

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

Part II	Basic Plan Information —enter all requested information		
1a Name of plan	<u>BETTCHEER INDUSTRIES, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	1b Three-digit plan number (PN) ▶	<u>003</u>
		1c Effective date of plan	<u>01/01/2011</u>
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)	<u>BETTCHEER INDUSTRIES, INC.</u> <u>6801 ST RT 60</u> <u>BIRMINGHAM, OH 44816</u>		
	2b Employer Identification Number (EIN)	<u>34-1575191</u>	
	2c Plan Sponsor's telephone number	<u>440-965-4422</u>	
	2d Business code (see instructions)	<u>333200</u>	

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

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

SIGN HERE	Filed with authorized/valid electronic signature. Signature of plan administrator	<u>09/29/2017</u> Date	<u>TIMOTHY MCNEILL</u> Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature. Signature of employer/plan sponsor	<u>09/29/2017</u> Date	<u>TIMOTHY MCNEILL</u> Enter name of individual signing as employer or plan sponsor
SIGN HERE	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number)			Preparer's telephone number

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN
	3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 231
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).	
a(1) Total number of active participants at the beginning of the plan year.....	6a(1) 168
a(2) Total number of active participants at the end of the plan year	6a(2) 196
b Retired or separated participants receiving benefits.....	6b 0
c Other retired or separated participants entitled to future benefits	6c 13
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 209
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 2
f Total. Add lines 6d and 6e	6f 211
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g 210
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6h 4
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2I 2P 2Q 3I	
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2016 Form M-1 annual report. If the plan was not required to file the 2016 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2016
		This Form is Open to Public Inspection.

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan BETTCHEr INDUSTRIES, INC. EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ▶ 003
C Plan sponsor's name as shown on line 2a of Form 5500 BETTCHEr INDUSTRIES, INC.	D Employer Identification Number (EIN) 34-1575191

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a

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

☐ Yes ☒ No
- b

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2016 This Form is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016		
A Name of plan BETTCHEr INDUSTRIES, INC. EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ►	003
C Plan sponsor's name as shown on line 2a of Form 5500 BETTCHEr INDUSTRIES, INC.	D Employer Identification Number (EIN) 34-1575191	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	1987554	0
(2) Participant contributions	1b(2)	0	0
(3) Other.....	1b(3)	22660	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	960564	317117
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:		
(1)	Employer securities	1d(1) 56083835	69237047
(2)	Employer real property	1d(2)	
e	Buildings and other property used in plan operation	1e	
f	Total assets (add all amounts in lines 1a through 1e)	1f 59054613	69554164
Liabilities			
g	Benefit claims payable	1g 0	
h	Operating payables	1h 0	
i	Acquisition indebtedness	1i 0	
j	Other liabilities	1j 29184606	28260259
k	Total liabilities (add all amounts in lines 1g through 1j)	1k 29184606	28260259
Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l 29870007	41293905

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.

		(a) Amount	(b) Total
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers	2a(1)(A) 2054977	
	(B) Participants	2a(1)(B) 0	
	(C) Others (including rollovers)	2a(1)(C) 0	
(2)	Noncash contributions	2a(2) 0	
(3)	Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)	2054977
b	Earnings on investments:		
(1)	Interest:		
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A) 4097	
	(B) U.S. Government securities	2b(1)(B) 0	
	(C) Corporate debt instruments	2b(1)(C) 0	
	(D) Loans (other than to participants)	2b(1)(D) 0	
	(E) Participant loans	2b(1)(E)	
	(F) Other	2b(1)(F) 0	
	(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)	4097
(2)	Dividends: (A) Preferred stock	2b(2)(A) 0	
	(B) Common stock	2b(2)(B) 0	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C) 0	
	(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)	
(3)	Rents	2b(3)	0
(4)	Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A) 0	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B) 0	
	(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)	
(5)	Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A) 0	
	(B) Other	2b(5)(B) 13154424	
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)	

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		0
c Other income.....	2c		0
d Total income. Add all income amounts in column (b) and enter total.....	2d		15213498

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	2922817	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		2922817
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		866783
i Administrative expenses: (1) Professional fees.....	2i(1)	0	
(2) Contract administrator fees.....	2i(2)	0	
(3) Investment advisory and management fees.....	2i(3)	0	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total	2j		3789600

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		11423898
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

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

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

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

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☐ Yes ☒ No

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

(1) Name: MEADEN AND MOORE

(2) EIN: 34-1818258

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

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

Part IV Compliance Questions

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

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)

	Yes	No	Amount
4a		X	0
4b		X	0

		Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	0
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	0
e Was this plan covered by a fidelity bond?	4e	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			
o Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service?	4o			

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
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year (See instructions.)

Part V Trust Information

6a Name of trust	6b Trust's EIN
6c Name of trustee or custodian	6d Trustee's or custodian's telephone number

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2016 This Form is Open to Public Inspection.
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan <u>BETTCHEER INDUSTRIES, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>BETTCHEER INDUSTRIES, INC.</u>	D Employer Identification Number (EIN) <u>34-1575191</u>

Part I	Distributions
---------------	----------------------

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>42-0127290</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	

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

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

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Schedule R (Form 5500) 2016
v. 160205

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

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

Part VII	IRS Compliance Questions
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20a Is the plan a 401(k) plan? If "No," skip b	☐ Yes ☐ No
20b How did the plan satisfy the nondiscrimination requirements for employee deferrals under section 401(k)(3) for the plan year? Check all that apply:	☐ Design-based safe harbor ☐ "Prior year" ADP test ☐ "Current year" ADP test ☐ N/A
21a What testing method was used to satisfy the coverage requirements under section 410(b) for the plan year? Check all that apply:	☐ Ratio percentage test ☐ Average benefit test ☐ N/A
21b Did the plan satisfy the coverage and nondiscrimination requirements of sections 410(b) and 401(a)(4) for the plan year by combining this plan with any other plan under the permissive aggregation rules?	☐ Yes ☐ No
22a If the plan is a master and prototype plan (M&P) or volume submitter plan that received a favorable IRS opinion letter or advisory letter, enter the date of the letter / / and the serial number .	
22b If the plan is an individually-designed plan that received a favorable determination letter from the IRS, enter the date of the most recent determination letter / / .	

BETTCHER INDUSTRIES, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

December 31, 2016

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INDEPENDENT AUDITOR'S REPORT

Plan Administrator

Bettcher Industries, Inc. Employee Stock Ownership Plan and Trust
Wakeman, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the Bettcher Industries, Inc. Employee Stock Ownership Plan and Trust, which comprise the statement of net assets available for benefits as of December 31, 2016 and 2015, and the related statement of changes in net assets available for 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 of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2016 and 2015, and the changes in net assets available for benefits of the Plan as of December 31, 2016 and 2015, in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of Assets Held for Investment Purposes at End of Year as of December 31, 2016, is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in blue ink that reads "Meaden & Moore, Ltd." in a cursive script.

Meaden & Moore, Ltd.
Cleveland, Ohio

September 28, 2017

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

Bettcher Industries, Inc. Employee Stock Ownership Plan and Trust

	December 31, 2016			December 31, 2015		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
ASSETS						
Receivable - Employer contributions	\$ -	\$ -	\$ -	\$ -	\$ 1,987,554	\$ 1,987,554
Receivable - Other	-	-	-	22,660	-	22,660
Investments:						
Bettcher Industries Common Stock	28,316,909	40,920,138	69,237,047	21,507,329	34,576,506	56,083,835
Interest Bearing Cash	317,117		317,117	1,777		1,777
Certificate of Deposit	-	-	-	958,787	-	958,787
Total Investments	<u>28,634,026</u>	<u>40,920,138</u>	<u>69,554,164</u>	<u>22,467,893</u>	<u>34,576,506</u>	<u>57,044,399</u>
Total Assets	28,634,026	40,920,138	69,554,164	22,490,553	36,564,060	59,054,613
LIABILITIES						
Loan Payable	-	28,260,259	28,260,259	-	29,184,606	29,184,606
Total Liabilities	-	<u>28,260,259</u>	<u>28,260,259</u>	-	<u>29,184,606</u>	<u>29,184,606</u>
Net Assets Available for Benefits	<u>\$ 28,634,026</u>	<u>\$ 12,659,879</u>	<u>\$ 41,293,905</u>	<u>\$ 22,490,553</u>	<u>\$ 7,379,454</u>	<u>\$ 29,870,007</u>

See accompanying notes.

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Bettcher Industries, Inc.
Employee Stock Ownership Plan and Trust

For the Year Ended December 31

	2016			2015		
	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
Additions to Net Assets Attributed to:						
Contributions:						
Employer	\$ 263,846	\$ 1,791,131	\$ 2,054,977	\$ 1,188,604	\$ 6,025,146	\$ 7,213,750
Interest and dividend income	4,097	-	4,097	409,347	1,090,688	1,500,035
Net unrealized/realized appreciation	5,045,277	8,109,148	13,154,425	3,538,119	9,431,197	12,969,316
Distributions applied to loan repayment	-	-	-	(409,312)	409,312	-
Release of shares	<u>1,765,516</u>	<u>(1,765,516)</u>	<u>-</u>	<u>6,203,457</u>	<u>(6,203,457)</u>	<u>-</u>
Total Additions	7,078,736	8,134,763	15,213,499	10,930,215	10,752,886	21,683,101
Deductions from Net Assets Attributed to:						
Benefits paid to participants	2,922,817	-	2,922,817	227,939	-	227,939
Interest expense	<u>-</u>	<u>866,784</u>	<u>866,784</u>	<u>-</u>	<u>1,013,246</u>	<u>1,013,246</u>
Total Deductions	<u>2,922,817</u>	<u>866,784</u>	<u>3,789,601</u>	<u>227,939</u>	<u>1,013,246</u>	<u>1,241,185</u>
Net Increase	4,155,919	7,267,979	11,423,898	10,702,276	9,739,640	20,441,916
Net Assets Available for Benefits:						
Beginning of Year	<u>24,478,107</u>	<u>5,391,900</u>	<u>29,870,007</u>	<u>11,788,277</u>	<u>(2,360,186)</u>	<u>9,428,091</u>
End of Year	<u>\$ 28,634,026</u>	<u>\$ 12,659,879</u>	<u>\$ 41,293,905</u>	<u>\$ 22,490,553</u>	<u>\$ 7,379,454</u>	<u>\$ 29,870,007</u>

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

Bettcher Industries, Inc. Employee Stock Ownership Plan and Trust

1 Description of Plan

The following description of the Bettcher Industries, Inc. Employee Stock Ownership Plan and Trust provides only general information. Participants should refer to the Plan document for a complete description of the Plan's provisions.

General:

The Plan is a defined contribution plan covering all eligible employees of Bettcher Industries, Inc. The Plan's inception date was January 1, 2011. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan operates as a leveraged employee stock ownership plan (ESOP), and is designed to comply with Section 4975 (e)(7) and the regulations of the Internal Revenue Code of 1986, as amended (Code) and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan is administered by the Trustees.

The Plan purchased Bettcher Industries, Inc. (Company) common shares using the proceeds of a bank borrowing (see Note 6) and holds the stock in a trust established under the Plan. As the Plan makes each payment of principal, an appropriate percentage of stock will be allocated to eligible employees' accounts in accordance with applicable regulations under the Code. During 2014, the Plan acquired an additional 1,237,251 shares, bringing the total shares owned by the ESOP to 1,826,835 shares.

The borrowing is collateralized by the unallocated shares of stock. The lender has no rights against shares once they are allocated under the ESOP. Accordingly, the financial statements of the Plan as of December 31, 2016 and 2015 and for the years then ended present separately the assets and liabilities and changes therein pertaining to:

- (a) The accounts of employees with vested rights in allocated stock ("Allocated") and
- (b) Stock not yet allocated to employees ("Unallocated").

Eligibility:

All employees of the Company age twenty one and older and who have completed one year of Eligibility Service are eligible to participate in the Plan.

Contributions:

Contributions are made by the Company on a discretionary basis. A participant must have worked 1,000 hours during the Plan year and be employed on the last day of the Plan year to be eligible to receive a contribution.

The Company's contributions, if any, may be made in cash or common stock of the Company, or both. For the Plan years ending December 31, 2016 and 2015, the Company's contributions were made in cash.

NOTES TO FINANCIAL STATEMENTS

Bettcher Industries, Inc. Employee Stock Ownership Plan and Trust

1 Description of Plan, Continued

Contributions, Continued:

For the Plan years ending December 31, 2016 and 2015, the contribution was allocated based on the ratio of the employees' compensation during the contribution period to the total compensation of all employees during that period.

Participants' Account:

Each participant's account is credited with the participant's allocation of (a) the Company's contribution and (b) the Plan's earnings and losses. Allocations of Company contributions were based on a specified allocation schedule, as defined. The benefit to which a participant was entitled was the benefit that could be provided from the participant's vested account. The Plan's earnings and losses are allocated based on the ratio of the balance of the portion of such account in the Trust as of the preceding valuation date.

Vesting:

Vesting in the Participant's account balance is based on years of service based on the following:

<u>Years of Service</u>	<u>Vested %</u>
Less than 2	20%
2, but less than 3	40%
3, but less than 4	60%
4, but less than 5	80%
5, but less than 6	100%
6 or more	

Forfeitures:

Forfeited amounts will be used to first pay administrative expenses of the Plan or used to re-credit any accounts for participants who have been re-employed by the Association. Any remaining forfeitures are to be allocated to participant accounts in the same manner as the employer contribution. Total forfeitures were \$-0- (2016) and \$8,300 (2015).

Payment of Benefits:

Upon termination of service due to retirement, death or disability, the participant may elect to receive an amount equal to the value of the vested balance in shares of stock or cash as soon as the annual valuation is completed. If the participant leaves for other situations and the account balance is less than \$5,000, the balance can be paid in a lump sum. If the participant leaves for other situations and the account balance is greater than \$5,000, the balance will be paid after a five year waiting period to be paid in annual installments.

NOTES TO FINANCIAL STATEMENTS

Bettcher Industries, Inc. Employee Stock Ownership Plan and Trust

1 Description of Plan, Continued

Diversification:

Participants who are at least age 55 with at least ten years of vested service may elect to transfer 25% to 50% of the value of the total number of shares represented by the Employer Stock Fund account to the Bettcher Industries 401(k) Savings Plan. There were no diversifications for plan years ending in 2016 or 2015.

2 Summary of Significant Accounting Policies

Basis of Accounting:

The Plan's transactions are reported on the accrual basis of accounting.

Investment Valuation

The Plan's investments are stated at fair value. Company common stock is valued by an independent third party appraiser.

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.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Administrative Fees:

Reasonable expenses incident to the operation of the Plan, including trustee fees are paid by the Plan and are recorded as incurred. Certain administration fees are paid by the Company.

Plan Termination:

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

NOTES TO FINANCIAL STATEMENTS

Bettcher Industries, Inc. Employee Stock Ownership Plan and Trust

2 Summary of Significant Accounting Policies, Continued

Risks and Uncertainties:

The Plan's investments include Company stock. Investment securities are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statement of net assets available for Plan benefits.

Subsequent Events:

Management evaluates subsequent events occurring subsequent to the date of the financial statements in determining and the accounting for and disclosure of transactions and events that affect the financial statements.

Subsequent events have been evaluated through September 28, 2017, which is the date the financial statements were available to be issued.

3 Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The three levels of the fair value hierarchy under Topic 820 are described as follows:

- * Level 1: Inputs to the valuation methodology are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Plan can access at the measurement date.
- * Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:
 - * Quoted prices for similar assets or liabilities in active markets
 - * Quoted prices for identical or similar assets or liabilities in inactive markets
 - * Inputs other than quoted prices that are observable for the asset or liability
 - * Inputs that are derived principally from or corroborated by observable market data by correlation or other means.If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- * Level 3: Inputs that are unobservable inputs for the asset or liability.

NOTES TO FINANCIAL STATEMENTS

Bettcher Industries, Inc. Employee Stock Ownership Plan and Trust

3 Fair Value Measurements, Continued

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2016 and 2015.

Interest Bearing Cash:

The Plan holds cash in an interest bearing account. The investment is classified as a Level 1 investment.

Certificates of Deposit:

The Plan holds certificates of deposits with financial institutions. The investment is classified as a Level 1 investment.

Common Stock:

The fair value of the employer's common stock is based on a valuation determined by an independent appraiser. These instruments are classified within Level 3 of the valuation hierarchy.

The fair value of the Sponsor Company common stock held by the plan is valued at fair value based upon an independent appraisal. This appraisal was based upon a combination of the market and income valuation techniques consistent with prior years. The appraiser took into account historical and projected cash flow and net income, return on assets, return on equity, market comparables, and fair value of Company assets and liabilities. Plan management has concluded that a market participant would also recognize a discount for lack of marketability. The valuation process involves plan management's selection of an independent appraiser. Plan management accumulates the data for the appraiser from the audited financial statements of the Company. The appraiser prepares a preliminary report which plan management, along with the ESOP trustee, reviews in detail, discusses and approves. The results of this process are documented in minutes of the plan fiduciary. The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2016 and 2015. Classification within the fair value hierarchy table is based on the lowest level of any input that is significant to the fair value measurement.

NOTES TO FINANCIAL STATEMENTS

Bettcher Industries, Inc. Employee Stock Ownership Plan and Trust

3 Fair Value Measurements, Continued

	Assets at Fair Value at December 31, 2016			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Interest Bearing Cash	317,117	\$ -	\$ -	\$ 317,117
Common stock	<u>-</u>	<u>-</u>	<u>69,237,047</u>	<u>\$69,237,047</u>
Total Investments	<u>\$ 317,117</u>	<u>\$ -</u>	<u>\$69,237,047</u>	<u>\$69,554,164</u>

	Assets at Fair Value at December 31, 2015			
	Level 1	Level 2	Level 3	Total
Interest Bearing Cash	\$ 1,777	\$ -	\$ -	\$ 1,777
Certificate of Deposits	958,787	-	-	958,787
Common stock	-	-	56,083,835	56,083,835
Total Investments	\$ 960,564	\$ -	\$ 56,083,835	\$ 57,044,399

Transfers between Levels:

For the years ended December 31, 2016 and 2015, there were no significant transfers between Levels 1 and 2 and no transfers in or out of Level 3.

NOTES TO FINANCIAL STATEMENTS

Bettcher Industries, Inc. Employee Stock Ownership Plan and Trust

3 Fair Value Measurements, Continued

Changes in Fair Value of Level 3 Assets and Related Gains and Losses:

The following table sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the years ended December 31, 2016 and 2015.

	Level 3 Assets	
	12/31/2016	12/31/2015
	Common	Common
	Stock	Stock
Balance, beginning of year	\$ 56,083,835	\$ 43,113,306
Realized/unrealized gain (loss) relating to instruments still held at the reporting date	13,154,425	12,969,316
Purchases	-	1,213
Settlements	(1,213)	-
Balance, end of year	<u>\$ 69,237,047</u>	<u>\$ 56,083,835</u>

4 Tax Status

The Internal Revenue Service has determined and informed the Company by letter dated September 23, 2013, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken uncertain tax positions that more-likely-than-not would not be sustained upon examination by applicable taxing authorities. The Plan administrator has analyzed tax positions taken by the Plan and has concluded that, as of December 31, 2016, there are no uncertain tax positions taken, or expected to be taken, that would require recognition of a liability or that would require disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions. However, currently no audits for any tax periods are in progress.

5 Party-in-Interest Transactions

Certain professional fees for the administration and audit of the Plan were paid by the Company. Principal is the trustee as defined by the Plan, and therefore, these investments qualify as party-in-interest investments.

NOTES TO FINANCIAL STATEMENTS

Bettcher Industries, Inc. Employee Stock Ownership Plan and Trust

6 Loan Payable

In 2014, the Plan entered into a \$32,352,122 term loan agreement with Bettcher Industries, Inc. Corporation. The proceeds of the loan were used to purchase Company common stock. Unallocated shares are collateral for the loan. The agreement provides for the loan to be repaid over 34 years and bears interest at 2.97%. The annual principal payment is \$924,346, which could change each year, due to principal pre-payments. Future repayments are as follows:

2017	\$	924,346
2018		924,346
2019		924,346
2020		924,346
2021		924,346
Thereafter		<u>23,638,529</u>
Total	\$	<u><u>28,260,259</u></u>

7 Administration of Plan Assets

The Plan's assets consist of Company common shares and Cash, which are held by the Trustee of the Plan and Certificates of Deposit, which are held by Key Bank.

The contributions are held and managed by the Trustee, which invests cash received, interest, and dividend income and makes distributions to participants. The Trustee also administers the payment of interest and principal on the loan, which is reimbursed to the Trustee through contributions as determined by the Company.

Certain administrative functions are performed by officers or employees of the Company or its subsidiaries. No such officer or employee receives compensation from the Plan.

8 Voting Rights

Each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the Trustee prior to the time that such rights are to be exercised.

SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR
Form 5500, Schedule H, Part IV, Line 4i

Bettcher Industries, Inc.
Employee Stock Ownership Plan and Trust

EIN 34-1575191
Plan Number 003

December 31, 2016

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
*	Bettcher Industries Common Stock	1,826,835 shares common stock of which 1,079,687 shares of common stock are unallocated and used as collateral on the loan	\$ 47,771,735	\$ 69,237,047
	Interest Bearing Cash	Interest Bearing Cash	317,117	317,117
			<u>\$ 48,088,852</u>	<u>\$ 69,554,164</u>
*	Party-in-interest to the Plan.			

BETTCHER INDUSTRIES, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

December 31, 2016

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INDEPENDENT AUDITOR'S REPORT

Plan Administrator

Bettcher Industries, Inc. Employee Stock Ownership Plan and Trust
Wakeman, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the Bettcher Industries, Inc. Employee Stock Ownership Plan and Trust, which comprise the statement of net assets available for benefits as of December 31, 2016 and 2015, and the related statement of changes in net assets available for 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 of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2016 and 2015, and the changes in net assets available for benefits of the Plan as of December 31, 2016 and 2015, in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of Assets Held for Investment Purposes at End of Year as of December 31, 2016, is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in blue ink that reads "Meaden & Moore, Ltd." in a cursive script.

Meaden & Moore, Ltd.
Cleveland, Ohio

September 28, 2017

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

Bettcher Industries, Inc. Employee Stock Ownership Plan and Trust

	December 31, 2016			December 31, 2015		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
ASSETS						
Receivable - Employer contributions	\$ -	\$ -	\$ -	\$ -	\$ 1,987,554	\$ 1,987,554
Receivable - Other	-	-	-	22,660	-	22,660
Investments:						
Bettcher Industries Common Stock	28,316,909	40,920,138	69,237,047	21,507,329	34,576,506	56,083,835
Interest Bearing Cash	317,117		317,117	1,777		1,777
Certificate of Deposit	-	-	-	958,787	-	958,787
Total Investments	<u>28,634,026</u>	<u>40,920,138</u>	<u>69,554,164</u>	<u>22,467,893</u>	<u>34,576,506</u>	<u>57,044,399</u>
Total Assets	28,634,026	40,920,138	69,554,164	22,490,553	36,564,060	59,054,613
LIABILITIES						
Loan Payable	-	28,260,259	28,260,259	-	29,184,606	29,184,606
Total Liabilities	-	<u>28,260,259</u>	<u>28,260,259</u>	-	<u>29,184,606</u>	<u>29,184,606</u>
Net Assets Available for Benefits	<u>\$ 28,634,026</u>	<u>\$ 12,659,879</u>	<u>\$ 41,293,905</u>	<u>\$ 22,490,553</u>	<u>\$ 7,379,454</u>	<u>\$ 29,870,007</u>

See accompanying notes.

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Bettcher Industries, Inc.
Employee Stock Ownership Plan and Trust

For the Year Ended December 31

	2016			2015		
	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
Additions to Net Assets Attributed to:						
Contributions:						
Employer	\$ 263,846	\$ 1,791,131	\$ 2,054,977	\$ 1,188,604	\$ 6,025,146	\$ 7,213,750
Interest and dividend income	4,097	-	4,097	409,347	1,090,688	1,500,035
Net unrealized/realized appreciation	5,045,277	8,109,148	13,154,425	3,538,119	9,431,197	12,969,316
Distributions applied to loan repayment	-	-	-	(409,312)	409,312	-
Release of shares	<u>1,765,516</u>	<u>(1,765,516)</u>	<u>-</u>	<u>6,203,457</u>	<u>(6,203,457)</u>	<u>-</u>
Total Additions	7,078,736	8,134,763	15,213,499	10,930,215	10,752,886	21,683,101
Deductions from Net Assets Attributed to:						
Benefits paid to participants	2,922,817	-	2,922,817	227,939	-	227,939
Interest expense	<u>-</u>	<u>866,784</u>	<u>866,784</u>	<u>-</u>	<u>1,013,246</u>	<u>1,013,246</u>
Total Deductions	<u>2,922,817</u>	<u>866,784</u>	<u>3,789,601</u>	<u>227,939</u>	<u>1,013,246</u>	<u>1,241,185</u>
Net Increase	4,155,919	7,267,979	11,423,898	10,702,276	9,739,640	20,441,916
Net Assets Available for Benefits:						
Beginning of Year	<u>24,478,107</u>	<u>5,391,900</u>	<u>29,870,007</u>	<u>11,788,277</u>	<u>(2,360,186)</u>	<u>9,428,091</u>
End of Year	<u>\$ 28,634,026</u>	<u>\$ 12,659,879</u>	<u>\$ 41,293,905</u>	<u>\$ 22,490,553</u>	<u>\$ 7,379,454</u>	<u>\$ 29,870,007</u>

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

Bettcher Industries, Inc. Employee Stock Ownership Plan and Trust

1 Description of Plan

The following description of the Bettcher Industries, Inc. Employee Stock Ownership Plan and Trust provides only general information. Participants should refer to the Plan document for a complete description of the Plan's provisions.

General:

The Plan is a defined contribution plan covering all eligible employees of Bettcher Industries, Inc. The Plan's inception date was January 1, 2011. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan operates as a leveraged employee stock ownership plan (ESOP), and is designed to comply with Section 4975 (e)(7) and the regulations of the Internal Revenue Code of 1986, as amended (Code) and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan is administered by the Trustees.

The Plan purchased Bettcher Industries, Inc. (Company) common shares using the proceeds of a bank borrowing (see Note 6) and holds the stock in a trust established under the Plan. As the Plan makes each payment of principal, an appropriate percentage of stock will be allocated to eligible employees' accounts in accordance with applicable regulations under the Code. During 2014, the Plan acquired an additional 1,237,251 shares, bringing the total shares owned by the ESOP to 1,826,835 shares.

The borrowing is collateralized by the unallocated shares of stock. The lender has no rights against shares once they are allocated under the ESOP. Accordingly, the financial statements of the Plan as of December 31, 2016 and 2015 and for the years then ended present separately the assets and liabilities and changes therein pertaining to:

- (a) The accounts of employees with vested rights in allocated stock ("Allocated") and
- (b) Stock not yet allocated to employees ("Unallocated").

Eligibility:

All employees of the Company age twenty one and older and who have completed one year of Eligibility Service are eligible to participate in the Plan.

Contributions:

Contributions are made by the Company on a discretionary basis. A participant must have worked 1,000 hours during the Plan year and be employed on the last day of the Plan year to be eligible to receive a contribution.

The Company's contributions, if any, may be made in cash or common stock of the Company, or both. For the Plan years ending December 31, 2016 and 2015, the Company's contributions were made in cash.

NOTES TO FINANCIAL STATEMENTS

Bettcher Industries, Inc. Employee Stock Ownership Plan and Trust

1 Description of Plan, Continued

Contributions, Continued:

For the Plan years ending December 31, 2016 and 2015, the contribution was allocated based on the ratio of the employees' compensation during the contribution period to the total compensation of all employees during that period.

Participants' Account:

Each participant's account is credited with the participant's allocation of (a) the Company's contribution and (b) the Plan's earnings and losses. Allocations of Company contributions were based on a specified allocation schedule, as defined. The benefit to which a participant was entitled was the benefit that could be provided from the participant's vested account. The Plan's earnings and losses are allocated based on the ratio of the balance of the portion of such account in the Trust as of the preceding valuation date.

Vesting:

Vesting in the Participant's account balance is based on years of service based on the following:

<u>Years of Service</u>	<u>Vested %</u>
Less than 2	20%
2, but less than 3	40%
3, but less than 4	60%
4, but less than 5	80%
5, but less than 6	100%
6 or more	

Forfeitures:

Forfeited amounts will be used to first pay administrative expenses of the Plan or used to re-credit any accounts for participants who have been re-employed by the Association. Any remaining forfeitures are to be allocated to participant accounts in the same manner as the employer contribution. Total forfeitures were \$-0- (2016) and \$8,300 (2015).

Payment of Benefits:

Upon termination of service due to retirement, death or disability, the participant may elect to receive an amount equal to the value of the vested balance in shares of stock or cash as soon as the annual valuation is completed. If the participant leaves for other situations and the account balance is less than \$5,000, the balance can be paid in a lump sum. If the participant leaves for other situations and the account balance is greater than \$5,000, the balance will be paid after a five year waiting period to be paid in annual installments.

NOTES TO FINANCIAL STATEMENTS

Bettcher Industries, Inc. Employee Stock Ownership Plan and Trust

1 Description of Plan, Continued

Diversification:

Participants who are at least age 55 with at least ten years of vested service may elect to transfer 25% to 50% of the value of the total number of shares represented by the Employer Stock Fund account to the Bettcher Industries 401(k) Savings Plan. There were no diversifications for plan years ending in 2016 or 2015.

2 Summary of Significant Accounting Policies

Basis of Accounting:

The Plan's transactions are reported on the accrual basis of accounting.

Investment Valuation

The Plan's investments are stated at fair value. Company common stock is valued by an independent third party appraiser.

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.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Administrative Fees:

Reasonable expenses incident to the operation of the Plan, including trustee fees are paid by the Plan and are recorded as incurred. Certain administration fees are paid by the Company.

Plan Termination:

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

NOTES TO FINANCIAL STATEMENTS

Bettcher Industries, Inc. Employee Stock Ownership Plan and Trust

2 Summary of Significant Accounting Policies, Continued

Risks and Uncertainties:

The Plan's investments include Company stock. Investment securities are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statement of net assets available for Plan benefits.

Subsequent Events:

Management evaluates subsequent events occurring subsequent to the date of the financial statements in determining and the accounting for and disclosure of transactions and events that affect the financial statements.

Subsequent events have been evaluated through September 28, 2017, which is the date the financial statements were available to be issued.

3 Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The three levels of the fair value hierarchy under Topic 820 are described as follows:

- * Level 1: Inputs to the valuation methodology are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Plan can access at the measurement date.
- * Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:
 - * Quoted prices for similar assets or liabilities in active markets
 - * Quoted prices for identical or similar assets or liabilities in inactive markets
 - * Inputs other than quoted prices that are observable for the asset or liability
 - * Inputs that are derived principally from or corroborated by observable market data by correlation or other means.If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- * Level 3: Inputs that are unobservable inputs for the asset or liability.

NOTES TO FINANCIAL STATEMENTS

Bettcher Industries, Inc. Employee Stock Ownership Plan and Trust

3 Fair Value Measurements, Continued

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2016 and 2015.

Interest Bearing Cash:

The Plan holds cash in an interest bearing account. The investment is classified as a Level 1 investment.

Certificates of Deposit:

The Plan holds certificates of deposits with financial institutions. The investment is classified as a Level 1 investment.

Common Stock:

The fair value of the employer's common stock is based on a valuation determined by an independent appraiser. These instruments are classified within Level 3 of the valuation hierarchy.

The fair value of the Sponsor Company common stock held by the plan is valued at fair value based upon an independent appraisal. This appraisal was based upon a combination of the market and income valuation techniques consistent with prior years. The appraiser took into account historical and projected cash flow and net income, return on assets, return on equity, market comparables, and fair value of Company assets and liabilities. Plan management has concluded that a market participant would also recognize a discount for lack of marketability. The valuation process involves plan management's selection of an independent appraiser. Plan management accumulates the data for the appraiser from the audited financial statements of the Company. The appraiser prepares a preliminary report which plan management, along with the ESOP trustee, reviews in detail, discusses and approves. The results of this process are documented in minutes of the plan fiduciary. The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2016 and 2015. Classification within the fair value hierarchy table is based on the lowest level of any input that is significant to the fair value measurement.

NOTES TO FINANCIAL STATEMENTS

Bettcher Industries, Inc. Employee Stock Ownership Plan and Trust

3 Fair Value Measurements, Continued

	Assets at Fair Value at December 31, 2016			
	Level 1	Level 2	Level 3	Total
Interest Bearing Cash	317,117	\$ -	\$ -	\$ 317,117
Common stock	-	-	69,237,047	\$69,237,047
Total Investments	\$ 317,117	\$ -	\$69,237,047	\$69,554,164

	Assets at Fair Value at December 31, 2015			
	Level 1	Level 2	Level 3	Total
Interest Bearing Cash	\$ 1,777	\$ -	\$ -	\$ 1,777
Certificate of Deposits	958,787	-	-	958,787
Common stock	-	-	56,083,835	56,083,835
Total Investments	\$ 960,564	\$ -	\$ 56,083,835	\$ 57,044,399

Transfers between Levels:

For the years ended December 31, 2016 and 2015, there were no significant transfers between Levels 1 and 2 and no transfers in or out of Level 3.

NOTES TO FINANCIAL STATEMENTS

Bettcher Industries, Inc. Employee Stock Ownership Plan and Trust

3 Fair Value Measurements, Continued

Changes in Fair Value of Level 3 Assets and Related Gains and Losses:

The following table sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the years ended December 31, 2016 and 2015.

	Level 3 Assets	
	12/31/2016	12/31/2015
	Common	Common
	Stock	Stock
Balance, beginning of year	\$ 56,083,835	\$ 43,113,306
Realized/unrealized gain (loss) relating to instruments still held at the reporting date	13,154,425	12,969,316
Purchases	-	1,213
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NOTES TO FINANCIAL STATEMENTS

Bettcher Industries, Inc. Employee Stock Ownership Plan and Trust

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SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR
Form 5500, Schedule H, Part IV, Line 4i

Bettcher Industries, Inc.
Employee Stock Ownership Plan and Trust

EIN 34-1575191
Plan Number 003

December 31, 2016

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
*	Bettcher Industries Common Stock	1,826,835 shares common stock of which 1,079,687 shares of common stock are unallocated and used as collateral on the loan	\$ 47,771,735	\$ 69,237,047
	Interest Bearing Cash	Interest Bearing Cash	317,117	317,117
			<u>\$ 48,088,852</u>	<u>\$ 69,554,164</u>
*	Party-in-interest to the Plan.			