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

Part I Annual Report Identification Information

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

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.)
- [X] a single-employer plan
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report
- [ ] the final return/report
- [ ] an amended return/report
- [ ] a short plan year return/report (less than 12 months)

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558
- [ ] automatic extension
- [ ] the DFVC program
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
FESTO CORPORATION 401(K) PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 07/01/1984

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)
FESTO CORPORATION

395 MORELAND ROAD
HAUPPAUGE, NY 11788

2b Employer Identification Number (EIN) 11-2270659

2c Plan Sponsor's telephone number 631-404-3144

2d Business code (see instructions) 423800

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/12/2017	ANN DAY
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

Preparer's name (including firm name, if applicable) and address (include room or suite number)

Preparer's telephone number

3a	Plan administrator's name and address [X] 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:	**4b**	EIN
a	Sponsor's name	**4c**	PN

5	Total number of participants at the beginning of the plan year	**5**	688
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)**	585
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	602
b	Retired or separated participants receiving benefits	**6b**	2
c	Other retired or separated participants entitled to future benefits	**6c**	126
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	730
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	1
f	Total. Add lines **6d** and **6e**.	**6f**	731
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	606
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	6
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:

2F 2G 2J 2K 2T 2E 3D

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)		**9b** Plan benefit arrangement (check all that apply)	
(1) [ ]	Insurance	**(1)** [ ]	Insurance
(2) [ ]	Code section 412(e)(3) insurance contracts	**(2)** [ ]	Code section 412(e)(3) insurance contracts
(3) [X]	Trust	**(3)** [X]	Trust
(4) [ ]	General assets of the sponsor	**(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) [X] **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) [X] **H** (Financial Information)

(2) [ ] **I** (Financial Information – Small Plan)

(3) [ ] ___ **A** (Insurance Information)

(4) [X] **C** (Service Provider Information)

(5) [X] **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)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.**	**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
FESTO CORPORATION 401(K) PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
FESTO CORPORATION

D Employer Identification Number (EIN)
11-2270659

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). . . . . [X] 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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

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

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

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

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(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?
37 60 64 65	RECORDKEEPER	-6075	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] 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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
AM CENT EQUITY INC - AMERICAN CENT 44-0619208	0.35%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
BLKRK EQUITY DIV I - BNY MELLON IN P.O. BOX 9793 PROVIDENCE, RI 02940	0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
JPM EQUITY INCOME R5 - BOSTON FINA 330 W. 9TH STREET KANSAS CITY, MO 66160	0.10%

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
METWEST TOT RTN BD I - BNY MELLON P.O. BOX 9793 PROVIDENCE, RI 02940	0.10%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
MFS CORE EQUITY R4 - MFS SERVICE C 04-2865649	0.15%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
OPPHMR INTL DIV Y - OFI GLOBAL ASS 225 LIBERTY STREET NEW YORK, NY 10281	0.25%

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
TRP GRTH STOCK ADV - T. ROWE PRICE 52-2269240	0.40%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
TRP INTL VAL EQ ADV - T. ROWE PRIC 52-2269240	0.40%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
TRP SMALL-CAP VALUE - T. ROWE PRIC 52-2269240	0.15%

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
VICTORY S ESTB VAL I - SUNGARD INV 31-1249295	0.10%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
WF CORE PLUS BOND IS - BOSTON FINA P.O. BOX 8480 BOSTON, MA 02266	0.05%

(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

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(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 D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

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
FESTO CORPORATION 401(K) PLAN

B Three-digit plan number (PN) ▶ 002

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
FESTO CORPORATION

D Employer Identification Number (EIN)
11-2270659

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

a Name of MTIA, CCT, PSA, or 103-12 IE: MIP CL 1

b Name of sponsor of entity listed in (a): FIDELITY MANAGEMENT TRUST COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
04-3022712-024	C	660248

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

b Name of sponsor of entity listed in (a): FIDELITY MANAGEMENT TRUST COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
04-3022712-026	C	2695467

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

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

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

A Name of plan
FESTO CORPORATION 401(K) PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
FESTO CORPORATION

D Employer Identification Number (EIN)
11-2270659

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	2782505	2357481
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	1001456	922988
(9) Value of interest in common/collective trusts	1c(9)	2798910	3355715
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	37328438	45553018
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	0	0

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)	0	0
	(2) Employer real property	1d(2)	0	0
e	Buildings and other property used in plan operation	1e	0	0
f	Total assets (add all amounts in lines 1a through 1e)	1f	43911309	52189202
	Liabilities			
g	Benefit claims payable	1g	0	0
h	Operating payables	1h	0	0
i	Acquisition indebtedness	1i	0	0
j	Other liabilities	1j	0	0
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	43911309	52189202

Part II Income and Expense Statement

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

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	1518947	
	(B) Participants	2a(1)(B)	3801876	
	(C) Others (including rollovers)	2a(1)(C)	523521	
	(2) Noncash contributions	2a(2)	0	
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		5844344
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	4789	
	(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)	40034	
	(F) Other	2b(1)(F)	0	
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		44823
	(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)	1583792	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		1583792
	(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)		0
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)	0	
	(B) Other	2b(5)(B)	0	
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		33078
(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)		2543689
c Other income	2c		0
d Total income. Add all **income** amounts in column (b) and enter total	2d		10049726
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1767850	
(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)		1767850
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		10058
h Interest expense	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	-6075	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		-6075
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		1771833
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		8277893
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: BDO USA, LLP **(2)** EIN: 13-5381590

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	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
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.)	4b		X	

			Yes	No	Amount
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
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		X	
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.

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

A Name of plan
FESTO CORPORATION 401(K) PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
FESTO CORPORATION

D Employer Identification Number (EIN)
11-2270659

Part I Distributions

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1**

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 04-6568107

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 of 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

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

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 a Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

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

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Part VII IRS Compliance Questions

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 _____/_____/_____.

Festo Corporation 401(k) Plan

Financial Statements and Supplemental Schedules

As of December 31, 2016 and 2015 and for the Year Ended December 31, 2016

The report accompanying these financial statements was issued by BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.

Festo Corporation 401(k) Plan

Financial Statements and Supplemental Schedules
As of December 31, 2016 and 2015 and for the Year Ended December 31, 2016

Festo Corporation 401(k) Plan

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Melville, NY 1174

Independent Auditor's Report

To the Plan Administrator of the
Festo Corporation 401(k) Plan
Hauppauge, New York

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Festo Corporation 401(k) Plan (the "Plan"), which comprise the statements 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 year ended December 31, 2016, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan Administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the trustee as of December 31, 2016 and 2015 and for the year ended December 31, 2016, that the information provided to the Plan Administrator by the trustee is complete and accurate.

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

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 the financial statements.

Other Matter

The supplemental Schedule of Delinquent Participant Contributions as of December 31, 2016 and the supplemental Schedule of Assets (Held at End of Year) as of December 31, 2016 are 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 schedules.

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

BDO USA, LLP

October 12, 2017

Festo Corporation 401(k) Plan

Statements of Net Assets Available for Benefits

December 31,	**2016**	2015
Assets		
Investments, at fair value (Notes 2 and 3):		
Mutual funds	**$45,553,018**	$37,328,438
Money market fund	**2,357,481**	2,782,505
Commingled funds	**3,355,715**	2,798,910
Total Investments, at Fair Value	**51,266,214**	42,909,853
Receivables:		
Notes receivable from participants	**922,988**	1,001,457
Net Assets Available for Benefits	**$52,189,202**	$43,911,310

See accompanying notes to financial statements.

Festo Corporation 401(k) Plan

Statement of Changes in Net Assets Available for Benefits

Year ended December 31, 2016

Additions:	
Investment Income:	
Dividend income	$1,583,792
Net appreciation in fair value of investments	2,576,767
Interest income	4,787
Total Investment Income	4,165,346
Interest income on notes receivable from participants	40,034
Contributions:	
Participants	3,801,876
Employer	1,518,947
Rollovers	523,521
Total Contributions	5,844,344
Other income	11,826
Total Additions	10,061,550
Deductions:	
Benefits paid to participants	1,777,908
Administrative expenses	5,750
Total Deductions	1,783,658
Net Increase	8,277,892
Net Assets Available for Benefits, Beginning of Year	43,911,310
Net Assets Available for Benefits, End of Year	$52,189,202

See accompanying notes to financial statements.

1. Description of the Plan

The following description of the Festo 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

(a) General

The Plan is a defined contribution 401(k) plan covering all full-time employees of Festo Corporation (the "Company") who have attained 21 years of age, completed three months of service and are not covered by a collective bargaining agreement. Interns and temporary employees who have attained 21 years of age and have at least 1,000 hours of service are also eligible to participate. Residents of Puerto Rico and non-resident aliens with no earned income from the Company which constitutes United States source income are not eligible to participate in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended and contains the safe harbor provisions under Section 401(k)(12) of the Internal Revenue Code. Fidelity Management Trust Company acts as the Plan's trustee (the "Trustee") and the Company is the Plan Administrator. The Investment Committee determines the appropriateness of the Plan's investment offerings and monitors investment performance.

(b) Contributions

Each year participants may contribute up to 50% of their pre-tax annual compensation, as defined in the Plan, not to exceed the dollar limitation ($18,000 in both 2016 and 2015), in accordance with Section 402(g) of the Internal Revenue Code (the "Code"). Participants age 50 or older are eligible to contribute an additional $6,000 in both 2016 and 2015, as catch-up contributions. Participants are also allowed to make Roth elective deferrals. Participants may also roll over amounts from other eligible retirement plans ("rollover contributions"), as defined in the Plan. Participants direct the investment of their contributions into various investment options offered by the Plan.

Under the terms of the Plan, the Company may elect to make employer safe harbor matching-contributions. The Company matches 100% of a participant's contributions up to the first 3% of compensation contributed to the Plan, plus 50% of the participant's contributions with respect to the next 2% of compensation contributed to the Plan, for a maximum employer-matching contribution equal to 4% of compensation. The Company may also contribute to the Plan qualified non-elective contributions, as defined in the Plan document. The non-elective contribution is allocated to Plan participants based on the ratio of the participant's eligible compensation to the total eligible compensation of all participants. There were no qualified non-elective contributions made during the year.

(c) Participant Accounts

Each participant's account is credited with the participant's contributions and Company matching contributions, as well as allocations of the Company's profit sharing contribution and Plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

(d) Vesting

Participants are vested immediately in their contributions and in the Company's safe harbor matching contributions plus actual earnings thereon. Vesting for all other types of Company matching contributions is based on years of continuous service. A participant is 100 percent vested after three years of credited service.

Other non-elective employer contributions and earnings thereon vest in accordance with the following schedule:

Terms of Service	Vesting Percentage
Less than 1	0%
1	33
2	66
3	100

(e) Payment of Benefits

On termination of service due to termination of employment, death, disability, or retirement, a participant may elect to receive either a lump sum amount equal to the value of the participant's vested interest in his or her account, or annual installments over a specified period. For termination of service for other reasons, a participant may receive the value of the vested interested in his or her account as a lump sum distribution. Upon termination of employment a participant may also elect to maintain the account balance in the Plan or select a direct rollover to an individual retirement account or another qualified plan.

(f) Notes Receivable From Participants

Participants may borrow from their fund accounts a minimum of $1,000 and up to a maximum equal to the lesser of $50,000 or 50 percentage of their vested account balance. The loans are secured by the balance in the participant's account. The loan interest rate, determined quarterly, is set at 1 percent above the prime rate, as defined. Principal and interest is paid ratably through monthly payroll deduction and note repayment terms are not to exceed a period of five years, except for the purchase of a primary residence, which may be repaid over a reasonable period of time, not to exceed ten years.

(g) Forfeitures

As the employer contributions to the plan during the 2016 and 2015 years were primarily contributions under the safe harbor rules there were no forfeitures of non-vested account contributions during either period.

2. Summary of Significant Accounting Policies

(a) Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

(b) Investment Valuation and Income Recognition

Investments are reported at fair value (except for fully benefit-responsive investment contracts, which are reported at contract value). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's Investment Committee determines the Plan's valuation policies utilizing information provided by the investment advisers, custodians and insurance company. See Note 3 and 4 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 includes the Plan's gains and losses on investments bought and sold as well as held during the year.

(c) Payment of Benefits

Benefit payments are recorded upon distribution.

(d) Notes Receivable From Participants

Notes receivable from participants are measured at their unpaid principal balance plus accrued but unpaid interest. Interest income is recorded on the accrual basis. Delinquent notes are reclassified as distributions based on the terms of the Plan document. Related fees charged by the Trustee relating to notes receivable from participants are recorded as administrative expenses when they are incurred and are paid from the participants' accounts. No allowance for credit losses has been recorded as of December 31, 2016 and 2015.

(e) Expenses of the Plan

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's accounts and are included in administrative expenses. Investment related expenses are included in net appreciation of fair value of investments.

3. Fair Value Measurement

The Plan follows the provision of Accounting Standards Codification ("ASC") 820, "Fair Value Measurement." ASC 820 establishes a framework for measuring fair value. This framework provides a fair value heiracrchy that prioritizes the inputs to vauation 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC-820 are described as follows:

Level 1 - inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - inputs to the valuation methodlogy include

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability; and
- inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset's or liability's has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

The following table set forth the level, within the fair value hierarchy, of the Plan's asset at fair value as of December 31, 2016 and 2015:

December 31, 2016

	Level 1	Level 2	Level 3	Total
Money market fund	$ 2,357,481	$ -	$ -	$ 2,357,481
Mutual funds	45,553,018	-	-	45,553,018
Total	47,910,499	$ -	$ -	47,910,499
Commingled fund at NAV*				3,355,715
Total investments, at fair value				$51,266,214

December 31, 2015

	Level 1	Level 2	Level 3	Total
Money market fund	$ 2,782,505	$ -	$ -	$ 2,782,505
Mutual funds	37,328,438	-	-	37,328,438
Total	$40,110,943	$ -	$ -	40,110,943
Commingled fund at NAV*				2,798,910
Total investments, at fair value				$42,909,853

* Certain investments that are measured at fair value using the net asset value ("NAV") per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts prescribed in these tables are intended to and permit reconciliation of the fair value hierarchy to the amounts presented in the statements of net assets available for benefits.

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 as of December 31, 2016 and 2015.

- *Mutual funds* - Valued at unadjusted quoted market prices, which represent the NAV of shares owned by the Plan at year-end.
- *Money market fund* - Valued at unadjusted quoted market price, which represents the NAV of the shares owned by the Plan at year end.
- *Commingled fund* - Valued at the NAV units owned by the Plan. The NAV is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying assets of the fund derived from inputs principally from or corroborated by observable market data by correlation or other means.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although the Plan administrator 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.

4. Information Certified by the Trustee

The following information included in the accompanying 2016 and 2015 financial statements and supplemental schedule was obtained from data that has been prepared and certified to as it relates to the completeness and accuracy of information by Fidelity Management Trust Company, the

trustee during 2016 and 2015. The Plan's independent accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

December 31,	2016	2015
Mutual funds	$45,553,018	$37,328,438
Money market fund	2,357,481	2,782,505
Commingled funds	3,355,715	2,798,910
Notes receivable from participants	922,988	1,001,457

Year ended December 31,	2016
Net appreciation in fair value of investments	$2,576,767
Dividend income	1,583,792
Interest income - investments	4,787
Interest income - notes receivable from participants	40,034

5. Related Party Transactions

Certain Plan investments are managed by the Fidelity Management Trust Company, who is also the trustee, recordkeeper and custodian. Transactions in such investments qualify as party-in-interest transactions. Additionally, certain officers of the Company who are also participants in the Plan perform administrative services for the Plan at no cost. Notes receivable from participants also qualify as party-in-interest transactions.

6. 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 would become 100% vested in their employer contributions. Upon termination of the Plan, the employer shall direct the distribution of the asset of the trust fund as provided by the Plan as soon as practicable.

7. Voluntary Correction Program

The Company discovered that the Plan had experienced certain operational failures during the 2016 Plan year due to a late remittance of certain employer contributions. In September 2017 the Company requested consideration under the Voluntary Correction Program ("VCP") of the Employee Plans Compliance Resolution System ("EPCRS") outlining the foregoing operational failures and proposed resolutions and corrective action and made submission to the Department of Labor under the VCP in connection with their corrective action taken with respect to delinquent remittances to the Plan within the required time period. The corrective actions and payments made by the Plan under the VCP have been accepted on October 6, 2017.

8. Tax Status

The Plan is a prototype non-standardized profit sharing plan and has obtained its latest opinion letter on March 13, 2014. The Internal Revenue Service ("IRS") has determined and informed the

Company by this letter that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). Although the Plan has been amended since the opinion letter was issued, the Plan Administrator believes the Plan is designed and is currently being operated in compliance with applicable provisions of the Code and, therefore, believes the Plan is qualified and the related trust is tax exempt.

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 an uncertain position that more likely than not would be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions and in a letter dated September 9, 2014, the IRS made an initial request for various documents in relation to an examination of the Plan's Form 5500 for the year ended December 31, 2012, to determine compliance with the applicable laws and regulations governing retirement plans. As of the end of the 2016 plan year the examination had been completed and there were no additional accruals which needed to be recorded relating to any fines, penalties or other contingencies.

The Plan and related trust must be operated in conformity with the Code to maintain its tax exempt status under Section 501(a) of the Code. The Company is not aware of any course of action, series of events or amendments that might adversely affect the qualified status of the Plan.

9. Risks and Uncertainties

The Plan invests in various investment securities. 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 at least reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

10. Subsequent Events

The Plan's management has performed subsequent event procedures through October 12, 2017, which is the date the financial statements were available to be issued and there were no other subsequent events requiring adjustments to the financial statements or disclosures as stated herein.

Supplemental Schedules

Festo Corporation 401(k) Plan

Schedule H (Form 5500), Line 4(a)
Schedule of Delinquent Participant Contributions
EIN: 11-2270659 Plan No. 002

Year ended December 31, 2016

	Participant Contributions Transferred Late to Plan	Total That Constitutes Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP* and PTE 2002-51
		Contributions Not Corrected	Contributions Corrected Outside VFCP*	Contributions Pending Correction in VFCP*	
Check here if late participant loan repayments are included: ☒					
2016	$358	$ -	$ -	$358	$ -

* Voluntary Fiduciary Correction Program (DOL)

Festo Corporation 401(k) Plan

Schedule H (Form 5500), Line 4(i) - Schedule of Assets (Held at End of Year)
EIN: 11-2270659 Plan No. 002

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
*	**Money Market Fund**	Fidelity Money Market Trust Retirement Money Market Fund		**$ 2,357,481**
	Mutual Funds:			
	American Funds	American Funds EuroPacific Growth Fund Class R-6[1]		**1,904,264**
*	Fidelity Investments	Fidelity 500 Index Fund - Premium Class[1]		**4,309,287**
*	Fidelity Investments	Fidelity Contrafund - Class K[1]		**5,087,806**
*	Fidelity Investments	Fidelity Extended Market Index Fund - Premium Class[1]		**55,781**
*	Fidelity Investments	Fidelity Freedom 2005 Fund - Class K[1]		**68,460**
*	Fidelity Investments	Fidelity Freedom 2010 Fund - Class K[1]		**367,587**
*	Fidelity Investments	Fidelity Freedom 2015 Fund - Class K[1]		**456,901**
*	Fidelity Investments	Fidelity Freedom 2020 Fund - Class K[1]		**1,810,481**
*	Fidelity Investments	Fidelity Freedom 2025 Fund - Class K[1]		**3,043,123**
*	Fidelity Investments	Fidelity Freedom 2030 Fund - Class K[1]		**3,265,750**
*	Fidelity Investments	Fidelity Freedom 2035 Fund - Class K[1]		**2,673,673**
*	Fidelity Investments	Fidelity Freedom 2040 Fund - Class K[1]		**1,459,529**
*	Fidelity Investments	Fidelity Freedom 2045 Fund - Class K[1]		**716,744**
*	Fidelity Investments	Fidelity Freedom 2050 Fund - Class K[1]		**611,766**
*	Fidelity Investments	Fidelity Freedom 2055 Fund - Class K[1]		**231,694**
*	Fidelity Investments	Fidelity Freedom 2060 Fund - Class K[1]		**2,283**
*	Fidelity Investments	Fidelity Freedom Income Fund - Class K[1]		**364,043**
*	Fidelity Investments	Fidelity Select Technology Portfolio[1]		**3,861,352**
*	Fidelity Investments	Fidelity Small Cap Value Fund[1]		**5,131,830**
	JPMorgan	JPMorgan Equity Income Fund Class R5[1]		**3,243,286**
	Metropolitan West	Metropolitan West Total Return Bond Fund Class I[1]		**790,712**
	Neuberger Berman	Neuberger Berman Mid Cap Growth Fund Class R6[1]		**1,879,743**
	Vanguard	Vanguard Total Bond Market Index Fund Admiral Shares[1]		**750,324**
	Vanguard	Vanguard Total International Stock Index Fund Admiral Shares[1]		**50,653**
	Victory	Victory Sycamore Established Value Fund Class R6[1]		**3,406,689**
	Wells Fargo	Wells Fargo Small Company Growth Fund - Class R6[1]		**9,257**
	Total Mutual Funds			**45,553,018**
*	Fidelity Investments	Fidelity Advisor Stable Value Portfolio Class I		**2,695,467**
*	Fidelity Investments	Managed Income Portfolio Class 1		**660,248**
	Total Commingled Funds			**3,355,715**
*	Participant Loans (Notes Receivable From Participants)	Interest rate ranging from 4.25% to 10.50% with maturity dates through April 2023	-	**922,988**
	Total			**$52,189,202**

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

** Cost information is not required for participant-directed investments and therefore is not included.

(1) There is no maturity date, rate of interest, collateral, par or maturity value.

Festo Corporation 401(k) Plan

Financial Statements and Supplemental Schedules

As of December 31, 2016 and 2015 and for the Year Ended December 31, 2016

The report accompanying these financial statements was issued by BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.

Festo Corporation 401(k) Plan

Financial Statements and Supplemental Schedules
As of December 31, 2016 and 2015 and for the Year Ended December 31, 2016

Festo Corporation 401(k) Plan

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Independent Auditor's Report

To the Plan Administrator of the
Festo Corporation 401(k) Plan
Hauppauge, New York

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Festo Corporation 401(k) Plan (the "Plan"), which comprise the statements 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 year ended December 31, 2016, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan Administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the trustee as of December 31, 2016 and 2015 and for the year ended December 31, 2016, that the information provided to the Plan Administrator by the trustee is complete and accurate.

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

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 the financial statements.

Other Matter

The supplemental Schedule of Delinquent Participant Contributions as of December 31, 2016 and the supplemental Schedule of Assets (Held at End of Year) as of December 31, 2016 are 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 schedules.

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

BDO USA, LLP

October 12, 2017

Festo Corporation 401(k) Plan

Statements of Net Assets Available for Benefits

December 31,	**2016**	2015
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Investments, at fair value (Notes 2 and 3):		
Mutual funds	**$45,553,018**	$37,328,438
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See accompanying notes to financial statements.

Festo Corporation 401(k) Plan

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Year ended December 31, 2016

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Benefits paid to participants	1,777,908
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Net Increase	8,277,892
Net Assets Available for Benefits, Beginning of Year	43,911,310
Net Assets Available for Benefits, End of Year	$52,189,202

See accompanying notes to financial statements.

1. Description of the Plan

The following description of the Festo 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

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(b) Contributions

Each year participants may contribute up to 50% of their pre-tax annual compensation, as defined in the Plan, not to exceed the dollar limitation ($18,000 in both 2016 and 2015), in accordance with Section 402(g) of the Internal Revenue Code (the "Code"). Participants age 50 or older are eligible to contribute an additional $6,000 in both 2016 and 2015, as catch-up contributions. Participants are also allowed to make Roth elective deferrals. Participants may also roll over amounts from other eligible retirement plans ("rollover contributions"), as defined in the Plan. Participants direct the investment of their contributions into various investment options offered by the Plan.

Under the terms of the Plan, the Company may elect to make employer safe harbor matching-contributions. The Company matches 100% of a participant's contributions up to the first 3% of compensation contributed to the Plan, plus 50% of the participant's contributions with respect to the next 2% of compensation contributed to the Plan, for a maximum employer-matching contribution equal to 4% of compensation. The Company may also contribute to the Plan qualified non-elective contributions, as defined in the Plan document. The non-elective contribution is allocated to Plan participants based on the ratio of the participant's eligible compensation to the total eligible compensation of all participants. There were no qualified non-elective contributions made during the year.

(c) Participant Accounts

Each participant's account is credited with the participant's contributions and Company matching contributions, as well as allocations of the Company's profit sharing contribution and Plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

(d) Vesting

Participants are vested immediately in their contributions and in the Company's safe harbor matching contributions plus actual earnings thereon. Vesting for all other types of Company matching contributions is based on years of continuous service. A participant is 100 percent vested after three years of credited service.

Other non-elective employer contributions and earnings thereon vest in accordance with the following schedule:

Terms of Service	Vesting Percentage
Less than 1	0%
1	33
2	66
3	100

(e) Payment of Benefits

On termination of service due to termination of employment, death, disability, or retirement, a participant may elect to receive either a lump sum amount equal to the value of the participant's vested interest in his or her account, or annual installments over a specified period. For termination of service for other reasons, a participant may receive the value of the vested interested in his or her account as a lump sum distribution. Upon termination of employment a participant may also elect to maintain the account balance in the Plan or select a direct rollover to an individual retirement account or another qualified plan.

(f) Notes Receivable From Participants

Participants may borrow from their fund accounts a minimum of $1,000 and up to a maximum equal to the lesser of $50,000 or 50 percentage of their vested account balance. The loans are secured by the balance in the participant's account. The loan interest rate, determined quarterly, is set at 1 percent above the prime rate, as defined. Principal and interest is paid ratably through monthly payroll deduction and note repayment terms are not to exceed a period of five years, except for the purchase of a primary residence, which may be repaid over a reasonable period of time, not to exceed ten years.

(g) Forfeitures

As the employer contributions to the plan during the 2016 and 2015 years were primarily contributions under the safe harbor rules there were no forfeitures of non-vested account contributions during either period.

2. Summary of Significant Accounting Policies

(a) Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

(b) Investment Valuation and Income Recognition

Investments are reported at fair value (except for fully benefit-responsive investment contracts, which are reported at contract value). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's Investment Committee determines the Plan's valuation policies utilizing information provided by the investment advisers, custodians and insurance company. See Note 3 and 4 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 includes the Plan's gains and losses on investments bought and sold as well as held during the year.

(c) Payment of Benefits

Benefit payments are recorded upon distribution.

(d) Notes Receivable From Participants

Notes receivable from participants are measured at their unpaid principal balance plus accrued but unpaid interest. Interest income is recorded on the accrual basis. Delinquent notes are reclassified as distributions based on the terms of the Plan document. Related fees charged by the Trustee relating to notes receivable from participants are recorded as administrative expenses when they are incurred and are paid from the participants' accounts. No allowance for credit losses has been recorded as of December 31, 2016 and 2015.

(e) Expenses of the Plan

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's accounts and are included in administrative expenses. Investment related expenses are included in net appreciation of fair value of investments.

3. Fair Value Measurement

The Plan follows the provision of Accounting Standards Codification ("ASC") 820, "Fair Value Measurement." ASC 820 establishes a framework for measuring fair value. This framework provides a fair value heiracrchy that prioritizes the inputs to vauation 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC-820 are described as follows:

Level 1 - inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - inputs to the valuation methodlogy include

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability; and
- inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset's or liability's has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

The following table set forth the level, within the fair value hierarchy, of the Plan's asset at fair value as of December 31, 2016 and 2015:

December 31, 2016

	Level 1	Level 2	Level 3	Total
Money market fund	$ 2,357,481	$ -	$ -	$ 2,357,481
Mutual funds	45,553,018	-	-	45,553,018
Total	47,910,499	$ -	$ -	47,910,499
Commingled fund at NAV*				3,355,715
Total investments, at fair value				$51,266,214

December 31, 2015

	Level 1	Level 2	Level 3	Total
Money market fund	$ 2,782,505	$ -	$ -	$ 2,782,505
Mutual funds	37,328,438	-	-	37,328,438
Total	$40,110,943	$ -	$ -	40,110,943
Commingled fund at NAV*				2,798,910
Total investments, at fair value				$42,909,853

* Certain investments that are measured at fair value using the net asset value ("NAV") per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts prescribed in these tables are intended to and permit reconciliation of the fair value hierarchy to the amounts presented in the statements of net assets available for benefits.

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 as of December 31, 2016 and 2015.

- *Mutual funds* - Valued at unadjusted quoted market prices, which represent the NAV of shares owned by the Plan at year-end.
- *Money market fund* - Valued at unadjusted quoted market price, which represents the NAV of the shares owned by the Plan at year end.
- *Commingled fund* - Valued at the NAV units owned by the Plan. The NAV is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying assets of the fund derived from inputs principally from or corroborated by observable market data by correlation or other means.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although the Plan administrator 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.

4. Information Certified by the Trustee

The following information included in the accompanying 2016 and 2015 financial statements and supplemental schedule was obtained from data that has been prepared and certified to as it relates to the completeness and accuracy of information by Fidelity Management Trust Company, the

trustee during 2016 and 2015. The Plan's independent accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

December 31,	2016	2015
Mutual funds	$45,553,018	$37,328,438
Money market fund	2,357,481	2,782,505
Commingled funds	3,355,715	2,798,910
Notes receivable from participants	922,988	1,001,457

Year ended December 31,	2016
Net appreciation in fair value of investments	$2,576,767
Dividend income	1,583,792
Interest income - investments	4,787
Interest income - notes receivable from participants	40,034

5. Related Party Transactions

Certain Plan investments are managed by the Fidelity Management Trust Company, who is also the trustee, recordkeeper and custodian. Transactions in such investments qualify as party-in-interest transactions. Additionally, certain officers of the Company who are also participants in the Plan perform administrative services for the Plan at no cost. Notes receivable from participants also qualify as party-in-interest transactions.

6. 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 would become 100% vested in their employer contributions. Upon termination of the Plan, the employer shall direct the distribution of the asset of the trust fund as provided by the Plan as soon as practicable.

7. Voluntary Correction Program

The Company discovered that the Plan had experienced certain operational failures during the 2016 Plan year due to a late remittance of certain employer contributions. In September 2017 the Company requested consideration under the Voluntary Correction Program ("VCP") of the Employee Plans Compliance Resolution System ("EPCRS") outlining the foregoing operational failures and proposed resolutions and corrective action and made submission to the Department of Labor under the VCP in connection with their corrective action taken with respect to delinquent remittances to the Plan within the required time period. The corrective actions and payments made by the Plan under the VCP have been accepted on October 6, 2017.

8. Tax Status

The Plan is a prototype non-standardized profit sharing plan and has obtained its latest opinion letter on March 13, 2014. The Internal Revenue Service ("IRS") has determined and informed the

Company by this letter that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). Although the Plan has been amended since the opinion letter was issued, the Plan Administrator believes the Plan is designed and is currently being operated in compliance with applicable provisions of the Code and, therefore, believes the Plan is qualified and the related trust is tax exempt.

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 an uncertain position that more likely than not would be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions and in a letter dated September 9, 2014, the IRS made an initial request for various documents in relation to an examination of the Plan's Form 5500 for the year ended December 31, 2012, to determine compliance with the applicable laws and regulations governing retirement plans. As of the end of the 2016 plan year the examination had been completed and there were no additional accruals which needed to be recorded relating to any fines, penalties or other contingencies.

The Plan and related trust must be operated in conformity with the Code to maintain its tax exempt status under Section 501(a) of the Code. The Company is not aware of any course of action, series of events or amendments that might adversely affect the qualified status of the Plan.

9. Risks and Uncertainties

The Plan invests in various investment securities. 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 at least reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

10. Subsequent Events

The Plan's management has performed subsequent event procedures through October 12, 2017, which is the date the financial statements were available to be issued and there were no other subsequent events requiring adjustments to the financial statements or disclosures as stated herein.

Supplemental Schedules

Festo Corporation 401(k) Plan

Schedule H (Form 5500), Line 4(a)
Schedule of Delinquent Participant Contributions
EIN: 11-2270659 Plan No. 002

Year ended December 31, 2016

	Participant Contributions Transferred Late to Plan	Total That Constitutes Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP* and PTE 2002-51
		Contributions Not Corrected	Contributions Corrected Outside VFCP*	Contributions Pending Correction in VFCP*	
Check here if late participant loan repayments are included: ☒					
2016	$358	$ -	$ -	$358	$ -

* Voluntary Fiduciary Correction Program (DOL)

Festo Corporation 401(k) Plan

Schedule H (Form 5500), Line 4(i) - Schedule of Assets (Held at End of Year)
EIN: 11-2270659 Plan No. 002

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
*	**Money Market Fund**	Fidelity Money Market Trust Retirement Money Market Fund		**$ 2,357,481**
	Mutual Funds:			
	American Funds	American Funds EuroPacific Growth Fund Class R-6[1]		**1,904,264**
*	Fidelity Investments	Fidelity 500 Index Fund - Premium Class[1]		**4,309,287**
*	Fidelity Investments	Fidelity Contrafund - Class K[1]		**5,087,806**
*	Fidelity Investments	Fidelity Extended Market Index Fund - Premium Class[1]		**55,781**
*	Fidelity Investments	Fidelity Freedom 2005 Fund - Class K[1]		**68,460**
*	Fidelity Investments	Fidelity Freedom 2010 Fund - Class K[1]		**367,587**
*	Fidelity Investments	Fidelity Freedom 2015 Fund - Class K[1]		**456,901**
*	Fidelity Investments	Fidelity Freedom 2020 Fund - Class K[1]		**1,810,481**
*	Fidelity Investments	Fidelity Freedom 2025 Fund - Class K[1]		**3,043,123**
*	Fidelity Investments	Fidelity Freedom 2030 Fund - Class K[1]		**3,265,750**
*	Fidelity Investments	Fidelity Freedom 2035 Fund - Class K[1]		**2,673,673**
*	Fidelity Investments	Fidelity Freedom 2040 Fund - Class K[1]		**1,459,529**
*	Fidelity Investments	Fidelity Freedom 2045 Fund - Class K[1]		**716,744**
*	Fidelity Investments	Fidelity Freedom 2050 Fund - Class K[1]		**611,766**
*	Fidelity Investments	Fidelity Freedom 2055 Fund - Class K[1]		**231,694**
*	Fidelity Investments	Fidelity Freedom 2060 Fund - Class K[1]		**2,283**
*	Fidelity Investments	Fidelity Freedom Income Fund - Class K[1]		**364,043**
*	Fidelity Investments	Fidelity Select Technology Portfolio[1]		**3,861,352**
*	Fidelity Investments	Fidelity Small Cap Value Fund[1]		**5,131,830**
	JPMorgan	JPMorgan Equity Income Fund Class R5[1]		**3,243,286**
	Metropolitan West	Metropolitan West Total Return Bond Fund Class I[1]		**790,712**
	Neuberger Berman	Neuberger Berman Mid Cap Growth Fund Class R6[1]		**1,879,743**
	Vanguard	Vanguard Total Bond Market Index Fund Admiral Shares[1]		**750,324**
	Vanguard	Vanguard Total International Stock Index Fund Admiral Shares[1]		**50,653**
	Victory	Victory Sycamore Established Value Fund Class R6[1]		**3,406,689**
	Wells Fargo	Wells Fargo Small Company Growth Fund - Class R6[1]		**9,257**
	Total Mutual Funds			**45,553,018**
*	Fidelity Investments	Fidelity Advisor Stable Value Portfolio Class I		**2,695,467**
*	Fidelity Investments	Managed Income Portfolio Class 1		**660,248**
	Total Commingled Funds			**3,355,715**
*	Participant Loans (Notes Receivable From Participants)	Interest rate ranging from 4.25% to 10.50% with maturity dates through April 2023	-	**922,988**
	Total			**$52,189,202**

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

** Cost information is not required for participant-directed investments and therefore is not included.

(1) There is no maturity date, rate of interest, collateral, par or maturity value.