying administrative expenses and/or reducing employer contributions. At March 31, 2016 and 2015, there were no significant forfeiture balances.

Superior Machine Company of SC, Inc. Savings Incentive Plan  
Notes to Financial Statements  
March 31, 2016 and 2015

**1. Description of Plan (continued)**

**Vesting**

Participants are immediately vested in their voluntary contributions plus actual earnings thereon. Vesting in the remainder of their accounts is based on years of continuous service. Vesting is based on years of continuous service according to the following schedule:

| <u>Years of Service</u> | <u>Vesting<br/>Percentage</u> |
|-------------------------|-------------------------------|
| 1                       | 0%                            |
| 2                       | 50%                           |
| 3                       | 100%                          |

**Participant Loans Receivable**

Participants are permitted to borrow a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance, subject to Internal Revenue Service (“IRS”) guidelines. Terms range from one to ten years and loans bear interest at prime plus one percent at the date the loan is issued. Interest rates on outstanding loans range from 4.25% to 8.75% at March 31, 2016 and 2015. Each loan is collateralized by the balance in the participant’s account.

**Payment of Benefits**

Upon retirement, disability, death, termination of employment or attainment of age 59½, participants or their beneficiaries may elect to receive their vested portion of Plan assets. While employed by the Company, participants are permitted to withdraw funds before age 59½ only in cases of severe financial hardship.

**2. Summary of Significant Accounting Policies**

**Basis of Accounting**

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States (“GAAP”).

**Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets during the reporting period. Actual results could differ from those estimates.

Superior Machine Company of SC, Inc. Savings Incentive Plan  
Notes to Financial Statements  
March 31, 2016 and 2015

**2. Summary of Significant Accounting Policies (continued)**

**Participant Loans Receivable**

Loans receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based on the terms of the Plan document.

**Risks and Uncertainties**

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

**Investment Valuation and Income Recognition**

The Plan's investments are held in mutual funds and collective trusts by Wells Fargo Bank, N.A. (the "Trustee").

Investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements.

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

Participants who withdraw amounts that are invested in fully benefit-responsive contracts prior to the termination of the contract are subject to withdrawal charges equal to the difference between the guaranteed interest rate in effect for new contributions at the date of surrender and the composite guaranteed rate of the investments being surrendered, multiplied by the number of years or portion thereof remaining in the contract period, multiplied by the total amount being surrendered.

**Administrative Expenses**

The Plan pays all custodial and recordkeeping fees. All other professional fees are paid by the Company.

Superior Machine Company of SC, Inc. Savings Incentive Plan  
Notes to Financial Statements  
March 31, 2016 and 2015

**2. Summary of Significant Accounting Policies (continued)**

**Recent Accounting Pronouncements**

In May 2015, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2015-07, “Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities that Calculate Net Asset Value (“NAV”) per Share (or its Equivalent)”. This update removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using net asset value per share as a practical expedient. ASU 2015-07 affects only the Plan’s disclosures and requires retrospective application. The Plan is required to adopt ASU 2015-07 for fiscal years beginning after December 15, 2015; however, the Plan has elected to adopt this provision for fiscal 2016, as allowed.

In July 2015, the FASB issued ASU No. 2015-12 “Plan Accounting: Defined Contribution Pension Plans – Part I: Fully Benefit-Responsive Investment Contracts, Part II: Plan Investment Disclosures, and Part III: Measurement Date Practical Expedient.” The main provisions include: eliminating the requirement to measure the fair value of fully benefit-responsive investment contracts, simplifying investment disclosures by eliminating the requirements to disaggregate investments by class and eliminating the requirement to disclose individual investments with a fair value in excess of 5% of net assets available for plan benefits. The Plan is required to adopt ASU 2015-12 for fiscal years beginning after December 15, 2015, on a retrospective basis for Part I and Part II and on a prospective basis for Part III; however, the Plan elected to adopt the provision for fiscal 2016, as allowed. As a result, amounts in the fiscal 2015 financial statements have been changed to conform to the new standard.

**3. Fair Value Measurements**

The methods used to measure fair value may produce amounts that may not be indicative of net realizable values or reflective of future fair values. Furthermore, although plan management believes the valuation methods used 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.

GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 inputs consist of observable inputs other than quoted prices for identical assets; and Level 3 inputs to the valuation methodology are unobservable and have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. All of the Plan’s mutual fund investments were valued using Level 1 inputs, based on quoted market prices.

Superior Machine Company of SC, Inc. Savings Incentive Plan  
Notes to Financial Statements  
March 31, 2016 and 2015

**3. Fair Value Measurements (continued)**

The plan invests in collective trusts where the underlying investments primarily consist of investment contracts and security-backed contracts. The collective trusts are valued at the NAV of units of the accounts. The NAV, as provided by the issuer, is used as a practical expedient to estimate fair value. The NAV of each account is based on the fair value of the underlying investments held less the account's liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of the accounts, the account provider reserves the right to temporarily delay withdrawal from the accounts in order to ensure that security liquidations will be carried out in an orderly business manner.

**4. Party-in-Interest Transactions**

Plan investments are managed by the Trustee. Fees paid by the Plan to the Trustee for custodial, recordkeeping, and investment advisory services amounted to approximately \$39,000 and \$42,000 for the years ended March 31, 2016 and 2015, respectively. All transactions with the Trustee qualify as party-in-interest transactions, which are exempt from the prohibited transaction rules of ERISA.

**5. Income Tax Status**

On March 31, 2008, the IRS stated that the prototype adopted by the Plan, as then designed, qualified under Section 401(a) of the IRC. The Plan has not received a determination letter specific to the Plan itself. The Plan has been amended and restated to comply with legislative actions since adopting the prototype.

The Plan administrator believes the Plan was designed and is currently being operated in compliance with the applicable requirements of the IRC and believes the Plan is qualified and the related trust was tax-exempt, therefore, no provision for income taxes has been included in the Plan's financial statements.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability for any uncertain position that more likely than not would not be sustained upon examination by the IRS. No such liabilities were identified at March 31, 2016 and 2015. The Plan is subject to routine audits by tax authorities; however, there are currently no audits in progress for any open tax periods. The Plan administrator believes the Plan is no longer subject to income tax examinations for years prior to fiscal 2013.

**6. Plan Termination**

Although it has not expressed any intent to do so, the Company has the right, under the Plan, to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their employer contributions.

Superior Machine Company of SC, Inc. Savings Incentive Plan  
Notes to Financial Statements  
March 31, 2016 and 2015

**7. Reconciliation of Audited Financial Statements to Form 5500**

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500:

|                                                                                                              | <b>March 31,</b>             |                     |
|--------------------------------------------------------------------------------------------------------------|------------------------------|---------------------|
|                                                                                                              | <b>2016</b>                  | <b>2015</b>         |
| Net assets available for benefits per the financial statements                                               | \$ 5,641,963                 | \$ 5,461,307        |
| Adjustment for employer contribution receivable                                                              | (3,881)                      | --                  |
| Adjustment for employee contribution receivable                                                              | (12,349)                     | --                  |
| Adjustment for excess contributions liability                                                                | --                           | 5,590               |
| Adjustment from contract value to fair value for fully benefit-responsive investment contracts               | --                           | (54,964)            |
| Net assets available for benefits per Form 5500                                                              | <u>\$ 5,625,733</u>          | <u>\$ 5,411,933</u> |
|                                                                                                              | <b>Years Ended March 31,</b> |                     |
|                                                                                                              | <b>2016</b>                  | <b>2015</b>         |
| Increase in net assets per the financial statements                                                          | \$ 180,656                   | \$ 462,856          |
| Adjustment for prior year excess contributions liability                                                     | (5,590)                      | (40,000)            |
| Adjustment for current year excess contributions liability                                                   | --                           | 5,590               |
| Adjustment for current year employee contribution receivable                                                 | (12,349)                     | --                  |
| Adjustment for prior year employer contribution receivable                                                   | --                           | 87,237              |
| Adjustment for current year employer contribution receivable                                                 | (3,881)                      | --                  |
| Change in the adjustment from fair value to contract value for fully benefit-responsive investment contracts | 54,964                       | (54,964)            |
| Net increase per Form 5500                                                                                   | <u>\$ 213,800</u>            | <u>\$ 460,719</u>   |

**8. Subsequent Events**

The Plan evaluated events and transactions after March 31, 2016 through October 12, 2016, the date the financial statements were available to be issued, for subsequent events and determined that there were no subsequent events to report.

## **SUPPLEMENTAL SCHEDULE**

Superior Machine Company of SC, Inc. Savings Incentive Plan

Employer ID# 57-0743770/Plan #001

Schedule H, Line 4i-Schedule of Assets Held for Investment Purposes at End of Year

March 31, 2016

|       | ( c )                                                    |                                                                                                                 |       |                  |
|-------|----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|-------|------------------|
| ( a ) | ( b )                                                    | Description of investment<br>including maturity date,<br>rate of interest, collateral,<br>par or maturity value | ( d ) | ( e )            |
|       | Identity of issue, borrower,<br>lessor, or similar party |                                                                                                                 | Cost  | Current<br>Value |
|       | <b>Mutual Funds:</b>                                     |                                                                                                                 |       |                  |
|       | Janis Balanced Fund N #1451                              | Mutual fund                                                                                                     | \$ -- | \$ 534,919       |
|       | Dreyfus Midcap Index Fund #113                           | Mutual fund                                                                                                     | --    | 228,008          |
|       | Goldman Sachs S/C Value-A #819                           | Mutual fund                                                                                                     | --    | 224,474          |
|       | American Beacon L/Cap Val Inv CL                         | Mutual fund                                                                                                     | --    | 38,804           |
|       | Pimco High Yield Fund for Advice                         | Mutual fund                                                                                                     | --    | 17,046           |
|       | Janus Triton Fund-R                                      | Mutual fund                                                                                                     | --    | 11,698           |
|       | Acadian Emerging Markets Equity Fund                     | Mutual fund                                                                                                     | --    | 11,521           |
|       | Harbor International Instl TR                            | Mutual fund                                                                                                     | --    | 10,147           |
|       | Pimco Real Return Fund Inst                              | Mutual fund                                                                                                     | --    | 8,585            |
|       | Northern Global Real Estate Index TR                     | Mutual fund                                                                                                     | --    | 7,927            |
|       | Harbor International Instl #2011                         | Mutual fund                                                                                                     | --    | 7,558            |
|       |                                                          |                                                                                                                 |       |                  |
|       |                                                          |                                                                                                                 | \$ -- | \$ 1,100,687     |
|       | <b>Common/Collective Trusts:</b>                         |                                                                                                                 |       |                  |
| *     | WF Stable Return Fund N                                  | Collective trust                                                                                                | \$ -- | \$ 3,034,462     |
| *     | WF Enhanced Stock Market Fund N                          | Collective trust                                                                                                | --    | 980,126          |
| *     | W/BR US AGG BD Index CIT AT                              | Collective trust                                                                                                | --    | 80,897           |
| *     | Blackrock US AGG BD Index CIT TR                         | Collective trust                                                                                                | --    | 48,556           |
| *     | WF/Blackrock S&P 500 Index CIT TR                        | Collective trust                                                                                                | --    | 41,841           |
| *     | WF / MFS Value CIT AT                                    | Collective trust                                                                                                | --    | 30,610           |
| *     | WF/Blackrock Intl Eq Index CIT TR                        | Collective trust                                                                                                | --    | 22,649           |
| *     | Wells Fargo Core Bond CIT AT                             | Collective trust                                                                                                | --    | 18,044           |
| *     | WF / D&C Intermed BD CIT AT                              | Collective trust                                                                                                | --    | 17,333           |
| *     | WF/Blackrock S&P Midcap Index CIT TR                     | Collective trust                                                                                                | --    | 16,854           |
|       | Stable Return Fund AT                                    | Collective trust                                                                                                | --    | 14,999           |
| *     | WF / International Bond CIT AT                           | Collective trust                                                                                                | --    | 12,984           |
| *     | WF / Causeway Intl Value CIT AT                          | Collective trust                                                                                                | --    | 10,148           |
| *     | WF / Multi-Manager Small Cap CIT AT                      | Collective trust                                                                                                | --    | 8,029            |
| *     | WF / TRP Inst LCG MGD CIT AT                             | Collective trust                                                                                                | --    | 7,987            |
| *     | WF/Blackrock RU 2000 Index CIT TR                        | Collective trust                                                                                                | --    | 6,497            |
| *     | WF / TRP INST EQ INC MGD CIT AT                          | Collective trust                                                                                                | --    | 10               |
|       |                                                          |                                                                                                                 |       |                  |
|       |                                                          |                                                                                                                 | \$ -- | \$ 4,352,026     |
|       | <b>Participant Notes Receivable</b>                      | Interest Rate Range: 4.25% to 8.75%                                                                             | \$ -- | \$ 173,020       |

\* Indicates a party-in-interest to the Plan.

Note: The above schedule was derived from information certified by the Trustee. Cost information has been omitted for participant-directed funds.

The information in this electronic document is confidential and may be legally privileged. It is intended solely for the specified recipients. Access to this document by anyone else is unauthorized.

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Financial Statements  
and Supplemental Schedule

Superior Machine Company of SC, Inc.  
Savings Incentive Plan

*Years Ended March 31, 2016 and 2015  
with Report of Independent Auditors*

Superior Machine Company of SC, Inc. Savings Incentive Plan  
Financial Statements  
and Supplemental Schedule  
Years Ended March 31, 2016 and 2015

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## **Report of Independent Auditors**

Retirement Committee

Superior Machine Company of SC, Inc. Savings Incentive Plan

We were engaged to audit the accompanying financial statements of the Superior Machine Company of SC, Inc. Savings Incentive Plan (the “Plan”), which comprise the statements of net assets available for plan benefits as of March 31, 2016 and 2015, and the related statements of changes in net assets available for plan benefits for the years 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 accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors’ Responsibility**

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

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

As permitted by 29 CFR 2520.103-8 of the Department of Labor’s (“DOL”) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (“ERISA”), the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the Plan’s investment information, which was certified by Wells Fargo Bank, N.A., (“the trustee”) of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the trustee holds the Plan’s investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of and for the years ended March 31, 2016 and 2015, that the information provided to the Plan administrator by the trustee is complete and accurate.



Retirement Committee  
Superior Machine Company of SC, Inc. Savings Incentive Plan

**Disclaimer of Opinion**

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

**Other Matter**

The supplemental schedule of assets held for investment purposes as of March 31, 2016, is required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule referred to above.

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

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

*Baughnigh Piethan & Storrer, P.A.*

October 12, 2016

Superior Machine Company of SC, Inc. Savings Incentive Plan  
Statements of Net Assets Available for Plan Benefits

|                                              | March 31,    |              |
|----------------------------------------------|--------------|--------------|
|                                              | 2016         | 2015         |
| <b>Assets</b>                                |              |              |
| Investments, at fair value:                  |              |              |
| Collective trusts                            | \$ 4,352,026 | \$ 4,241,587 |
| Mutual funds                                 | 1,100,687    | 1,100,695    |
| Total investments                            | 5,452,713    | 5,342,282    |
| Participant loans receivable                 | 173,020      | 124,615      |
| Employee contributions receivable            | 12,349       | --           |
| Employer contributions receivable            | 3,881        | --           |
| Total assets                                 | 5,641,963    | 5,466,897    |
| <b>Liabilities</b>                           |              |              |
| Excess contributions payable to participants | --           | 5,590        |
| Net assets available for plan benefits       | \$ 5,641,963 | \$ 5,461,307 |

See accompanying notes.

Superior Machine Company of SC, Inc. Savings Incentive Plan  
Statements of Changes in Net Assets Available for Plan Benefits

|                                                               | <b>Years Ended March 31,</b> |                            |
|---------------------------------------------------------------|------------------------------|----------------------------|
|                                                               | <b>2016</b>                  | <b>2015</b>                |
| <b>Additions to net assets attributed to:</b>                 |                              |                            |
| Investment income:                                            |                              |                            |
| Net appreciation (depreciation) in fair value of investments: |                              |                            |
| Mutual funds                                                  | \$ (55,131)                  | \$ 15,470                  |
| Collective trusts                                             | 13,831                       | 216,427                    |
| Interest and dividends                                        | 9,413                        | 86,028                     |
|                                                               | <u>(31,887)</u>              | <u>317,925</u>             |
| Interest on participant loans receivable                      | 6,581                        | 6,342                      |
| Employee contributions, including rollovers                   | 360,056                      | 362,819                    |
| Employer contributions                                        | 115,272                      | 98,593                     |
| Total net additions                                           | <u>450,022</u>               | <u>785,679</u>             |
| <b>Deductions from net assets attributed to:</b>              |                              |                            |
| Benefits paid to participants, including rollovers            | 230,673                      | 280,727                    |
| Administrative expenses                                       | 38,693                       | 42,096                     |
| Total deductions                                              | <u>269,366</u>               | <u>322,823</u>             |
| Net change                                                    | 180,656                      | 462,856                    |
| Net assets available for plan benefits, beginning             | <u>5,461,307</u>             | <u>4,998,451</u>           |
| Net assets available for plan benefits, ending                | <u><u>\$ 5,641,963</u></u>   | <u><u>\$ 5,461,307</u></u> |

See accompanying notes.

Superior Machine Company of SC, Inc. Savings Incentive Plan  
Notes to Financial Statements  
March 31, 2016 and 2015

**1. Description of Plan**

The following description of the Superior Machine Company of SC, Inc. Savings Incentive Plan (the “Plan”) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions.

**General**

The Plan is a defined contribution plan covering all full-time employees of Superior Machine Company of South Carolina, Inc. (the “Company”). The Plan amended eligibility requirements for participation in the Plan, effective July 1, 2015, with retroactive application, with eligibility being concurrent with commencement of full-time employment. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

**Contributions**

Contributions to the Plan are made by the Company and its employees. Employee salary reduction contributions range between one percent and one hundred percent of the employee’s salary, subject to certain Internal Revenue Code (“IRC”) limitations. The Plan has an automatic enrollment provision whereby all newly eligible employees are automatically enrolled in the Plan, unless they affirmatively elect not to participate, with a default deferral rate set at 2%. The Company may make a discretionary matching and/or a profit sharing contribution. The Company made discretionary matching contributions of approximately \$115,000 and \$99,000 for the years ended March 31, 2016 and 2015, respectively.

Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing rollover distributions from other qualified benefit plans.

**Participant Accounts**

Each participant's account is credited with the participant’s contributions, allocations of the Company’s contributions, if any, and Plan earnings or losses. Each participant’s account is charged with an allocation of administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account. Forfeitures of the non-vested portion of terminated participants account balances remain in the Plan. These forfeitures may be used for paying administrative expenses and/or reducing employer contributions. At March 31, 2016 and 2015, there were no significant forfeiture balances.

Superior Machine Company of SC, Inc. Savings Incentive Plan  
Notes to Financial Statements  
March 31, 2016 and 2015

**1. Description of Plan (continued)**

**Vesting**

Participants are immediately vested in their voluntary contributions plus actual earnings thereon. Vesting in the remainder of their accounts is based on years of continuous service. Vesting is based on years of continuous service according to the following schedule:

| <u>Years of Service</u> | <u>Vesting<br/>Percentage</u> |
|-------------------------|-------------------------------|
| 1                       | 0%                            |
| 2                       | 50%                           |
| 3                       | 100%                          |

**Participant Loans Receivable**

Participants are permitted to borrow a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance, subject to Internal Revenue Service (“IRS”) guidelines. Terms range from one to ten years and loans bear interest at prime plus one percent at the date the loan is issued. Interest rates on outstanding loans range from 4.25% to 8.75% at March 31, 2016 and 2015. Each loan is collateralized by the balance in the participant’s account.

**Payment of Benefits**

Upon retirement, disability, death, termination of employment or attainment of age 59½, participants or their beneficiaries may elect to receive their vested portion of Plan assets. While employed by the Company, participants are permitted to withdraw funds before age 59½ only in cases of severe financial hardship.

**2. Summary of Significant Accounting Policies**

**Basis of Accounting**

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States (“GAAP”).

**Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets during the reporting period. Actual results could differ from those estimates.

Superior Machine Company of SC, Inc. Savings Incentive Plan  
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March 31, 2016 and 2015

**2. Summary of Significant Accounting Policies (continued)**

**Participant Loans Receivable**

Loans receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based on the terms of the Plan document.

**Risks and Uncertainties**

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

**Investment Valuation and Income Recognition**

The Plan's investments are held in mutual funds and collective trusts by Wells Fargo Bank, N.A. (the "Trustee").

Investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements.

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

Participants who withdraw amounts that are invested in fully benefit-responsive contracts prior to the termination of the contract are subject to withdrawal charges equal to the difference between the guaranteed interest rate in effect for new contributions at the date of surrender and the composite guaranteed rate of the investments being surrendered, multiplied by the number of years or portion thereof remaining in the contract period, multiplied by the total amount being surrendered.

**Administrative Expenses**

The Plan pays all custodial and recordkeeping fees. All other professional fees are paid by the Company.

Superior Machine Company of SC, Inc. Savings Incentive Plan  
Notes to Financial Statements  
March 31, 2016 and 2015

**2. Summary of Significant Accounting Policies (continued)**

**Recent Accounting Pronouncements**

In May 2015, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2015-07, “Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities that Calculate Net Asset Value (“NAV”) per Share (or its Equivalent)”. This update removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using net asset value per share as a practical expedient. ASU 2015-07 affects only the Plan’s disclosures and requires retrospective application. The Plan is required to adopt ASU 2015-07 for fiscal years beginning after December 15, 2015; however, the Plan has elected to adopt this provision for fiscal 2016, as allowed.

In July 2015, the FASB issued ASU No. 2015-12 “Plan Accounting: Defined Contribution Pension Plans – Part I: Fully Benefit-Responsive Investment Contracts, Part II: Plan Investment Disclosures, and Part III: Measurement Date Practical Expedient.” The main provisions include: eliminating the requirement to measure the fair value of fully benefit-responsive investment contracts, simplifying investment disclosures by eliminating the requirements to disaggregate investments by class and eliminating the requirement to disclose individual investments with a fair value in excess of 5% of net assets available for plan benefits. The Plan is required to adopt ASU 2015-12 for fiscal years beginning after December 15, 2015, on a retrospective basis for Part I and Part II and on a prospective basis for Part III; however, the Plan elected to adopt the provision for fiscal 2016, as allowed. As a result, amounts in the fiscal 2015 financial statements have been changed to conform to the new standard.

**3. Fair Value Measurements**

The methods used to measure fair value may produce amounts that may not be indicative of net realizable values or reflective of future fair values. Furthermore, although plan management believes the valuation methods used 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.

GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 inputs consist of observable inputs other than quoted prices for identical assets; and Level 3 inputs to the valuation methodology are unobservable and have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. All of the Plan’s mutual fund investments were valued using Level 1 inputs, based on quoted market prices.

Superior Machine Company of SC, Inc. Savings Incentive Plan  
Notes to Financial Statements  
March 31, 2016 and 2015

**3. Fair Value Measurements (continued)**

The plan invests in collective trusts where the underlying investments primarily consist of investment contracts and security-backed contracts. The collective trusts are valued at the NAV of units of the accounts. The NAV, as provided by the issuer, is used as a practical expedient to estimate fair value. The NAV of each account is based on the fair value of the underlying investments held less the account's liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of the accounts, the account provider reserves the right to temporarily delay withdrawal from the accounts in order to ensure that security liquidations will be carried out in an orderly business manner.

**4. Party-in-Interest Transactions**

Plan investments are managed by the Trustee. Fees paid by the Plan to the Trustee for custodial, recordkeeping, and investment advisory services amounted to approximately \$39,000 and \$42,000 for the years ended March 31, 2016 and 2015, respectively. All transactions with the Trustee qualify as party-in-interest transactions, which are exempt from the prohibited transaction rules of ERISA.

**5. Income Tax Status**

On March 31, 2008, the IRS stated that the prototype adopted by the Plan, as then designed, qualified under Section 401(a) of the IRC. The Plan has not received a determination letter specific to the Plan itself. The Plan has been amended and restated to comply with legislative actions since adopting the prototype.

The Plan administrator believes the Plan was designed and is currently being operated in compliance with the applicable requirements of the IRC and believes the Plan is qualified and the related trust was tax-exempt, therefore, no provision for income taxes has been included in the Plan's financial statements.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability for any uncertain position that more likely than not would not be sustained upon examination by the IRS. No such liabilities were identified at March 31, 2016 and 2015. The Plan is subject to routine audits by tax authorities; however, there are currently no audits in progress for any open tax periods. The Plan administrator believes the Plan is no longer subject to income tax examinations for years prior to fiscal 2013.

**6. Plan Termination**

Although it has not expressed any intent to do so, the Company has the right, under the Plan, to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their employer contributions.

Superior Machine Company of SC, Inc. Savings Incentive Plan  
Notes to Financial Statements  
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**7. Reconciliation of Audited Financial Statements to Form 5500**

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500:

|                                                                                                | <b>March 31,</b>    |                     |
|------------------------------------------------------------------------------------------------|---------------------|---------------------|
|                                                                                                | <b>2016</b>         | <b>2015</b>         |
| Net assets available for benefits per the financial statements                                 | \$ 5,641,963        | \$ 5,461,307        |
| Adjustment for employer contribution receivable                                                | (3,881)             | --                  |
| Adjustment for employee contribution receivable                                                | (12,349)            | --                  |
| Adjustment for excess contributions liability                                                  | --                  | 5,590               |
| Adjustment from contract value to fair value for fully benefit-responsive investment contracts | --                  | (54,964)            |
| Net assets available for benefits per Form 5500                                                | <u>\$ 5,625,733</u> | <u>\$ 5,411,933</u> |

  

|                                                                                                              | <b>Years Ended March 31,</b> |                   |
|--------------------------------------------------------------------------------------------------------------|------------------------------|-------------------|
|                                                                                                              | <b>2016</b>                  | <b>2015</b>       |
| Increase in net assets per the financial statements                                                          | \$ 180,656                   | \$ 462,856        |
| Adjustment for prior year excess contributions liability                                                     | (5,590)                      | (40,000)          |
| Adjustment for current year excess contributions liability                                                   | --                           | 5,590             |
| Adjustment for current year employee contribution receivable                                                 | (12,349)                     | --                |
| Adjustment for prior year employer contribution receivable                                                   | --                           | 87,237            |
| Adjustment for current year employer contribution receivable                                                 | (3,881)                      | --                |
| Change in the adjustment from fair value to contract value for fully benefit-responsive investment contracts | 54,964                       | (54,964)          |
| Net increase per Form 5500                                                                                   | <u>\$ 213,800</u>            | <u>\$ 460,719</u> |

**8. Subsequent Events**

The Plan evaluated events and transactions after March 31, 2016 through October 12, 2016, the date the financial statements were available to be issued, for subsequent events and determined that there were no subsequent events to report.

## **SUPPLEMENTAL SCHEDULE**

Superior Machine Company of SC, Inc. Savings Incentive Plan

Employer ID# 57-0743770/Plan #001

Schedule H, Line 4i-Schedule of Assets Held for Investment Purposes at End of Year

March 31, 2016

| ( a ) | ( b )<br>Identity of issue, borrower,<br>lessor, or similar party | ( c )<br>Description of investment<br>including maturity date,<br>rate of interest, collateral,<br>par or maturity value | ( d )<br>Cost | ( e )<br>Current<br>Value |
|-------|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|---------------|---------------------------|
|       | <b>Mutual Funds:</b>                                              |                                                                                                                          |               |                           |
|       | Janis Balanced Fund N #1451                                       | Mutual fund                                                                                                              | \$ --         | \$ 534,919                |
|       | Dreyfus Midcap Index Fund #113                                    | Mutual fund                                                                                                              | --            | 228,008                   |
|       | Goldman Sachs S/C Value-A #819                                    | Mutual fund                                                                                                              | --            | 224,474                   |
|       | American Beacon L/Cap Val Inv CL                                  | Mutual fund                                                                                                              | --            | 38,804                    |
|       | Pimco High Yield Fund for Advice                                  | Mutual fund                                                                                                              | --            | 17,046                    |
|       | Janus Triton Fund-R                                               | Mutual fund                                                                                                              | --            | 11,698                    |
|       | Acadian Emerging Markets Equity Fund                              | Mutual fund                                                                                                              | --            | 11,521                    |
|       | Harbor International Instl TR                                     | Mutual fund                                                                                                              | --            | 10,147                    |
|       | Pimco Real Return Fund Inst                                       | Mutual fund                                                                                                              | --            | 8,585                     |
|       | Northern Global Real Estate Index TR                              | Mutual fund                                                                                                              | --            | 7,927                     |
|       | Harbor International Instl #2011                                  | Mutual fund                                                                                                              | --            | 7,558                     |
|       |                                                                   |                                                                                                                          | <hr/>         | <hr/>                     |
|       |                                                                   |                                                                                                                          | \$ --         | \$ 1,100,687              |
|       | <b>Common/Collective Trusts:</b>                                  |                                                                                                                          |               |                           |
| *     | WF Stable Return Fund N                                           | Collective trust                                                                                                         | \$ --         | \$ 3,034,462              |
| *     | WF Enhanced Stock Market Fund N                                   | Collective trust                                                                                                         | --            | 980,126                   |
| *     | W/BR US AGG BD Index CIT AT                                       | Collective trust                                                                                                         | --            | 80,897                    |
| *     | Blackrock US AGG BD Index CIT TR                                  | Collective trust                                                                                                         | --            | 48,556                    |
| *     | WF/Blackrock S&P 500 Index CIT TR                                 | Collective trust                                                                                                         | --            | 41,841                    |
| *     | WF / MFS Value CIT AT                                             | Collective trust                                                                                                         | --            | 30,610                    |
| *     | WF/Blackrock Intl Eq Index CIT TR                                 | Collective trust                                                                                                         | --            | 22,649                    |
| *     | Wells Fargo Core Bond CIT AT                                      | Collective trust                                                                                                         | --            | 18,044                    |
| *     | WF / D&C Intermed BD CIT AT                                       | Collective trust                                                                                                         | --            | 17,333                    |
| *     | WF/Blackrock S&P Midcap Index CIT TR                              | Collective trust                                                                                                         | --            | 16,854                    |
|       | Stable Return Fund AT                                             | Collective trust                                                                                                         | --            | 14,999                    |
| *     | WF / International Bond CIT AT                                    | Collective trust                                                                                                         | --            | 12,984                    |
| *     | WF / Causeway Intl Value CIT AT                                   | Collective trust                                                                                                         | --            | 10,148                    |
| *     | WF / Multi-Manager Small Cap CIT AT                               | Collective trust                                                                                                         | --            | 8,029                     |
| *     | WF / TRP Inst LCG MGD CIT AT                                      | Collective trust                                                                                                         | --            | 7,987                     |
| *     | WF/Blackrock RU 2000 Index CIT TR                                 | Collective trust                                                                                                         | --            | 6,497                     |
| *     | WF / TRP INST EQ INC MGD CIT AT                                   | Collective trust                                                                                                         | --            | 10                        |
|       |                                                                   |                                                                                                                          | <hr/>         | <hr/>                     |
|       |                                                                   |                                                                                                                          | \$ --         | \$ 4,352,026              |
| *     | <b>Participant Notes Receivable</b>                               | Interest Rate Range: 4.25% to 8.75%                                                                                      | \$ --         | \$ 173,020                |

\* Indicates a party-in-interest to the Plan.

Note: The above schedule was derived from information certified by the Trustee. Cost information has been omitted for participant-directed funds.