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| <b>Form 5500</b><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br>This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).<br><br><p style="text-align: center;">▶ <b>Complete all entries in accordance with the instructions to the Form 5500.</b></p> | OMB Nos. 1210-0110<br>1210-0089<br><br><div style="text-align: center; font-size: 1.2em; font-weight: bold;">2015</div><br><br><b>This Form is Open to Public Inspection</b> |
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|                                                                                                          |                                                                                                           |                                                                                                                                                                                                                                        |  |
|----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <b>Part I</b>                                                                                            | <b>Annual Report Identification Information</b>                                                           |                                                                                                                                                                                                                                        |  |
| For calendar plan year 2015 or fiscal plan year beginning <u>12/10/2015</u> and ending <u>12/09/2016</u> |                                                                                                           |                                                                                                                                                                                                                                        |  |
| <b>A</b>                                                                                                 | This return/report is for:                                                                                | <input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or      |  |
|                                                                                                          | <input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____ |                                                                                                                                                                                                                                        |  |
| <b>B</b>                                                                                                 | This return/report is:                                                                                    | <input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report; <input type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months). |  |
| <b>C</b>                                                                                                 | If the plan is a collectively-bargained plan, check here. .... ▶ <input type="checkbox"/>                 |                                                                                                                                                                                                                                        |  |
| <b>D</b>                                                                                                 | Check box if filing under:                                                                                | <input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program; <input type="checkbox"/> special extension (enter description)                                 |  |

|                |                                                                                                                                                                                                                                                                                                                                                            |           |                                                           |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------------------------------------------------------|
| <b>Part II</b> | <b>Basic Plan Information</b> —enter all requested information                                                                                                                                                                                                                                                                                             |           |                                                           |
| <b>1a</b>      | Name of plan<br><u>CARDONE INDUSTRIES, INC. UNION EMPLOYEES' PENSION PLAN</u>                                                                                                                                                                                                                                                                              | <b>1b</b> | Three-digit plan number (PN) ▶ <u>002</u>                 |
|                |                                                                                                                                                                                                                                                                                                                                                            | <b>1c</b> | Effective date of plan<br><u>12/10/1982</u>               |
| <b>2a</b>      | Plan sponsor's name (employer, if for a single-employer plan)<br>Mailing address (include room, apt., suite no. and street, or P.O. Box)<br>City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)<br><u>CARDONE INDUSTRIES, INC.</u><br><br><u>5501 WHITAKER AVENUE</u><br><u>PHILADELPHIA, PA 19124</u> | <b>2b</b> | Employer Identification Number (EIN)<br><u>23-1916269</u> |
|                |                                                                                                                                                                                                                                                                                                                                                            | <b>2c</b> | Plan Sponsor's telephone number<br><u>215-912-3000</u>    |
|                |                                                                                                                                                                                                                                                                                                                                                            | <b>2d</b> | Business code (see instructions)<br><u>336300</u>         |

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

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

|                                                                                                 |                                                   |            |                                                              |
|-------------------------------------------------------------------------------------------------|---------------------------------------------------|------------|--------------------------------------------------------------|
| <b>SIGN HERE</b>                                                                                | Filed with authorized/valid electronic signature. | 10/13/2017 | JOHN BRAWNER                                                 |
|                                                                                                 | Signature of plan administrator                   | Date       | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b>                                                                                |                                                   |            |                                                              |
|                                                                                                 | Signature of employer/plan sponsor                | Date       | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b>                                                                                |                                                   |            |                                                              |
|                                                                                                 | 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                                  |
|                                                                                                 |                                                   |            |                                                              |

|                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3a</b> Plan administrator's name and address <input type="checkbox"/> Same as Plan Sponsor<br>CARDONE INDUSTRIES, INC.<br><br>5501 WHITAKER AVENUE<br>PHILADELPHIA, PA 19124                                                                                                                                                                                                                                                       | <b>3b</b> Administrator's EIN<br>23-1916269                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>3c</b> Administrator's telephone number<br>215-912-3000                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>4</b> If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:<br><br><b>a</b> Sponsor's name                                                                                                                                                                                                                 | <b>4b</b> EIN<br><br><b>4c</b> PN                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>5</b> Total number of participants at the beginning of the plan year                                                                                                                                                                                                                                                                                                                                                               | <b>5</b> 4019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>6</b> Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines <b>6a(1)</b> , <b>6a(2)</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>a(1)</b> Total number of active participants at the beginning of the plan year.....                                                                                                                                                                                                                                                                                                                                                | <b>6a(1)</b> 1520                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>a(2)</b> Total number of active participants at the end of the plan year .....                                                                                                                                                                                                                                                                                                                                                     | <b>6a(2)</b> 1366                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>b</b> Retired or separated participants receiving benefits.....                                                                                                                                                                                                                                                                                                                                                                    | <b>6b</b> 918                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>c</b> Other retired or separated participants entitled to future benefits.....                                                                                                                                                                                                                                                                                                                                                     | <b>6c</b> 1511                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> .....                                                                                                                                                                                                                                                                                                                                                           | <b>6d</b> 3795                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....                                                                                                                                                                                                                                                                                                                             | <b>6e</b> 74                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....                                                                                                                                                                                                                                                                                                                                                                               | <b>6f</b> 3869                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) .....                                                                                                                                                                                                                                                                                       | <b>6g</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested .....                                                                                                                                                                                                                                                                                           | <b>6h</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....                                                                                                                                                                                                                                                                                                  | <b>7</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:<br>1B                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>9a</b> Plan funding arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                                         | <b>9b</b> Plan benefit arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                                                                                                     |
| <b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>a Pension Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)<br><br>(2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary<br><br>(3) <input checked="" type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary | <b>b General Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information)<br>(2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan)<br>(3) <input type="checkbox"/> <b>A</b> (Insurance Information)<br>(4) <input checked="" type="checkbox"/> <b>C</b> (Service Provider Information)<br>(5) <input type="checkbox"/> <b>D</b> (DFE/Participating Plan Information)<br>(6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules) |

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

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

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

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

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

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

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|                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                   |                                                                                                |
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| <div>SCHEDULE SB<br/>(Form 5500)<br/><br/>Department of the Treasury<br/>Internal Revenue Service<br/><br/>Department of Labor<br/>Employee Benefits Security Administration<br/><br/>Pension Benefit Guaranty Corporation</div> | <div>Single-Employer Defined Benefit Plan<br/>Actuarial Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).</div> <div>▶ File as an attachment to Form 5500 or 5500-SF.</div> | <div>OMB No. 1210-0110</div> <div>2015</div> <div>This Form is Open to Public Inspection</div> |
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For calendar plan year 2015 or fiscal plan year beginning 12/10/2015 and ending 12/09/2016

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

|                                                                                                      |                                                             |
|------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|
| <b>A</b> Name of plan<br>CARDONE INDUSTRIES, INC. UNION EMPLOYEES' PENSION PLAN                      | <b>B</b> Three-digit plan number (PN) ▶ 002                 |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF<br>CARDONE INDUSTRIES, INC. | <b>D</b> Employer Identification Number (EIN)<br>23-1916269 |

|                                                                                                                                           |                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B | <b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500 |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|

**Part I Basic Information**

|                                                                                                                                                                                                                 |                            |                           |                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------|--------------------------|
| <b>1</b> Enter the valuation date: Month 12 Day 10 Year 2015                                                                                                                                                    |                            |                           |                          |
| <b>2</b> Assets:                                                                                                                                                                                                |                            |                           |                          |
| <b>a</b> Market value .....                                                                                                                                                                                     | <b>2a</b>                  | 59273719                  |                          |
| <b>b</b> Actuarial value .....                                                                                                                                                                                  | <b>2b</b>                  | 62210954                  |                          |
| <b>3</b> Funding target/participant count breakdown                                                                                                                                                             | (1) Number of participants | (2) Vested Funding Target | (3) Total Funding Target |
| <b>a</b> For retired participants and beneficiaries receiving payment .....                                                                                                                                     | 878                        | 20261038                  | 20261038                 |
| <b>b</b> For terminated vested participants .....                                                                                                                                                               | 1621                       | 19243788                  | 19243788                 |
| <b>c</b> For active participants .....                                                                                                                                                                          | 1520                       | 16407684                  | 18411838                 |
| <b>d</b> Total .....                                                                                                                                                                                            | 4019                       | 55912510                  | 57916664                 |
| <b>4</b> If the plan is in at-risk status, check the box and complete lines (a) and (b) .....                                                                                                                   | <input type="checkbox"/>   |                           |                          |
| <b>a</b> Funding target disregarding prescribed at-risk assumptions .....                                                                                                                                       | <b>4a</b>                  |                           |                          |
| <b>b</b> Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor ..... | <b>4b</b>                  |                           |                          |
| <b>5</b> Effective interest rate .....                                                                                                                                                                          | <b>5</b>                   | 6.37%                     |                          |
| <b>6</b> Target normal cost .....                                                                                                                                                                               | <b>6</b>                   | 120000                    |                          |

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

|                                            |                                        |  |
|--------------------------------------------|----------------------------------------|--|
| <b>SIGN HERE</b>                           |                                        |  |
| Signature of actuary                       | 07/19/2017                             |  |
| JOSEPH E. CASEY, JR.                       | Date                                   |  |
| Type or print name of actuary              | 17-04549                               |  |
| PENSION LIVE, LLC                          | Most recent enrollment number          |  |
| Firm name                                  | 508-242-9860                           |  |
| 66 NORTH STREET<br>MEDFIELD, MA 02052-1657 | Telephone number (including area code) |  |
| Address of the firm                        |                                        |  |

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

| Part II Beginning of Year Carryover and Prefunding Balances |                                                                                                                                                          | (a) Carryover balance | (b) Prefunding balance |
|-------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------|
| 7                                                           | Balance at beginning of prior year after applicable adjustments (line 13 from prior year) .....                                                          | 2545525               | 0                      |
| 8                                                           | Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....                                                       |                       |                        |
| 9                                                           | Amount remaining (line 7 minus line 8) .....                                                                                                             | 2545525               | 0                      |
| 10                                                          | Interest on line 9 using prior year's actual return of <u>-0.50</u> % .....                                                                              | -12728                | 0                      |
| 11                                                          | Prior year's excess contributions to be added to prefunding balance:                                                                                     |                       |                        |
| a                                                           | Present value of excess contributions (line 38a from prior year) .....                                                                                   |                       | 0                      |
| b(1)                                                        | Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.58</u> % ..... |                       |                        |
| b(2)                                                        | Interest on line 38b from prior year Schedule SB, using prior year's actual return .....                                                                 |                       |                        |
| c                                                           | Total available at beginning of current plan year to add to prefunding balance .....                                                                     |                       | 0                      |
| d                                                           | Portion of (c) to be added to prefunding balance .....                                                                                                   |                       |                        |
| 12                                                          | Other reductions in balances due to elections or deemed elections .....                                                                                  |                       |                        |
| 13                                                          | Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) .....                                                                       | 2532797               | 0                      |

| Part III Funding Percentages |                                                                                                                                                                  |    |          |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----------|
| 14                           | Funding target attainment percentage .....                                                                                                                       | 14 | 103.04 % |
| 15                           | Adjusted funding target attainment percentage .....                                                                                                              | 15 | 107.41 % |
| 16                           | Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement ..... | 16 | 110.38 % |
| 17                           | If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage .....                                        | 17 | %        |

| Part IV Contributions and Liquidity Shortfalls                                    |                                   |                                 |                          |                                   |                                 |
|-----------------------------------------------------------------------------------|-----------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|
| 18 Contributions made to the plan for the plan year by employer(s) and employees: |                                   |                                 |                          |                                   |                                 |
| (a) Date<br>(MM-DD-YYYY)                                                          | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 | Totals ►                 | 18(b)                             | 0                               |
|                                                                                   |                                   |                                 |                          | 18(c)                             | 0                               |

|                                                                                                                               |                                                                     |         |
|-------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|---------|
| 19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year: |                                                                     |         |
| a Contributions allocated toward unpaid minimum required contributions from prior years. ....                                 | 19a                                                                 | 0       |
| b Contributions made to avoid restrictions adjusted to valuation date .....                                                   | 19b                                                                 | 0       |
| c Contributions allocated toward minimum required contribution for current year adjusted to valuation date .....              | 19c                                                                 | 0       |
| 20 Quarterly contributions and liquidity shortfalls:                                                                          |                                                                     |         |
| a Did the plan have a "funding shortfall" for the prior year? .....                                                           | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |         |
| b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? .....              | <input type="checkbox"/> Yes <input type="checkbox"/> No            |         |
| c If line 20a is "Yes," see instructions and complete the following table as applicable:                                      |                                                                     |         |
| Liquidity shortfall as of end of quarter of this plan year                                                                    |                                                                     |         |
| (1) 1st                                                                                                                       | (2) 2nd                                                             | (3) 3rd |
|                                                                                                                               |                                                                     |         |
|                                                                                                                               |                                                                     |         |
|                                                                                                                               |                                                                     |         |

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

|                                                                                                                                                                                              |                        |                        |                        |                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|------------------------|-----------------------------------------------------|
| <b>21</b> Discount rate:                                                                                                                                                                     |                        |                        |                        |                                                     |
| <b>a</b> Segment rates:                                                                                                                                                                      | 1st segment:<br>4.72 % | 2nd segment:<br>6.11 % | 3rd segment:<br>6.81 % | <input type="checkbox"/> N/A, full yield curve used |
| <b>b</b> Applicable month (enter code).....                                                                                                                                                  |                        |                        |                        | <b>21b</b> 4                                        |
| <b>22</b> Weighted average retirement age .....                                                                                                                                              |                        |                        |                        | <b>22</b> 66                                        |
| <b>23</b> Mortality table(s) (see instructions) <input type="checkbox"/> Prescribed - combined <input checked="" type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute |                        |                        |                        |                                                     |

**Part VI Miscellaneous Items**

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

**Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years**

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

**Part VIII Minimum Required Contribution For Current Year**

|                                                                                                                                                                                      |                     |                    |               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|---------------|
| <b>31</b> Target normal cost and excess assets (see instructions):                                                                                                                   |                     |                    |               |
| <b>a</b> Target normal cost (line 6) .....                                                                                                                                           | <b>31a</b>          | 120000             |               |
| <b>b</b> Excess assets, if applicable, but not greater than line 31a .....                                                                                                           | <b>31b</b>          | 120000             |               |
| <b>32</b> Amortization installments:                                                                                                                                                 | Outstanding Balance | Installment        |               |
| <b>a</b> Net shortfall amortization installment .....                                                                                                                                | 0                   | 0                  |               |
| <b>b</b> Waiver amortization installment .....                                                                                                                                       | 0                   | 0                  |               |
| <b>33</b> If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount ..... | <b>33</b>           |                    |               |
| <b>34</b> Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...                                                            | <b>34</b>           | 0                  |               |
|                                                                                                                                                                                      | Carryover balance   | Prefunding balance | Total balance |
| <b>35</b> Balances elected for use to offset funding requirement.....                                                                                                                |                     |                    | 0             |
| <b>36</b> Additional cash requirement (line 34 minus line 35) .....                                                                                                                  | <b>36</b>           | 0                  |               |
| <b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) .....                                                  | <b>37</b>           | 0                  |               |
| <b>38</b> Present value of excess contributions for current year (see instructions)                                                                                                  |                     |                    |               |
| <b>a</b> Total (excess, if any, of line 37 over line 36) .....                                                                                                                       | <b>38a</b>          | 0                  |               |
| <b>b</b> Portion included in line 38a attributable to use of prefunding and funding standard carryover balances .....                                                                | <b>38b</b>          |                    |               |
| <b>39</b> Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) .....                                                                      | <b>39</b>           | 0                  |               |
| <b>40</b> Unpaid minimum required contributions for all years.....                                                                                                                   | <b>40</b>           | 0                  |               |

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

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

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

|                                                                                            |                                                             |     |
|--------------------------------------------------------------------------------------------|-------------------------------------------------------------|-----|
| For calendar plan year 2015 or fiscal plan year beginning 12/10/2015 and ending 12/09/2016 |                                                             |     |
| <b>A</b> Name of plan<br>CARDONE INDUSTRIES, INC. UNION EMPLOYEES' PENSION PLAN            | <b>B</b> Three-digit plan number (PN) ▶                     | 002 |
|                                                                                            |                                                             |     |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br>CARDONE INDUSTRIES, INC.  | <b>D</b> Employer Identification Number (EIN)<br>23-1916269 |     |

|               |                                                        |
|---------------|--------------------------------------------------------|
| <b>Part I</b> | <b>Service Provider Information (see instructions)</b> |
|---------------|--------------------------------------------------------|

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

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

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

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

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

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

|                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------|
| <b>(b)</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

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

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**(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

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

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**(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

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

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**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)

UBS FINANCIAL SERVICES INC

13-2638166

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 15                            | NONE                                                                                                     | 90578                                                                         | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                         | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                              |                                                                                                                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                            |

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

PENSION LIVE, LLC

26-2239692

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 15                            | NONE                                                                                                     | 85891                                                                         | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                         | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                              |                                                                                                                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                            |

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

RYAN LABS, INC

13-3451974

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 28                            | NONE                                                                                                     | 49601                                                                         | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                         | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                              |                                                                                                                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                            |

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

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

BMO FINANCIAL SERVICES

39-6436442

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 12 13 15               | NONE                                                                                              | 32440                                                                  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                       |                                                                                                                                                                                 | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

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

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

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

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

**Part I Service Provider Information (continued)**

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

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

**Part II Service Providers Who Fail or Refuse to Provide Information**

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

|                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                              |                                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small><br><br><small>Pension Benefit Guaranty Corporation</small> | <b>Financial Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).<br><br><b>► File as an attachment to Form 5500.</b> | <small>OMB No. 1210-0110</small><br><br><b>2015</b><br><br><b>This Form is Open to Public Inspection</b> |
| For calendar plan year 2015 or fiscal plan year beginning <u>12/10/2015</u> and ending <u>12/09/2016</u>                                                                                                                                                                 |                                                                                                                                                                                                                                                                              |                                                                                                          |
| <b>A</b> Name of plan<br><u>CARDONE INDUSTRIES, INC. UNION EMPLOYEES' PENSION PLAN</u>                                                                                                                                                                                   | <b>B</b> Three-digit plan number (PN) <span style="float: right;">►</span>                                                                                                                                                                                                   | <u>002</u>                                                                                               |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>CARDONE INDUSTRIES, INC.</u>                                                                                                                                                                         | <b>D</b> Employer Identification Number (EIN)<br><u>23-1916269</u>                                                                                                                                                                                                           |                                                                                                          |

| Part I   | Asset and Liability Statement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                 | (a) Beginning of Year | (b) End of Year |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>1</b> | Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. <b>Round off amounts to the nearest dollar.</b> MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions. |                 |                       |                 |
|          | <b>Assets</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                 |                       |                 |
| <b>a</b> | Total noninterest-bearing cash .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>1a</b>       |                       |                 |
| <b>b</b> | Receivables (less allowance for doubtful accounts):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                 |                       |                 |
|          | (1) Employer contributions .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>1b(1)</b>    | 0                     | 0               |
|          | (2) Participant contributions .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>1b(2)</b>    |                       |                 |
|          | (3) Other.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>1b(3)</b>    | 172910                | 162653          |
| <b>c</b> | General investments:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                 |                       |                 |
|          | (1) Interest-bearing cash (include money market accounts & certificates of deposit) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>1c(1)</b>    | 156949                | 803660          |
|          | (2) U.S. Government securities.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>1c(2)</b>    | 9091997               | 7604020         |
|          | (3) Corporate debt instruments (other than employer securities):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                 |                       |                 |
|          | (A) Preferred .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>1c(3)(A)</b> |                       |                 |
|          | (B) All other.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>1c(3)(B)</b> | 15552478              | 14124713        |
|          | (4) Corporate stocks (other than employer securities):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                 |                       |                 |
|          | (A) Preferred .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>1c(4)(A)</b> |                       |                 |
|          | (B) Common .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>1c(4)(B)</b> |                       |                 |
|          | (5) Partnership/joint venture interests .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>1c(5)</b>    |                       |                 |
|          | (6) Real estate (other than employer real property) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>1c(6)</b>    |                       |                 |
|          | (7) Loans (other than to participants) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>1c(7)</b>    |                       |                 |
|          | (8) Participant loans .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>1c(8)</b>    |                       |                 |
|          | (9) Value of interest in common/collective trusts.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>1c(9)</b>    |                       |                 |
|          | (10) Value of interest in pooled separate accounts.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>1c(10)</b>   |                       |                 |
|          | (11) Value of interest in master trust investment accounts .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>1c(11)</b>   |                       |                 |
|          | (12) Value of interest in 103-12 investment entities .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>1c(12)</b>   |                       |                 |
|          | (13) Value of interest in registered investment companies (e.g., mutual funds).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>1c(13)</b>   | 32801795              | 34387210        |
|          | (14) Value of funds held in insurance company general account (unallocated contracts).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>1c(14)</b>   |                       |                 |
|          | (15) Other .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>1c(15)</b>   | 1497591               | 2360620         |

**1d** Employer-related investments:

|                                                                      |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> |                       |                 |
| (2) Employer real property .....                                     | <b>1d(2)</b> |                       |                 |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    |                       |                 |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 59273720              | 59442876        |

**Liabilities**

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

**Net Assets**

|                                                           |           |          |          |
|-----------------------------------------------------------|-----------|----------|----------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 59273720 | 59442876 |
|-----------------------------------------------------------|-----------|----------|----------|

**Part II Income and Expense Statement**

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

**Income**

|                                                                                                            |                 | (a) Amount | (b) Total |
|------------------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>a Contributions:</b>                                                                                    |                 |            |           |
| (1) Received or receivable in cash from: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> | 0          |           |
| <b>(B)</b> Participants .....                                                                              | <b>2a(1)(B)</b> |            |           |
| <b>(C)</b> Others (including rollovers) .....                                                              | <b>2a(1)(C)</b> |            |           |
| (2) Noncash contributions .....                                                                            | <b>2a(2)</b>    |            |           |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |            | 0         |
| <b>b Earnings on investments:</b>                                                                          |                 |            |           |
| (1) Interest:                                                                                              |                 |            |           |
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....       | <b>2b(1)(A)</b> |            |           |
| <b>(B)</b> U.S. Government securities .....                                                                | <b>2b(1)(B)</b> |            |           |
| <b>(C)</b> Corporate debt instruments .....                                                                | <b>2b(1)(C)</b> | 748432     |           |
| <b>(D)</b> Loans (other than to participants) .....                                                        | <b>2b(1)(D)</b> |            |           |
| <b>(E)</b> Participant loans .....                                                                         | <b>2b(1)(E)</b> |            |           |
| <b>(F)</b> Other .....                                                                                     | <b>2b(1)(F)</b> | 31142      |           |
| <b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                              | <b>2b(1)(G)</b> |            | 779574    |
| (2) Dividends: <b>(A)</b> Preferred stock .....                                                            | <b>2b(2)(A)</b> |            |           |
| <b>(B)</b> Common stock .....                                                                              | <b>2b(2)(B)</b> |            |           |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                                  | <b>2b(2)(C)</b> | 494281     |           |
| <b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....                  | <b>2b(2)(D)</b> |            | 494281    |
| (3) Rents .....                                                                                            | <b>2b(3)</b>    |            |           |
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                                 | <b>2b(4)(A)</b> | 34316975   |           |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                                              | <b>2b(4)(B)</b> | 33735980   |           |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....                  | <b>2b(4)(C)</b> |            | 580995    |
| (5) Unrealized appreciation (depreciation) of assets: <b>(A)</b> Real estate .....                         | <b>2b(5)(A)</b> |            |           |
| <b>(B)</b> Other .....                                                                                     | <b>2b(5)(B)</b> | 1184359    |           |
| <b>(C)</b> Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....         | <b>2b(5)(C)</b> |            | 1184359   |

|                                                                                                 |        | (a) Amount | (b) Total |
|-------------------------------------------------------------------------------------------------|--------|------------|-----------|
| (6) Net investment gain (loss) from common/collective trusts .....                              | 2b(6)  |            |           |
| (7) Net investment gain (loss) from pooled separate accounts .....                              | 2b(7)  |            |           |
| (8) Net investment gain (loss) from master trust investment accounts .....                      | 2b(8)  |            |           |
| (9) Net investment gain (loss) from 103-12 investment entities .....                            | 2b(9)  |            |           |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) ..... | 2b(10) |            |           |
| c Other income .....                                                                            | 2c     |            | -10256    |
| d Total income. Add all <b>income</b> amounts in column (b) and enter total .....               | 2d     |            | 3028953   |

**Expenses**

|                                                                                      |       |         |         |
|--------------------------------------------------------------------------------------|-------|---------|---------|
| e Benefit payment and payments to provide benefits:                                  |       |         |         |
| (1) Directly to participants or beneficiaries, including direct rollovers .....      | 2e(1) | 2601287 |         |
| (2) To insurance carriers for the provision of benefits .....                        | 2e(2) |         |         |
| (3) Other .....                                                                      | 2e(3) |         |         |
| (4) Total benefit payments. Add lines 2e(1) through (3) .....                        | 2e(4) |         | 2601287 |
| f Corrective distributions (see instructions) .....                                  | 2f    |         |         |
| g Certain deemed distributions of participant loans (see instructions) .....         | 2g    |         |         |
| h Interest expense .....                                                             | 2h    |         |         |
| i Administrative expenses: (1) Professional fees .....                               | 2i(1) | 226070  |         |
| (2) Contract administrator fees .....                                                | 2i(2) | 32440   |         |
| (3) Investment advisory and management fees .....                                    | 2i(3) |         |         |
| (4) Other .....                                                                      | 2i(4) |         |         |
| (5) Total administrative expenses. Add lines 2i(1) through (4) .....                 | 2i(5) |         | 258510  |
| j Total expenses. Add all <b>expense</b> amounts in column (b) and enter total ..... | 2j    |         | 2859797 |

**Net Income and Reconciliation**

|                                                          |       |  |        |
|----------------------------------------------------------|-------|--|--------|
| k Net income (loss). Subtract line 2j from line 2d ..... | 2k    |  | 169156 |
| l Transfers of assets:                                   |       |  |        |
| (1) To this plan .....                                   | 2l(1) |  |        |
| (2) From this plan .....                                 | 2l(2) |  |        |

**Part III Accountant's Opinion**

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

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

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

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

☐ Yes ☒ No

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

(1) Name: MARCUM LLP

(2) EIN: 11-1986323

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

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

**Part IV Compliance Questions**

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

During the plan year:

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

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

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

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

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

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

## Part V Trust Information

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

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

For calendar plan year 2015 or fiscal plan year beginning 12/10/2015 and ending 12/09/2016

|                                                                                                  |                                                                    |
|--------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>CARDONE INDUSTRIES, INC. UNION EMPLOYEES' PENSION PLAN</u>           | <b>B</b> Three-digit plan number (PN) ▶<br><u>002</u>              |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>CARDONE INDUSTRIES, INC.</u> | <b>D</b> Employer Identification Number (EIN)<br><u>23-1916269</u> |

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

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

|                                                                                                                                                                                                                                                                    |          |           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----------|
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....                                                                                                                              | <b>1</b> | <u>0</u>  |
| <b>2</b> Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):<br><br>EIN(s): <u>84-0519832</u> |          |           |
| Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.                                                                                                                                                                                                   |          |           |
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....                                                                                                                                    | <b>3</b> | <u>31</u> |

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

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

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

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

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

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

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

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

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

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

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

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

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

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

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

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

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

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

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

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

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

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

|           |                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>18</b> | If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ..... <input type="checkbox"/>           |
| <b>19</b> | If the total number of participants is 1,000 or more, complete lines (a) through (c)                                                                                                                                                                                                                                                                                                                            |
|           | <b>a</b> Enter the percentage of plan assets held as:<br>Stock: <u>58.9</u> % Investment-Grade Debt: <u>41.1</u> % High-Yield Debt: <u>0.0</u> % Real Estate: _____% Other: <u>0.0</u> %                                                                                                                                                                                                                        |
|           | <b>b</b> Provide the average duration of the combined investment-grade and high-yield debt:<br><input type="checkbox"/> 0-3 years <input type="checkbox"/> 3-6 years <input type="checkbox"/> 6-9 years <input type="checkbox"/> 9-12 years <input checked="" type="checkbox"/> 12-15 years <input type="checkbox"/> 15-18 years <input type="checkbox"/> 18-21 years <input type="checkbox"/> 21 years or more |
|           | <b>c</b> What duration measure was used to calculate line 19(b)?<br><input type="checkbox"/> Effective duration <input type="checkbox"/> Macaulay duration <input checked="" type="checkbox"/> Modified duration <input type="checkbox"/> Other (specify): _____                                                                                                                                                |

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

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

**CARDONE INDUSTRIES, INC.**  
**UNION EMPLOYEES' PENSION PLAN**  
**FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**  
**FOR THE YEARS ENDED DECEMBER 9, 2016 AND 2015**

**CARDONE INDUSTRIES, INC.**  
**UNION EMPLOYEES' PENSION PLAN**

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**INDEPENDENT AUDITORS' REPORT**

**To the Board of Trustees  
Cardone Industries, Inc.  
Union Employees' Pension Plan**

***Report on the Financial Statements***

We have audited the accompanying financial statements of Cardone Industries, Inc. Union Employees' Pension Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 9, 2016 and 2015, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Plan 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.

***Auditors' Responsibility***

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

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

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

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 9, 2016 and 2015, and the changes in its net assets available for benefits for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Report on Supplemental Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets (held at end of year) as of December 9, 2016, referred to as “supplemental information,” is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplemental information required by the Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan’s management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The supplemental information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such supplemental information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated in all material respects in relation to the financial statements as a whole.

*Marcum LLP*

Philadelphia, PA  
October 12, 2017

**CARDONE INDUSTRIES, INC.**  
**UNION EMPLOYEES' PENSION PLAN**  
**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**  
**DECEMBER 9, 2016 AND 2015**

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|                                              | <u>2016</u>                    | <u>2015</u>                    |
|----------------------------------------------|--------------------------------|--------------------------------|
| <b>Assets</b>                                |                                |                                |
| Investments, at fair value:                  |                                |                                |
| Money market funds                           | \$ 803,661                     | \$ 156,949                     |
| Bonds                                        | 24,089,353                     | 26,142,066                     |
| Mutual funds                                 | <u>34,387,210</u>              | <u>32,801,795</u>              |
| <br>Total Investments                        | <br>59,280,224                 | <br>59,100,810                 |
| <br>Receivables:                             |                                |                                |
| Interest income                              | <u>162,652</u>                 | <u>172,910</u>                 |
| <br><b>Net Assets Available for Benefits</b> | <br><u><b>\$59,442,876</b></u> | <br><u><b>\$59,273,720</b></u> |

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

**CARDONE INDUSTRIES, INC.**

**UNION EMPLOYEES' PENSION PLAN**

**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**

**FOR THE YEARS ENDED DECEMBER 9, 2016 AND 2015**

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|                                                                     | <u>2016</u>         | <u>2015</u>         |
|---------------------------------------------------------------------|---------------------|---------------------|
| <b>Additions to Net Assets Attributed to:</b>                       |                     |                     |
| Investment income:                                                  |                     |                     |
| Interest and dividends                                              | \$ 1,263,598        | \$ 1,296,072        |
| Net appreciation (depreciation) in<br>the fair value of investments | <u>1,765,354</u>    | <u>(1,405,253)</u>  |
| <b>Total Additions</b>                                              | <u>3,028,952</u>    | <u>(109,181)</u>    |
| <b>Deductions from Net Assets Attributed to:</b>                    |                     |                     |
| Benefits paid directly to participants                              | 2,601,286           | 1,841,322           |
| Administrative expenses                                             | <u>258,510</u>      | <u>317,861</u>      |
| <b>Total Deductions</b>                                             | <u>2,859,796</u>    | <u>2,159,183</u>    |
| <b>Net Increase (Decrease)</b>                                      | 169,156             | (2,268,364)         |
| <b>Net Assets Available for Benefits:</b>                           |                     |                     |
| Beginning of year                                                   | <u>59,273,720</u>   | <u>61,542,084</u>   |
| End of year                                                         | <u>\$59,442,876</u> | <u>\$59,273,720</u> |

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

**CARDONE INDUSTRIES, INC.**  
**UNION EMPLOYEES' PENSION PLAN**  
**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 9, 2016 AND 2015**

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**NOTE 1 - DESCRIPTION OF THE PLAN**

Pursuant to a collective bargaining agreement, Cardone Industries, Inc. (the "Company" and "Plan Sponsor") established the Cardone Industries, Inc. Union Employees' Pension Plan (the "Plan") effective December 10, 1982 and the most recent amendment is dated December 31, 2013.

Information regarding vesting and benefit provisions, the priority order of participants' claims to the assets of the Plan upon termination and the benefits guaranteed by the Pension Benefit Guaranty Corporation ("PBGC"), including the application of the PBGC guaranty to recent plan amendments, may be found in the plan agreement.

The following brief description of the Plan is provided for general information purposes only. Participants should refer to the plan agreement for more complete information.

***GENERAL***

The Plan is a noncontributory, defined benefit pension plan covering substantially all employees who are members of Service Employee's International Union Local #252 and employed by Cardone Industries, Inc. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

***PLAN TRUSTEE***

The Plan's investments are held by the trustee of the Plan, BMO Harris Bank N.A. ("BMO").

***PLAN ADMINISTRATION***

The Plan is administered by a committee appointed by the Board of Directors of the Company. The committee has overall responsibility for the operation and administration of the Plan. The committee determines the appropriateness of the Plan's investment offerings, monitors investment performance and reports to the Plan's Board of Directors.

***PENSION BENEFITS***

For retirements on or after December 10, 1988, employees are entitled to monthly pension benefits beginning at normal retirement age (65) equal to \$13.50 multiplied by years of service and for retirements prior to December 10, 1988, the monthly benefit is \$7.00 to \$9.50 multiplied by years of service, subject to the amount in which the participant is vested. The Plan permits early retirement at ages 55-64. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity. If employees terminate before rendering 15 years of service, they forfeit the right to early retirement. The normal form of payment to a retired participant of retirement benefits payable under the Plan is a

**CARDONE INDUSTRIES, INC.**  
**UNION EMPLOYEES' PENSION PLAN**  
**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 9, 2016 AND 2015**

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**NOTE 1 - DESCRIPTION OF THE PLAN (CONTINUED)**

***PENSION BENEFITS (CONTINUED)***

monthly life annuity payable commencing on the participant's pension commencement date and terminating with the payment due immediately preceding death. A lump sum payment to a retired participant occurs when their accrued benefit is \$5,000 or less.

The Plan was frozen for union employees on December 9, 2013 (the “freeze” date). Effective December 9, 2013, the Company amended its Defined Benefit Pension Plan to freeze the accrual of future benefits for union employees. A participant’s credited service was determined as of the freeze date. Participant accrued benefits were based on provisions of the Plan in effect at the freeze date, but calculated as if participants had terminated employment as of the freeze date.

***DEATH AND DISABILITY BENEFITS***

If an active employee dies, a death benefit equal to the remaining value of the employee's accumulated pension benefits is paid to the employee's beneficiary at the earliest retirement age. Active employees who become totally disabled receive annual disability benefits that are equal to the normal retirement benefits they have accumulated as of the time they become disabled. Disability benefits are paid until normal retirement age at which time the disabled participants begin receiving normal retirement benefits computed as though they had been employed to normal retirement age with their annual compensation remaining the same as at the time they became disabled.

***FUNDING POLICY***

The Company's funding policy is to make annual contributions to the Plan in amounts sufficient to provide benefits specified in the Plan and in accordance with the collective bargaining agreement. During 2016 and 2015, the Company made no contributions to the Plan. As of December 9, 2016 and 2015, the Plan is in compliance with the minimum funding requirements of ERISA.

Participants are not required or permitted to make contributions under the Plan.

Although it has not expressed any intention 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 set forth in ERISA.

**CARDONE INDUSTRIES, INC.**  
**UNION EMPLOYEES' PENSION PLAN**  
**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 9, 2016 AND 2015**

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**NOTE 1 - DESCRIPTION OF THE PLAN (CONTINUED)**

***VESTING***

A participant becomes 20% vested after three years of credited service. Such vesting increases 20% each year thereafter until reaching 100% after seven years of credited service.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following are the significant accounting policies followed by the Plan:

***BASIS OF ACCOUNTING***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

***USE OF ESTIMATES***

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

***INVESTMENT VALUATION AND INCOME RECOGNITION***

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's investment committee determines the Plan's valuation policies utilizing information provided by its investment advisors and custodian. See Note 3 for discussion of fair value measurements.

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

***BENEFITS PAID DIRECTLY TO PARTICIPANTS***

Benefit payments to participants are recorded when paid.

**CARDONE INDUSTRIES, INC.**  
**UNION EMPLOYEES' PENSION PLAN**  
**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 9, 2016 AND 2015**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***ADMINISTRATIVE EXPENSES***

Certain recordkeeping and administrative expenses of the Plan are borne by the Company. Expenses that are paid directly by the Company are excluded from these financial statements. Third party administrator fees and custodian fees are paid by the Plan and are recorded as deductions in the accompanying Statements of Changes in Net Assets Available for Benefits. Various transaction charges include distribution and general administration of the Plan and represent substantially all of the Plan's administrative expenses. In addition, certain investment related expenses are included in net (depreciation) appreciation in fair value of investments presented in the accompanying Statements of Changes in Net Assets Available for Benefits.

**NOTE 3 - FAIR VALUE MEASUREMENTS**

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

***Level 1 Fair Value Measurements***

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 Fair Value Measurements***

Inputs to the valuation methodology 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;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

**CARDONE INDUSTRIES, INC.**  
**UNION EMPLOYEES' PENSION PLAN**  
**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 9, 2016 AND 2015**

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**NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)**

*Level 3 Fair Value Measurements*

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. Valuation at this level is based on judgement and could differ from the findings of others.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 9, 2016 and 2015.

*Mutual Funds:* Valued at the daily closing price as reported by the fund. Funds held by the Plan are open-ended funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The funds held by the Plan are deemed to be actively traded.

*Corporate Bonds and Money Market Funds:* Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote if available.

*U.S. government securities:* Valued using pricing models maximizing the use of observable inputs for similar securities.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 9, 2016 and 2015. During 2016 and 2015, there were no transfers of financial assets or liabilities between Levels within the fair value hierarchy.

# CARDONE INDUSTRIES, INC.

## UNION EMPLOYEES' PENSION PLAN

### NOTES TO FINANCIAL STATEMENTS

#### FOR THE YEARS ENDED DECEMBER 9, 2016 AND 2015

#### NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

| Assets at Fair Value as of December 9, 2016 |                     |                                                                         |                                                                                        |                                                    |
|---------------------------------------------|---------------------|-------------------------------------------------------------------------|----------------------------------------------------------------------------------------|----------------------------------------------------|
|                                             | Total               | Quoted Prices in<br>Active Markets for<br>Identical Assets<br>(Level 1) | Quoted Prices for<br>Similar Assets in<br>Active or Non-active<br>Markets<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| <b>Assets</b>                               |                     |                                                                         |                                                                                        |                                                    |
| Investments:                                |                     |                                                                         |                                                                                        |                                                    |
| Money market funds                          | \$ 803,661          | \$ --                                                                   | \$ 803,661                                                                             | \$ --                                              |
| Bonds                                       | 24,089,353          | --                                                                      | 24,089,353                                                                             | --                                                 |
| Mutual funds                                | <u>34,387,210</u>   | <u>34,387,210</u>                                                       | <u>--</u>                                                                              | <u>--</u>                                          |
| <b>Total Assets</b>                         | <u>\$59,280,224</u> | <u>\$34,387,210</u>                                                     | <u>\$24,893,014</u>                                                                    | <u>\$ --</u>                                       |

| Assets at Fair Value as of December 9, 2015 |                     |                                                                         |                                                                                        |                                                    |
|---------------------------------------------|---------------------|-------------------------------------------------------------------------|----------------------------------------------------------------------------------------|----------------------------------------------------|
|                                             | Total               | Quoted Prices in<br>Active Markets for<br>Identical Assets<br>(Level 1) | Quoted Prices for<br>Similar Assets in<br>Active or Non-active<br>Markets<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| <b>Assets</b>                               |                     |                                                                         |                                                                                        |                                                    |
| Investments:                                |                     |                                                                         |                                                                                        |                                                    |
| Money market funds                          | \$ 156,949          | \$ --                                                                   | \$ 156,949                                                                             | \$ --                                              |
| Bonds                                       | 26,142,066          | --                                                                      | 26,142,066                                                                             | --                                                 |
| Mutual funds                                | <u>32,801,795</u>   | <u>32,801,795</u>                                                       | <u>--</u>                                                                              | <u>--</u>                                          |
| <b>Total Assets</b>                         | <u>\$59,100,810</u> | <u>\$32,801,795</u>                                                     | <u>\$26,299,015</u>                                                                    | <u>\$ --</u>                                       |

#### NOTE 4 - ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those future periodic payments, including lump sum distributions that are attributable under the Plan's provisions to the participants for services they have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are based on a retirement benefit formula equal to \$13.50 per month for each year of service with the Company and for retirements prior to December 31, 1988 the monthly benefit is \$7.00 to \$9.50 per month for each year of service. Benefits payable under all circumstances - retirement, death and termination of employment - are included, to the extent they are deemed attributable to employee service rendered to the valuation date. Funds that were allocated and applied to purchase annuities (whereby, Bank of Montreal, the trustee of the plan, was obligated to pay the related pension benefits) are excluded from the Plan's assets.

# CARDONE INDUSTRIES, INC.

## UNION EMPLOYEES' PENSION PLAN

### NOTES TO FINANCIAL STATEMENTS

#### FOR THE YEARS ENDED DECEMBER 9, 2016 AND 2015

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##### NOTE 4 - ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS (CONTINUED)

The actuarial present value of accumulated plan benefits is determined by the actuarial firm of Pension Live, LLC and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations as of December 10, 2016 and 2015 were (a) life expectancy of participants (the RP-2014 Blue Collar generational scale was used), (b) retirement age assumptions vary from 55 to the normal retirement at age 65, and (c) investment return. The 2016 and 2015 valuations included assumed average rate of return of 4.24% and 4.50%, respectively. The foregoing actuarial assumptions were based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits. The computations of the actuarial present value of accumulated plan benefits were made on December 10, 2016 and 2015. Had the valuations been performed as of December 9, there would be no material differences.

Accumulated plan benefits are summarized as follows:

|                                                       | December 9,         |                     |
|-------------------------------------------------------|---------------------|---------------------|
|                                                       | 2016                | 2015                |
| Actuarial present value of accumulated plan benefits: |                     |                     |
| Vested benefits:                                      |                     |                     |
| Active participants                                   | \$24,199,553        | \$23,984,224        |
| Participants with deferred benefits                   | 27,837,586          | 26,498,403          |
| Participants receiving payments                       | <u>26,106,715</u>   | <u>23,648,916</u>   |
| Total vested benefits                                 | 78,143,854          | 74,131,543          |
| Non-vested benefits                                   | <u>2,552,534</u>    | <u>2,879,395</u>    |
| <b>Actuarial Present Value of</b>                     |                     |                     |
| <b>Accumulated Plan Benefits, total</b>               | <u>\$80,696,388</u> | <u>\$77,010,938</u> |

# CARDONE INDUSTRIES, INC.

## UNION EMPLOYEES' PENSION PLAN

### NOTES TO FINANCIAL STATEMENTS

#### FOR THE YEARS ENDED DECEMBER 9, 2016 AND 2015

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##### NOTE 5 - RECONCILIATION OF CHANGES IN ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

|                                                                            | Year Ended December 9,     |                            |
|----------------------------------------------------------------------------|----------------------------|----------------------------|
|                                                                            | 2016                       | 2015                       |
| Actuarial present value of accumulated plan benefits at beginning of year  | \$77,010,938               | \$71,274,829               |
| Increase (decrease) during plan year due to:                               |                            |                            |
| Interest due to decrease in the discount period                            | 3,407,607                  | 3,201,581                  |
| Benefits accumulated                                                       | 1,803,478                  | 175,307                    |
| Benefits paid                                                              | (2,601,286)                | (1,841,322)                |
| Changes in assumptions                                                     | <u>1,075,651</u>           | <u>4,200,543</u>           |
| <b>Actuarial Present Value of Accumulated Plan Benefits at end of year</b> | <u><b>\$80,696,388</b></u> | <u><b>\$77,010,938</b></u> |

All actuarial methods and assumptions used in the 2016 valuation were the same as used in the prior year except that the discount rate for determining the present value of accumulated plan benefits has decreased from 4.50% per year to 4.24% per year and the statutory mortality table was updated for one additional year of assumed mortality improvement and the 3-tiered statutory segment rates changed from 4.72%, 6.11%, 6.81%, to 4.43%, 5.91%, and 6.65% respectively based on elections made by the Plan Sponsor and the provision of the Pension Protection Act of 2006.

##### NOTE 6 - PLAN TERMINATION

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

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

**CARDONE INDUSTRIES, INC.**  
**UNION EMPLOYEES' PENSION PLAN**  
**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 9, 2016 AND 2015**

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**NOTE 6 - PLAN TERMINATION (CONTINUED)**

Benefits to be provided via contracts under which the Company is obligated to pay the benefits would be excluded for allocation purposes.

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

For plan terminations occurring during 2016 that ceiling is \$5,369 per month. That ceiling applies to those pensioners who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or plan termination (whichever comes later). For younger annuitants or for those who elect to receive their benefits in some form more valuable than a single-life annuity, the corresponding ceilings are actuarially adjusted downward.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the plan sponsor and the level of benefits guaranteed by the PBGC.

**NOTE 7 - TAX STATUS**

The Plan obtained its latest determination letter on October 28, 2003, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 9, 2016, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosures in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2013.

**CARDONE INDUSTRIES, INC.**  
**UNION EMPLOYEES' PENSION PLAN**  
**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 9, 2016 AND 2015**

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**NOTE 8 - RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS**

Certain plan investments are shares of funds managed by BMO. BMO is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions.

Fees paid by the Plan for the investment management services to BMO amounted to approximately \$32,000 and \$30,000 for the years ended December 9, 2016 and 2015, respectively.

**NOTE 9 - RISKS AND UNCERTAINTIES**

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

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

**NOTE 10 - SUBSEQUENT EVENTS**

The Plan sponsor is evaluating the potential of a partial plan termination in 2017. If the findings become conclusive, the Plan sponsor will follow the appropriate process, as outlined in the *Internal Revenue Code*, in the 2017 plan-year.

The Plan's management has evaluated subsequent events to determine if events or transactions occurring through October 12, 2017, the date the financial statements were available for issuance, require potential adjustments to, or disclosure in, the accompanying financial statements. Based upon the evaluation, adjustments or additional disclosures, if any, have been included in these financial statements.

**CARDONE INDUSTRIES INC. UNION EMPLOYEES' PENSION PLAN**

EIN# 23-1916269

PLAN # 002

**SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**

**DECEMBER 9, 2016**

| (a) | (b)                                                           | (c)                                                                                                                 | (d)           | (e)              |
|-----|---------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|---------------|------------------|
|     | Identity of Issue,<br>Borrower, Lessor or<br>Similar Party    | Description of<br>Investment Including<br>Maturity Date, Rate of<br>Interest, Collateral,<br>Par, or Maturity Value | Cost          | Current<br>Value |
|     | <u>Money Market Funds:</u>                                    |                                                                                                                     |               |                  |
| *   | BMO Prime Money Market                                        | Interest Bearing Cash                                                                                               | \$ 803,661    | \$ 803,661       |
|     |                                                               |                                                                                                                     | \$ 803,661    | \$ 803,661       |
|     | <u>Mutual Funds:</u>                                          |                                                                                                                     |               |                  |
|     | Undiscovered Managers Behavioral Value Fund                   | Mutual Fund, 45,589.941 shares                                                                                      | \$ 2,477,369  | \$ 3,119,264     |
|     | Nuveen Mid Cap Growth Opportunities Fund Class 1              | Mutual Fund, 88,408.168 shares                                                                                      | 4,275,280     | 3,953,613        |
|     | Schwab Fundamental US Large Co Index                          | Mutual Fund, 312,272.073 shares                                                                                     | 4,519,026     | 5,158,735        |
|     | Vanguard Primecap Fund Admiral Shares                         | Mutual Fund, 42,781.722 shares                                                                                      | 4,700,000     | 4,907,064        |
|     | Vanguard Institutional Index Fund                             | Mutual Fund, 18,597.703 shares                                                                                      | 3,190,836     | 3,856,048        |
|     | American Europacific Growth Fund Class R6                     | Mutual Fund, 100,023.038 shares                                                                                     | 4,873,693     | 4,641,069        |
|     | Harbor International Fund Inst                                | Mutual Fund, 69,022.183 shares                                                                                      | 4,924,075     | 4,133,048        |
|     | Henderson Intl Opportunities Fund Class 1                     | Mutual Fund, 177,444.579 shares                                                                                     | 4,785,023     | 4,618,370        |
|     |                                                               |                                                                                                                     | \$ 33,745,302 | \$ 34,387,210    |
|     | <u>Bonds:</u>                                                 |                                                                                                                     |               |                  |
|     | Federal Natl Mtg Assn Gtd REMIC Passthru Tr REMIC Tr Ser 2015 | Fixed Income, 2.502%, Mat 12/25/2024                                                                                | \$ 108,625    | \$ 106,855       |
|     | US Treasury Note                                              | Fixed Income, Mat 10/31/2021                                                                                        | 4,892         | 4,849            |
|     | US Treasury Note                                              | Fixed Income, Mat 2/28/2023                                                                                         | 64,436        | 62,456           |
|     | US Treasury Note                                              | Fixed Income, Mat 8/15/2026                                                                                         | 29,105        | 27,485           |
|     | US Treasury Bond                                              | Fixed Income, 2.50%, Mat 2/15/2046                                                                                  | 130,098       | 108,963          |
|     | US Treasury Bond                                              | Fixed Income, 2.50%, Mat 5/15/2046                                                                                  | 590,763       | 505,255          |
|     | US Treasury Bond                                              | Fixed Income, 2.25%, Mat 8/15/2046                                                                                  | 55,443        | 53,496           |
|     | US Treasury Sec Stripped Int Pmt                              | Fixed Income, Mat 2/15/2008                                                                                         | 538,598       | 637,526          |
|     | US Treasury Sec Stripped Int Pmt                              | Fixed Income, Mat 2/15/2034                                                                                         | 210,171       | 246,445          |
|     | US Treasury Sec Stripped Int Pmt Tint                         | Fixed Income, Mat 2/15/2035                                                                                         | 197,287       | 231,865          |
|     | US Treasury Sec Stripped Int Pmt Tint                         | Fixed Income, Mat 2/15/2036                                                                                         | 530,735       | 627,270          |
|     | US Treasury Sec Stripped Int Pmt Tint                         | Fixed Income, Mat 2/15/2037                                                                                         | 580,510       | 686,044          |
|     | US Treasury Sec Stripped Int Pmt Tint                         | Fixed Income, Mat 11/15/2032                                                                                        | 187,503       | 182,145          |
|     | US Treasury Sec Stripped Int Pmt Tint                         | Fixed Income, Mat 2/15/2039                                                                                         | 492,476       | 586,493          |
|     | US Treasury Sec Stripped Int Pmt Tint                         | Fixed Income, Mat 2/15/2040                                                                                         | 458,896       | 542,639          |
|     | US Treasury Sec Stripped Int Pmt Int                          | Fixed Income, Mat 2/15/2041                                                                                         | 412,511       | 488,818          |
|     | US Treasury Sec Stripped Int Pmt Int                          | Fixed Income, Mat 2/15/2042                                                                                         | 373,780       | 443,384          |
|     | US Treasury Sec Stripped Int Pmt Int                          | Fixed Income, Mat 2/15/2043                                                                                         | 875,783       | 1,005,332        |
|     | US Treasury Sec Stripped Int Pmt Int                          | Fixed Income, Mat 2/15/2044                                                                                         | 391,442       | 341,326          |
|     | US Treasury Sec Stripped Int Pmt Int                          | Fixed Income, Mat 8/15/2044                                                                                         | 291,943       | 257,114          |
|     | Bay Area Toll Auth Calif Toll Rev Bds 2009f                   | Fixed Income, 6.263%, Mat 4/01/2049                                                                                 | 197,951       | 205,635          |
|     | California ST GO Bds Taxable                                  | Fixed Income, 7.55%, Mat 4/01/2039                                                                                  | 250,828       | 252,627          |
|     | AT&T Inc Sr NT                                                | Fixed Income, 2.30%, Mat 3/11/2019                                                                                  | 75,617        | 75,367           |
|     | Americredit Auto Recv Ser 2015 3                              | Fixed Income, 3.34%, Mat 8/9/2021                                                                                   | 285,031       | 284,789          |
|     | Avis Budget Rental Fdg Ser 2014 1 CI C                        | Fixed Income, 3.75%, Mat 07/20/2020                                                                                 | 335,852       | 324,120          |
|     | Bank Amer Fdg Corp                                            | Fixed Income, 5.65%, Mat 05/01/2018                                                                                 | 100,751       | 94,467           |
|     | Bank Amer Fdg Corp Sr NT                                      | Fixed Income, 5.625%, Mat 07/01/2020                                                                                | 264,317       | 253,285          |
|     | Bank Amer Fdg Corp Sr NT L                                    | Fixed Income, 5.875%, Mat 01/05/2021                                                                                | 81,370        | 78,095           |
|     | Bard C R Inc NT                                               | Fixed Income, 4.40%, Mat 01/15/2021                                                                                 | 212,252       | 214,670          |
|     | Bear Stearns Cos Inc                                          | Fixed Income, 7.25%, Mat 2/1/2018                                                                                   | 154,903       | 137,978          |
|     | Citigroup Inc Sr NT                                           | Fixed Income, 2.70%, Mat 3/30/2021                                                                                  | 106,259       | 104,720          |
|     | Duke Energy Corp New Sr NT                                    | Fixed Income, 2.10%, Mat 6/15/2018                                                                                  | 75,968        | 75,383           |
|     | Fluor Corp New Sr NT                                          | Fixed Income, 3.375%, Mat 9/15/2021                                                                                 | 76,899        | 77,151           |
|     | Goldman Sachs Group Inc Medium Term                           | Fixed Income, 5.375%, Mat 3/15/2020                                                                                 | 254,378       | 244,258          |
|     | Goldman Sachs Group Inc MTN Gbl Sr                            | Fixed Income, 7.50%, Mat 2/15/2019                                                                                  | 148,256       | 144,469          |
|     | Totals - carried forward                                      |                                                                                                                     | \$ 9,145,628  | \$ 9,712,770     |

*See independent auditors' report.*

**CARDONE INDUSTRIES INC. UNION EMPLOYEES' PENSION PLAN**

EIN# 23-1916269

PLAN # 002

**SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)(Continued)**

**DECEMBER 9, 2016**

| (a) | (b)                                                                         | (c)                                                                                                                 | (d)           | (e)              |
|-----|-----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|---------------|------------------|
|     | Identity of Issue,<br>Borrower, Lessor or<br>Similar Party                  | Description of<br>Investment Including<br>Maturity Date, Rate of<br>Interest, Collateral,<br>Par, or Maturity Value | Cost          | Current<br>Value |
|     | <u>Bonds:</u>                                                               |                                                                                                                     |               |                  |
|     | Totals - brought forward                                                    |                                                                                                                     | \$ 9,145,628  | \$ 9,712,770     |
|     | JPMorgan Chase & Co Sr NT                                                   | Fixed Income, 4.25%, Mat 10/15/2020                                                                                 | 156,800       | 153,658          |
|     | Huntington Bancshares Inc Sr NT                                             | Fixed Income, 2.60%, Mat 8/2/2018                                                                                   | 101,718       | 101,044          |
|     | Keycorp Medium Term Nts Sr NT                                               | Fixed Income, 5.10%, Mat 3/24/2021                                                                                  | 204,721       | 197,332          |
|     | Morgan Stanley Sr NT                                                        | Fixed Income, 5.50%, Mat 1/26/2020                                                                                  | 214,828       | 206,321          |
|     | Nbcuniversal Media LLC Sr NT                                                | Fixed Income, 4.375%, Mat 4/1/2021                                                                                  | 77,677        | 75,422           |
|     | Stryker Corp Sr NT                                                          | Fixed Income, 4.375%, Mat 1/15/2020                                                                                 | 200,562       | 195,943          |
|     | AT&T Inc Gbl NT                                                             | Fixed Income, 2.625%, Mat 12/1/2022                                                                                 | 149,207       | 143,147          |
|     | Americredit Auto Recv Ser 2016 1 Cl D                                       | Fixed Income, 3.59%, Mat 2/8/2022                                                                                   | 235,067       | 235,155          |
|     | Ameriprise Finl Inc Sr NT                                                   | Fixed Income, 4.00%, Mat 10/15/2023                                                                                 | 94,527        | 94,202           |
|     | Ameriprise Finl Inc Sr Gbl NT                                               | Fixed Income, 2.875%, Mat 9/15/2026                                                                                 | 100,667       | 95,061           |
|     | Bank New York Mellon Corp Sr NT                                             | Fixed Income, 2.45%, Mat 8/17/2026                                                                                  | 204,873       | 190,017          |
|     | Chevron Corp New Sr NT                                                      | Fixed Income, 3.191%, Mat 6/24/2023                                                                                 | 90,392        | 91,662           |
|     | Chrysler Cap Auto Receivables Tr 2016-B NT                                  | Fixed Income, 3.51%, Mat 9/15/2023                                                                                  | 159,972       | 158,661          |
|     | Deere John Cap Corp Mtns Fr                                                 | Fixed Income, 2.65%, Mat 6/10/2026                                                                                  | 100,079       | 95,888           |
|     | Drive Auto Recv Tr Ser 2016 B                                               | Fixed Income, 3.19%, Mat 7/15/2022                                                                                  | 199,984       | 201,883          |
|     | Franklin Res Inc Sr NT                                                      | Fixed Income, 2.80%, Mat 9/15/2022                                                                                  | 138,919       | 140,559          |
|     | Home Depot Inc Sr NT                                                        | Fixed Income, 3.75%, Mat 2/15/2024                                                                                  | 171,435       | 173,344          |
|     | JPMorgan Chase & Co Sr NT                                                   | Fixed Income, 3.25%, Mat 9/23/2022                                                                                  | 81,682        | 80,830           |
|     | Loews Corp Sr Gbl NT                                                        | Fixed Income, 3.75%, Mat 4/1/2026                                                                                   | 134,597       | 132,058          |
|     | Markel Corp Sr NT                                                           | Fixed Income, 4.90%, Mat 7/1/2022                                                                                   | 93,207        | 91,910           |
|     | Mastercard Inc NT                                                           | Fixed Income, 3.375%, Mat 4/1/2024                                                                                  | 232,083       | 236,010          |
|     | Metropolitan Life Global Fdg I Fr                                           | Fixed Income, 3.00%, Mat 1/10/2023                                                                                  | 133,412       | 135,011          |
|     | Microsoft Corp Sr Note                                                      | Fixed Income, 3.125%, Mat 11/3/2025                                                                                 | 190,438       | 180,574          |
|     | Midamerican Energy Co 1mtg Bd                                               | Fixed Income, 3.50%, Mat 10/15/2024                                                                                 | 201,804       | 201,066          |
|     | Omnicom Group Inc Sr NT                                                     | Fixed Income, 3.625%, Mat 5/1/2022                                                                                  | 153,053       | 154,875          |
|     | PPL Cap Fdg Inc Gtd Sr NT                                                   | Fixed Income, 4.20%, Mat 6/15/2022                                                                                  | 114,087       | 110,861          |
|     | Sprint Spectrum Co LLC / Sprint Spectrum Co II LLC / Sprint Spectrum Co III | Fixed Income, 3.36%, Mat 3/20/2023                                                                                  | 202,125       | 200,500          |
|     | TJX Cos Inc New NT                                                          | Fixed Income, 2.50%, Mat 5/15/2023                                                                                  | 95,919        | 97,984           |
|     | Toyota Mtr Crd Corp MTN NY B                                                | Fixed Income, 3.30%, Mat 1/12/2022                                                                                  | 196,085       | 191,077          |
|     | US Bancorp Mtns Bk Ent Sr NT                                                | Fixed Income, 3.00%, Mat 3/15/2022                                                                                  | 121,231       | 122,453          |
|     | Valley Natl Bancorp Sub Deb                                                 | Fixed Income, 5.125%, Mat 9/27/2023                                                                                 | 79,969        | 77,516           |
|     | Visa Inc Sr Gbl NT                                                          | Fixed Income, 3.15%, Mat 12/14/2025                                                                                 | 192,930       | 189,105          |
|     | Wellpoint Inc NT                                                            | Fixed Income, 3.30%, Mat 1/15/2023                                                                                  | 169,208       | 168,795          |
|     | Wells Fargo Co MTN Fr                                                       | Fixed Income, 3.45%, Mat 2/13/2023                                                                                  | 197,250       | 194,957          |
|     | Wyeth Sr NT                                                                 | Fixed Income, 6.45%, Mat 2/1/2024                                                                                   | 195,559       | 189,097          |
|     | AT&T Inc NT                                                                 | Fixed Income, 4.35%, Mat 6/15/2045                                                                                  | 164,512       | 151,261          |
|     | Anheuser-Busch Inbev Fin Inc Gtd NT                                         | Fixed Income, 4.35%, Mat 6/15/2045                                                                                  | 183,128       | 190,385          |
|     | Apple Inc Sr                                                                | Fixed Income, 4.375%, Mat 5/13/2045                                                                                 | 181,210       | 179,201          |
|     | Applied Matls Inc Sr NT                                                     | Fixed Income, 5.85%, Mat 6/15/2041                                                                                  | 117,494       | 117,197          |
|     | Comm Mtg Tr Ser 2014 UBS2 Cl D Fltg Rate                                    | Fixed Income, Mat 3/12/2047                                                                                         | 232,031       | 208,610          |
|     | Comm Mtg Tr Ser 2015 PC1 Cl C Fltg Rate                                     | Fixed Income, Mat 7/12/2050                                                                                         | 198,688       | 188,633          |
|     | Comm Mtg Tr Ser 2013 CCRE7 Cl D Fltg Rate                                   | Fixed Income, Mat 3/12/2046                                                                                         | 148,494       | 144,453          |
|     | Csmc Tr 2014-USA Coml Mtg Pass Thru CTF Cl D 144a                           | Fixed Income, 4.3733%, Mat 9/15/2037                                                                                | 77,484        | 74,005           |
|     | Csmc Tr 2014-Tiki Coml Mtg Passthru CTF Cl A 144a Fltg Rate                 | Fixed Income, Mat 9/15/2038                                                                                         | 220,000       | 212,277          |
|     | Comcast Corp New Sr NT                                                      | Fixed Income, 4.25%, Mat 1/15/2033                                                                                  | 128,174       | 126,946          |
|     | Conoco Inc Sr NT                                                            | Fixed Income, 6.95%, Mat 4/15/2029                                                                                  | 184,497       | 166,128          |
|     | Consolidated Edison Co NY Inc 2014a                                         | Fixed Income, 4.45%, Mat 3/15/2024                                                                                  | 192,420       | 189,264          |
|     | Dte Elec Co Ref Mtg Bd A                                                    | Fixed Income, 3.70%, Mat 6/1/2046                                                                                   | 191,843       | 177,912          |
|     | Disney Walt Co Mtns Fr                                                      | Fixed Income, 4.125%, Mat 6/1/2044                                                                                  | 100,884       | 99,500           |
|     | Energy Transfer Ptnrs LP Sr NT                                              | Fixed Income, 6.05%, Mat 06/01/2041                                                                                 | 83,256        | 74,570           |
|     | Exelon Generation Co LLC Sr NT                                              | Fixed Income, 6.25%, Mat 10/01/2039                                                                                 | 118,007       | 99,727           |
|     | Totals - carried forward                                                    |                                                                                                                     | \$ 17,053,814 | \$ 17,416,817    |

*See independent auditors' report.*

**CARDONE INDUSTRIES INC. UNION EMPLOYEES' PENSION PLAN**

EIN# 23-1916269

PLAN # 002

**SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)(Continued)**

**DECEMBER 9, 2016**

| (a) | (b)                                                        | (c)                                                                                                                 | (d)                  | (e)                  |
|-----|------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
|     | Identity of Issue,<br>Borrower, Lessor or<br>Similar Party | Description of<br>Investment Including<br>Maturity Date, Rate of<br>Interest, Collateral,<br>Par, or Maturity Value | Cost                 | Current<br>Value     |
|     | <u>Bonds:</u>                                              |                                                                                                                     |                      |                      |
|     | Totals - brought forward                                   |                                                                                                                     | \$ 17,053,814        | \$ 17,416,817        |
|     | Fmr Corp Sr NT 144a                                        | Fixed Income, 6.50%, Mat 12/14/2040                                                                                 | 164,457              | 156,967              |
|     | Florida Pwr & LT Co 1st Mtg                                | Fixed Income, 5.25%, Mat 2/1/2041                                                                                   | 180,023              | 168,196              |
|     | General Electric Co CD                                     | Fixed Income, 4.50%, Mat 3/11/2044                                                                                  | 182,529              | 173,410              |
|     | General Elec Cap Corp Medium Term                          | Fixed Income, 6.75%, Mat 3/15/2032                                                                                  | 100,828              | 98,389               |
|     | Gilead Sciences Inc Sr Gbl NT                              | Fixed Income, 4.00%, Mat 9/1/2036                                                                                   | 136,701              | 126,791              |
|     | Home Depot Inc Sr NT                                       | Fixed Income, 4.25%, Mat 4/1/2046                                                                                   | 115,959              | 101,091              |
|     | Intel Corp Sr NT                                           | Fixed Income, 4.90%, Mat 7/29/2045                                                                                  | 190,433              | 192,031              |
|     | JP Morg Chase Cmbs Ser 2016 Nine Cl A                      | Fixed Income, Mat 9/9/2038                                                                                          | 183,691              | 173,311              |
|     | Johnson S C & Son Inc                                      | Fixed Income, 4.80%, Mat 9/1/2040                                                                                   | 167,226              | 166,053              |
|     | Kinder Morgan Energy Partners Sr NT                        | Fixed Income, 6.50%, Mat 9/1/2039                                                                                   | 105,476              | 96,503               |
|     | Lowes Cos Inc NT                                           | Fixed Income, 5.50%, Mat 10/15/2035                                                                                 | 94,679               | 92,538               |
|     | Medtronic Inc Sr Gbl NT                                    | Fixed Income, 4.375%, Mat 3/15/2035                                                                                 | 186,940              | 175,409              |
|     | Metlife Inc Sr NT                                          | Fixed Income, 4.875%, Mat 11/13/2043                                                                                | 150,671              | 147,869              |
|     | Midamerican Energy Co 1mtg Bd                              | Fixed Income, 4.80%, Mat 9/15/2043                                                                                  | 301,394              | 278,751              |
|     | Morgan Stanley Cap 1 Ser 2011 C2 Cl E Fltg Rate            | Fixed Income, Mat 6/17/2044                                                                                         | 219,253              | 214,585              |
|     | Novartis Capital Corp NT                                   | Fixed Income, 4.00%, Mat 11/20/2045                                                                                 | 206,051              | 178,074              |
|     | Oracle Corp                                                | Fixed Income, 6.50%, Mat 4/15/2038                                                                                  | 189,935              | 187,059              |
|     | Pepsico Inc Sr NT                                          | Fixed Income, 4.45%, Mat 4/14/2046                                                                                  | 293,468              | 253,367              |
|     | Pfizer Inc Sr Gbl NT                                       | Fixed Income, 4.00%, Mat 12/15/2036                                                                                 | 95,573               | 94,212               |
|     | Sfave Coml Mtg Tr Ser 2015 5ave Cl B Fltg                  | Fixed Income, Mat 1/08/2043                                                                                         | 166,081              | 151,049              |
|     | South Carolina Elec & Gas Co 1st Mtg                       | Fixed Income, 5.45%, Mat 2/1/2041                                                                                   | 121,169              | 113,844              |
|     | Southwestern Pub Svc Co 1stm Bd                            | Fixed Income, 4.50%, Mat 8/15/2041                                                                                  | 181,097              | 179,412              |
|     | Teachers Ins & Annuity Assn Amer                           | Fixed Income, 4.90%, Mat 9/15/2044                                                                                  | 216,080              | 209,336              |
|     | United Technologies Corp NT                                | Fixed Income, 3.75%, Mat 11/1/2046                                                                                  | 144,326              | 135,365              |
|     | Unitedhealth Group Inc NT                                  | Fixed Income, 6.625%, Mat 11/15/2037                                                                                | 162,744              | 161,484              |
|     | Wells Fargo & Co New Medium Term Sr Notes                  | Fixed Income, 4.30%, Mat 7/22/2027                                                                                  | 204,278              | 205,242              |
|     | Wells Fargo Coml Mtg Tr 2016-LC25                          | Fixed Income, 4.4367%, Mat 11/15/2037                                                                               | 81,530               | 81,581               |
|     | Alibaba Group Hldg LTD Sr Gbl                              | Fixed Income, 2.50%, Mat 11/28/2019                                                                                 | 100,927              | 100,537              |
|     | Bnp Paribas/Bnp Paribas Us Medium Term NT Program LLC      | Fixed Income, 2.40%, Mat 12/12/2018                                                                                 | 192,037              | 191,518              |
|     | France Telecom Sa NT                                       | Fixed Income, 4.125%, Mat 9/14/2021                                                                                 | 139,247              | 137,878              |
|     | Lyondellbasell Industries NV Sr NT                         | Fixed Income, 5.00%, Mat 4/15/2019                                                                                  | 217,530              | 211,526              |
|     | Shire Acquisitions Invt Ireland Sr Global                  | Fixed Income, 2.40%, Mat 9/23/2021                                                                                  | 100,125              | 96,620               |
|     | Statoilhydro Asa                                           | Fixed Income, 5.25%, Mat 4/15/2019                                                                                  | 110,199              | 107,673              |
|     | Transcanada Pipelines LTD Sr Gbl NT                        | Fixed Income, 3.125%, Mat 1/15/2019                                                                                 | 102,798              | 102,048              |
|     | Westpac Bkg Corp Sr Gbl NT                                 | Fixed Income, 2.00%, Mat 8/19/2021                                                                                  | 250,828              | 242,883              |
|     | Actavis Fdg SCS Gtd NT                                     | Fixed Income, 3.45%, Mat 3/15/2022                                                                                  | 204,013              | 197,605              |
|     | America Movil Sab De Cv Sr NT                              | Fixed Income, 3.125%, Mat 7/16/2022                                                                                 | 208,906              | 197,354              |
|     | BP Cap Mkts P L C NT                                       | Fixed Income, 2.75%, Mat 5/10/2023                                                                                  | 14,430               | 14,636               |
|     | BP Cap Mkts P L C Gtd NT                                   | Fixed Income, 3.119%, Mat 5/4/2026                                                                                  | 164,058              | 154,624              |
|     | Cnooc Fin 2013 LTD Sr NT                                   | Fixed Income, 3.00%, Mat 5/9/2023                                                                                   | 221,225              | 221,550              |
|     | Shell International Fin Bv Sr Gbl                          | Fixed Income, 2.50%, Mat 9/12/2026                                                                                  | 102,227              | 97,542               |
|     | Edf S A Sr 144a NT                                         | Fixed Income, 3.625%, Mat 10/13/2025                                                                                | 69,693               | 63,952               |
|     | GE Capital International Fdg Fr                            | Fixed Income, 4.418%, Mat 11/15/2035                                                                                | 154,179              | 139,305              |
|     | Statoil Asa NT                                             | Fixed Income, 3.95%, Mat 5/15/2043                                                                                  | 79,421               | 83,370               |
|     |                                                            |                                                                                                                     | <u>\$ 24,028,248</u> | <u>\$ 24,089,353</u> |

\*Party-in-interest

*See independent auditors' report.*

Cardone Industries, Inc.  
Union Employees' Pension Plan  
EIN 23-1916269 PN 002

Schedule SB Line 26 – Schedule of Active Participant Data

Active Participants Age/Service Grid

|          | Years of Credit Service: |        |        |          |          |          |          |          |          |         |       |
|----------|--------------------------|--------|--------|----------|----------|----------|----------|----------|----------|---------|-------|
| Age      | Under 1                  | 1 to 4 | 5 to 9 | 10 to 14 | 15 to 19 | 20 to 24 | 25 to 29 | 30 to 34 | 35 to 39 | 40 & up | Total |
| Under 25 | 0                        | 3      | 0      | 0        | 0        | 0        | 0        | 0        | 0        | 0       | 3     |
| 25 to 29 | 0                        | 16     | 12     | 0        | 0        | 0        | 0        | 0        | 0        | 0       | 28    |
| 30 to 34 | 0                        | 29     | 21     | 7        | 0        | 0        | 0        | 0        | 0        | 0       | 57    |
| 35 to 39 | 0                        | 35     | 34     | 18       | 20       | 0        | 0        | 0        | 0        | 0       | 107   |
| 40 to 44 | 0                        | 37     | 43     | 44       | 43       | 10       | 0        | 0        | 0        | 0       | 177   |
| 45 to 49 | 0                        | 36     | 71     | 47       | 47       | 39       | 16       | 1        | 0        | 0       | 257   |
| 50 to 54 | 0                        | 30     | 66     | 59       | 77       | 49       | 33       | 3        | 1        | 0       | 318   |
| 55 to 59 | 0                        | 27     | 62     | 43       | 72       | 44       | 34       | 9        | 1        | 0       | 292   |
| 60 to 64 | 0                        | 7      | 36     | 57       | 60       | 30       | 23       | 12       | 1        | 0       | 226   |
| 65 to 69 | 0                        | 1      | 10     | 13       | 10       | 11       | 4        | 1        | 1        | 0       | 51    |
| 70 & up  | 0                        | 0      | 2      | 2        | 0        | 0        | 0        | 0        | 0        | 0       | 4     |
| Total    | 0                        | 221    | 357    | 290      | 329      | 183      | 110      | 26       | 4        | 0       | 1520  |

Cardone Industries, Inc.  
Union Employees' Pension Plan  
EIN 23-1916269 PN 002

Schedule SB Part V – Statement of Actuarial Assumptions/Methods

**Methods and Assumptions**

|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Methods</b>              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Valuation Date              | December 10 <sup>th</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Actuarial Cost Method       | Unit credit.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Actuarial Value of Assets   | Adjusted Market Value of Assets minus a decreasing fraction of the investment gain or loss for each of the two immediately preceding plan years, but it cannot be less than 90% nor more than 110% of the Adjusted Market Value of Assets. The expected investment return for a plan year is based on the lesser of the expected rate of return on plan assets (currently 7% per year) or the applicable statutory interest rate for the year. This method is specified in IRS Notice 2009-22 using a 24-month averaging period.                                                                                                                                                                                                                                                                                                                          |
| <b>Economic Assumptions</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Interest Rates              | <p><b>For minimum funding purposes:</b> Segment interest rates (based on statutory rates in effect four months prior to beginning of Plan Year) of 4.72% per year for first 5 years, 6.11% per year for next 15 years, and 6.81% per year thereafter. The equivalent Effective Interest Rate is 6.37% per year.</p> <p><b>For maximum tax deductible purposes:</b> 1.32% for the first 5 years, 4.06% per year for the next 15 years and 5.09% thereafter.</p> <p><b>For FASB ASC Topic 960 purposes:</b> Discount rate of 4.50% per year.</p> <p><b>For PBGC premium purposes:</b> 1.32% per year for first 5 years, 4.06% per year for next 15 years, and 5.09% per year thereafter. The PBGC Alternative Rule was adopted for the 2008 plan year and continues until at least the 2013 plan year. The same rule is applied for the 2015 plan year.</p> |
| <b>Other Assumptions</b>    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Mortality                   | <p><b>For funding and PBGC premium purposes:</b> Statutory static tables for 2015 based on RP-2000 Mortality Table projected to anticipate greater future longevity, with separate rates for non-annuitants and annuitants.</p> <p><b>For FASB ASC Topic 960 purposes:</b> RP-2014 Blue Collar Mortality Table Adjusted back to 2006 and projected generationally using Scale MP-2015.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

Assumption & Method Changes:

- The statutory mortality table was updated for one additional year of assumed mortality improvement and the 3-tiered statutory segment rates changed from 4.99%, 6.32%, 6.99%, to 4.72%, 6.11% and 6.81% respectively based on elections made by the Plan Sponsor and the Pension Protection Act of 2006.
- The FASB ASC Topic 960 discount rate changed from 4.55% per year to 4.50% per year.

## Methods and Assumptions (continued)

| Turnover                   | <p>Annual rates shown below:</p> <table> <tr> <th><u>Years of Employment</u></th><th><u>Rate</u></th></tr> <tr> <td>0</td><td>10.0%</td></tr> <tr> <td>1 - 2</td><td>7.0%</td></tr> <tr> <td>3 - 5</td><td>12.0%</td></tr> <tr> <td>6</td><td>16.0%</td></tr> <tr> <td>7 - 8</td><td>15.0%</td></tr> <tr> <td>9</td><td>14.0%</td></tr> <tr> <td>10</td><td>13.0%</td></tr> <tr> <td>11</td><td>10.0%</td></tr> <tr> <td>12 or more</td><td>9.0%</td></tr> </table>           | <u>Years of Employment</u> | <u>Rate</u>            | 0       | 10.0% | 1 - 2   | 7.0%  | 3 - 5   | 12.0% | 6       | 16.0% | 7 - 8   | 15.0% | 9 | 14.0% | 10 | 13.0% | 11 | 10.0% | 12 or more | 9.0% |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|------------------------|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|---|-------|----|-------|----|-------|------------|------|
| <u>Years of Employment</u> | <u>Rate</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                            |                        |         |       |         |       |         |       |         |       |         |       |   |       |    |       |    |       |            |      |
| 0                          | 10.0%                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                            |                        |         |       |         |       |         |       |         |       |         |       |   |       |    |       |    |       |            |      |
| 1 - 2                      | 7.0%                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                            |                        |         |       |         |       |         |       |         |       |         |       |   |       |    |       |    |       |            |      |
| 3 - 5                      | 12.0%                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                            |                        |         |       |         |       |         |       |         |       |         |       |   |       |    |       |    |       |            |      |
| 6                          | 16.0%                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                            |                        |         |       |         |       |         |       |         |       |         |       |   |       |    |       |    |       |            |      |
| 7 - 8                      | 15.0%                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                            |                        |         |       |         |       |         |       |         |       |         |       |   |       |    |       |    |       |            |      |
| 9                          | 14.0%                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                            |                        |         |       |         |       |         |       |         |       |         |       |   |       |    |       |    |       |            |      |
| 10                         | 13.0%                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                            |                        |         |       |         |       |         |       |         |       |         |       |   |       |    |       |    |       |            |      |
| 11                         | 10.0%                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                            |                        |         |       |         |       |         |       |         |       |         |       |   |       |    |       |    |       |            |      |
| 12 or more                 | 9.0%                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                            |                        |         |       |         |       |         |       |         |       |         |       |   |       |    |       |    |       |            |      |
| Retirement Age             | <p>Annual rates shown below for active participants who are eligible to retire:</p> <table> <tr> <th><u>Age</u></th><th><u>Retirement Rate</u></th></tr> <tr> <td>55 - 61</td><td>1%</td></tr> <tr> <td>62 - 64</td><td>3%</td></tr> <tr> <td>65</td><td>35%</td></tr> <tr> <td>66 - 69</td><td>45%</td></tr> <tr> <td>70</td><td>100%</td></tr> </table> <p>The assumed retirement age is 65, or attained age if later, for terminated vested and disabled participants.</p> | <u>Age</u>                 | <u>Retirement Rate</u> | 55 - 61 | 1%    | 62 - 64 | 3%    | 65      | 35%   | 66 - 69 | 45%   | 70      | 100%  |   |       |    |       |    |       |            |      |
| <u>Age</u>                 | <u>Retirement Rate</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                            |                        |         |       |         |       |         |       |         |       |         |       |   |       |    |       |    |       |            |      |
| 55 - 61                    | 1%                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                            |                        |         |       |         |       |         |       |         |       |         |       |   |       |    |       |    |       |            |      |
| 62 - 64                    | 3%                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                            |                        |         |       |         |       |         |       |         |       |         |       |   |       |    |       |    |       |            |      |
| 65                         | 35%                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                            |                        |         |       |         |       |         |       |         |       |         |       |   |       |    |       |    |       |            |      |
| 66 - 69                    | 45%                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                            |                        |         |       |         |       |         |       |         |       |         |       |   |       |    |       |    |       |            |      |
| 70                         | 100%                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                            |                        |         |       |         |       |         |       |         |       |         |       |   |       |    |       |    |       |            |      |
| Disability Rates           | <table> <tr> <th><u>Age</u></th><th><u>Disability Rate</u></th></tr> <tr> <td>18 – 39</td><td>.097%</td></tr> <tr> <td>40 – 44</td><td>.259%</td></tr> <tr> <td>45 – 49</td><td>.378%</td></tr> <tr> <td>50 – 54</td><td>.631%</td></tr> <tr> <td>55 – 59</td><td>1.10%</td></tr> </table>                                                                                                                                                                                    | <u>Age</u>                 | <u>Disability Rate</u> | 18 – 39 | .097% | 40 – 44 | .259% | 45 – 49 | .378% | 50 – 54 | .631% | 55 – 59 | 1.10% |   |       |    |       |    |       |            |      |
| <u>Age</u>                 | <u>Disability Rate</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                            |                        |         |       |         |       |         |       |         |       |         |       |   |       |    |       |    |       |            |      |
| 18 – 39                    | .097%                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                            |                        |         |       |         |       |         |       |         |       |         |       |   |       |    |       |    |       |            |      |
| 40 – 44                    | .259%                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                            |                        |         |       |         |       |         |       |         |       |         |       |   |       |    |       |    |       |            |      |
| 45 – 49                    | .378%                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                            |                        |         |       |         |       |         |       |         |       |         |       |   |       |    |       |    |       |            |      |
| 50 – 54                    | .631%                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                            |                        |         |       |         |       |         |       |         |       |         |       |   |       |    |       |    |       |            |      |
| 55 – 59                    | 1.10%                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                            |                        |         |       |         |       |         |       |         |       |         |       |   |       |    |       |    |       |            |      |
| Form of Payment            | Life annuity, unless the lump sum value is less than \$5,000 at termination or retirement. Lump sums are determined using the plan basis in effect for the 2014 plan year.                                                                                                                                                                                                                                                                                                    |                            |                        |         |       |         |       |         |       |         |       |         |       |   |       |    |       |    |       |            |      |
| Marital Characteristics    | <p><b>For participants not in pay status:</b> 100% of participants are assumed to be married, with males 3 years older than females.</p> <p><b>For participants in pay status:</b> Actual birth dates of spouses are included in the census data, where relevant.</p>                                                                                                                                                                                                         |                            |                        |         |       |         |       |         |       |         |       |         |       |   |       |    |       |    |       |            |      |
| Expense Load               | \$120,000 (formerly \$140,000)                                                                                                                                                                                                                                                                                                                                                                                                                                                |                            |                        |         |       |         |       |         |       |         |       |         |       |   |       |    |       |    |       |            |      |
| Benefits Not Valued        | All benefits are valued.                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                            |                        |         |       |         |       |         |       |         |       |         |       |   |       |    |       |    |       |            |      |

**SCHEDULE SB  
(Form 5500)**Department of the Treasury  
Internal Revenue ServiceDepartment of Labor  
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan  
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

**2015****This Form is Open to Public  
Inspection**

For calendar plan year 2015 or fiscal plan year beginning 12/10/2015 and ending 12/09/2016

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

CARDONE INDUSTRIES, INC. UNION EMPLOYEES' PENSION PLAN

**B** Three-digit  
plan number (PN) ▶

002

**C** Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF

CARDONE INDUSTRIES, INC.

**D** Employer Identification Number (EIN)

23-1916269

**E** Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B**F** Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500**Part I Basic Information****1** Enter the valuation date: Month 12 Day 10 Year 2015**2** Assets:**a** Market value ..... **2a** 59,273,719**b** Actuarial value ..... **2b** 62,210,954**3** Funding target/participant count breakdown(1) Number of  
participants(2) Vested Funding  
Target(3) Total Funding  
Target**a** For retired participants and beneficiaries receiving payment..... 878 20,261,038 20,261,038**b** For terminated vested participants..... 1,621 19,243,788 19,243,788**c** For active participants..... 1,520 16,407,684 18,411,838**d** Total ..... 4,019 55,912,510 57,916,664**4** If the plan is in at-risk status, check the box and complete lines (a) and (b) ..... ☐**a** Funding target disregarding prescribed at-risk assumptions ..... **4a****b** Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor ..... **4b****5** Effective interest rate..... **5** 6.37 %**6** Target normal cost..... **6** 120,000**Statement by Enrolled Actuary**

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

**SIGN  
HERE**

Signature of actuary

Joseph E. Casey, Jr.

Type or print name of actuary

Pension Live, LLC

Firm name

66 North Street

Medfield

MA 02052-1657

Address of the firm

07/19/2017

Date

17-04549

Most recent enrollment number

(508) 242-9860

Telephone number (including area code)

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐**For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.****Schedule SB (Form 5500) 2015  
v. 150123**

**Part II Beginning of Year Carryover and Prefunding Balances**

|                                                                                                                                                                     | (a) Carryover balance | (b) Prefunding balance |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------|
| <b>7</b> Balance at beginning of prior year after applicable adjustments (line 13 from prior year) .....                                                            | 2,545,525             | 0                      |
| <b>8</b> Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....                                                         |                       |                        |
| <b>9</b> Amount remaining (line 7 minus line 8) .....                                                                                                               | 2,545,525             | 0                      |
| <b>10</b> Interest on line 9 using prior year's actual return of <u>-0.50%</u> .....                                                                                | -12728                | 0                      |
| <b>11</b> Prior year's excess contributions to be added to prefunding balance:                                                                                      |                       |                        |
| <b>a</b> Present value of excess contributions (line 38a from prior year) .....                                                                                     |                       | 0                      |
| <b>b(1)</b> Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.58%</u> ..... |                       |                        |
| <b>b(2)</b> Interest on line 38b from prior year Schedule SB, using prior year's actual return .....                                                                |                       |                        |
| <b>c</b> Total available at beginning of current plan year to add to prefunding balance .....                                                                       |                       | 0                      |
| <b>d</b> Portion of (c) to be added to prefunding balance .....                                                                                                     |                       |                        |
| <b>12</b> Other reductions in balances due to elections or deemed elections .....                                                                                   |                       |                        |
| <b>13</b> Balance at beginning of current year (line 9 + line 10 + line 11d - line 12) .....                                                                        | 2,532,797             | 0                      |

**Part III Funding Percentages**

|                                                                                                                                                                            |           |          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------|
| <b>14</b> Funding target attainment percentage .....                                                                                                                       | <b>14</b> | 103.04 % |
| <b>15</b> Adjusted funding target attainment percentage .....                                                                                                              | <b>15</b> | 107.41 % |
| <b>16</b> Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement ..... | <b>16</b> | 110.38 % |
| <b>17</b> If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage. ....                                        | <b>17</b> | %        |

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

| (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
|--------------------------|-----------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
| <b>Totals ▶</b>          |                                   |                                 | <b>18(b)</b>             | 0                                 | <b>18(c)</b> 0                  |

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

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

**20** Quarterly contributions and liquidity shortfalls:

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

Liquidity shortfall as of end of quarter of this plan year

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

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

|                                                                                                                                                                                              |                        |                        |                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|-----------------------------------------------------|
| <b>21</b> Discount rate:                                                                                                                                                                     |                        |                        |                                                     |
| <b>a</b> Segment rates:                                                                                                                                                                      | 1st segment:<br>4.72 % | 2nd segment:<br>6.11 % | 3rd segment:<br>6.81 %                              |
|                                                                                                                                                                                              |                        |                        | <input type="checkbox"/> N/A, full yield curve used |
| <b>b</b> Applicable month (enter code) .....                                                                                                                                                 |                        |                        | <b>21b</b> 4                                        |
| <b>22</b> Weighted average retirement age .....                                                                                                                                              |                        |                        | <b>22</b> 66                                        |
| <b>23</b> Mortality table(s) (see instructions) <input type="checkbox"/> Prescribed - combined <input checked="" type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute |                        |                        |                                                     |

**Part VI Miscellaneous Items**

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

**Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years**

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

**Part VIII Minimum Required Contribution For Current Year**

|                                                                                                                                                                                      |                     |                    |               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|---------------|
| <b>31</b> Target normal cost and excess assets (see instructions):                                                                                                                   |                     |                    |               |
| <b>a</b> Target normal cost (line 6) .....                                                                                                                                           | <b>31a</b>          | 120,000            |               |
| <b>b</b> Excess assets, if applicable, but not greater than line 31a .....                                                                                                           | <b>31b</b>          | 120,000            |               |
| <b>32</b> Amortization installments:                                                                                                                                                 | Outstanding Balance | Installment        |               |
| <b>a</b> Net shortfall amortization installment .....                                                                                                                                | 0                   | 0                  |               |
| <b>b</b> Waiver amortization installment .....                                                                                                                                       | 0                   | 0                  |               |
| <b>33</b> If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount ..... | <b>33</b>           |                    |               |
| <b>34</b> Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ...                                                           | <b>34</b>           | 0                  |               |
|                                                                                                                                                                                      | Carryover balance   | Prefunding balance | Total balance |
| <b>35</b> Balances elected for use to offset funding requirement .....                                                                                                               |                     |                    | 0             |
| <b>36</b> Additional cash requirement (line 34 minus line 35) .....                                                                                                                  | <b>36</b>           | 0                  |               |
| <b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) .....                                                  | <b>37</b>           | 0                  |               |
| <b>38</b> Present value of excess contributions for current year (see instructions)                                                                                                  |                     |                    |               |
| <b>a</b> Total (excess, if any, of line 37 over line 36) .....                                                                                                                       | <b>38a</b>          | 0                  |               |
| <b>b</b> Portion included in line 38a attributable to use of prefunding and funding standard carryover balances .....                                                                | <b>38b</b>          |                    |               |
| <b>39</b> Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) .....                                                                      | <b>39</b>           | 0                  |               |
| <b>40</b> Unpaid minimum required contributions for all years .....                                                                                                                  | <b>40</b>           | 0                  |               |

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

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

Cardone Industries, Inc.  
Union Employees' Pension Plan

EIN 23-1916269 PN 002

Schedule SB Part V – Summary of Plan Provisions

|                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Plan Name                                | Cardone Industries, Inc. Union Employees' Pension Plan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Effective Date                           | December 10, 1982<br>Amended and Restated: December 10, 2000<br>Latest Amendment: December 31, 2013                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Plan Year                                | December 10 <sup>th</sup> to December 9th.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Fiscal Year                              | The 12-month period beginning January 1 and ending December 31.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Participation                            | Any employee who is a member of Service Employees' International Union Local 252 who has completed at least 1,000 hours of service during the 12-month period beginning with the employee's date of hire. Eligible employees become participants on the first of the month coincident with or next following the date they become eligible. <b>Effective January 1, 2014, there will be no new entrants into the plan.</b>                                                                                                                                                                                                                                                                                                                                                                               |
| Years of Service                         | A Year of Service is credited for each calendar year in which 1,000 or more hours of service are credited to a union employee. No partial Years of Service are credited.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Vesting Service                          | A year of Vesting Service is credited for each calendar year in which 1,000 or more hours of service are credited to an employee.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Normal Retirement Date                   | The first day of the month coincident with or next following the attainment of age 65.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Early Retirement Date                    | The first day of the month coincident with or next following the attainment of age 55 and completion of 15 years of Vesting Service.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Deferred Retirement Date                 | The first day of the month coincident with or next following the date of termination of service if it occurs after the Normal Retirement Date.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Pre-retirement Death Benefit Eligibility | Surviving spouses of participants with a vested Accrued Benefit who die before commencement of payments.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Disability Retirement Date               | The first day of the month following termination of service due to a total and permanent disability that continued for six months.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Termination Date                         | The date of termination of service other than for reasons of retirement, death, or disability.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Accrued Benefit                          | The Accrued Benefit for each Participant is determined using the same formula which is used to compute such Participant's Normal Retirement Benefit, taking into account the Participant's Years of Service through the date of determination.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Actuarial Equivalent                     | Equality in value such that the present value of the amount under any form of payment is essentially the same as the present value of the amount under the normal form of annuity payment for single participants. For purposes other than determining lump sum amounts, Actuarially Equivalent factors are based on the 1971 Group Annuity Mortality Table for Males projected by Scale E to 1976, with a one-year age setback and a 7.5% per year interest rate. For purposes of determining lump sum amounts, Actuarially Equivalent factors are based on the applicable mortality table specified in IRS Notice 2008-85 for the Plan Year of distribution and the statutory three-tier segment interest rates in effect for the first month prior to the beginning of the Plan Year of distribution. |

### Summary of Plan Provisions (continued)

| Normal Retirement Benefit     | For retirement on or after December 10, 1988, a monthly benefit of \$13.50 multiplied by Years of Service. For retirement on or after December 10, 1986 but prior to December 10, 1988, a monthly benefit of \$9.50 multiplied by Years of Service. For retirement prior to December 10, 1986, a monthly benefit of \$7.00 multiplied by Years of Service. <b>All benefits are frozen as of December 31, 2013</b>                                                    |                          |                |             |    |   |     |   |     |   |     |   |     |           |      |
|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|----------------|-------------|----|---|-----|---|-----|---|-----|---|-----|-----------|------|
| Early Retirement Benefit      | The Accrued Benefit, reduced by 1/180 for each of the first 60 months and by 1/360 for each of the next 60 months by which the Early Retirement Date precedes the Normal Retirement Date.                                                                                                                                                                                                                                                                            |                          |                |             |    |   |     |   |     |   |     |   |     |           |      |
| Deferred Retirement Benefit   | The greater of (a) the Accrued Benefit determined as of the Deferred Retirement Date or (b) the Accrued Benefit determined as of the Normal Retirement Date and actuarially increased to the Deferred Retirement Date.                                                                                                                                                                                                                                               |                          |                |             |    |   |     |   |     |   |     |   |     |           |      |
| Preretirement Death Benefit   | 50% of the benefit which would have been payable had the deceased participant instead terminated service on the date of death, survived to his earliest possible benefit commencement date, elected a joint and 50% survivor annuity, and died on that same date.                                                                                                                                                                                                    |                          |                |             |    |   |     |   |     |   |     |   |     |           |      |
| Disability Retirement Benefit | The Actuarial Equivalent of the Accrued Benefit.                                                                                                                                                                                                                                                                                                                                                                                                                     |                          |                |             |    |   |     |   |     |   |     |   |     |           |      |
| Termination Benefit           | <p>The Accrued Benefit, multiplied by the Vested Percentage below, payable at the Normal Retirement Date, or received according to Early Retirement.</p> <table> <tr> <th>Years of Vesting Service</th><th>Vested Percent</th></tr> <tr> <td>Less than 3</td><td>0%</td></tr> <tr> <td>3</td><td>20%</td></tr> <tr> <td>4</td><td>40%</td></tr> <tr> <td>5</td><td>60%</td></tr> <tr> <td>6</td><td>80%</td></tr> <tr> <td>7 or more</td><td>100%</td></tr> </table> | Years of Vesting Service | Vested Percent | Less than 3 | 0% | 3 | 20% | 4 | 40% | 5 | 60% | 6 | 80% | 7 or more | 100% |
| Years of Vesting Service      | Vested Percent                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                          |                |             |    |   |     |   |     |   |     |   |     |           |      |
| Less than 3                   | 0%                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                          |                |             |    |   |     |   |     |   |     |   |     |           |      |
| 3                             | 20%                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                          |                |             |    |   |     |   |     |   |     |   |     |           |      |
| 4                             | 40%                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                          |                |             |    |   |     |   |     |   |     |   |     |           |      |
| 5                             | 60%                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                          |                |             |    |   |     |   |     |   |     |   |     |           |      |
| 6                             | 80%                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                          |                |             |    |   |     |   |     |   |     |   |     |           |      |
| 7 or more                     | 100%                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                          |                |             |    |   |     |   |     |   |     |   |     |           |      |
| Normal Form of Payment        | Life annuity if single, Actuarially Equivalent joint and 50% survivor annuity if married.                                                                                                                                                                                                                                                                                                                                                                            |                          |                |             |    |   |     |   |     |   |     |   |     |           |      |
| Optional Forms of Payment     | <ol style="list-style-type: none"> <li>1. Life annuity</li> <li>2. Actuarially Equivalent life annuity with 5 or 10 years certain</li> <li>3. Actuarially Equivalent joint and 50%, 66-2/3% or 100% survivor annuity</li> </ol>                                                                                                                                                                                                                                      |                          |                |             |    |   |     |   |     |   |     |   |     |           |      |
| Lump Sum Payment              | Payable if the Actuarially Equivalent present value of the vested Accrued Benefit is \$5,000 or less.                                                                                                                                                                                                                                                                                                                                                                |                          |                |             |    |   |     |   |     |   |     |   |     |           |      |

#### Changes from prior year

Plan benefit accruals are frozen as of 12/31/2013. There has not been any new participants in the plan after this date. The IRC Section 401(a)(17) pay limit increased from \$260,000 to \$265,000 for 2015. The IRC Section 415(b) benefit limit remained at \$210,000 for 2015.

**CARDONE INDUSTRIES INC. UNION EMPLOYEES' PENSION PLAN**

EIN# 23-1916269

PLAN # 002

**SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**

**DECEMBER 9, 2016**

| (a) | (b)                                                           | (c)                                                                                                                 | (d)           | (e)              |
|-----|---------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|---------------|------------------|
|     | Identity of Issue,<br>Borrower, Lessor or<br>Similar Party    | Description of<br>Investment Including<br>Maturity Date, Rate of<br>Interest, Collateral,<br>Par, or Maturity Value | Cost          | Current<br>Value |
|     | <u>Money Market Funds:</u>                                    |                                                                                                                     |               |                  |
| *   | BMO Prime Money Market                                        | Interest Bearing Cash                                                                                               | \$ 803,661    | \$ 803,661       |
|     |                                                               |                                                                                                                     | \$ 803,661    | \$ 803,661       |
|     | <u>Mutual Funds:</u>                                          |                                                                                                                     |               |                  |
|     | Undiscovered Managers Behavioral Value Fund                   | Mutual Fund, 45,589.941 shares                                                                                      | \$ 2,477,369  | \$ 3,119,264     |
|     | Nuveen Mid Cap Growth Opportunities Fund Class 1              | Mutual Fund, 88,408.168 shares                                                                                      | 4,275,280     | 3,953,613        |
|     | Schwab Fundamental US Large Co Index                          | Mutual Fund, 312,272.073 shares                                                                                     | 4,519,026     | 5,158,735        |
|     | Vanguard Primecap Fund Admiral Shares                         | Mutual Fund, 42,781.722 shares                                                                                      | 4,700,000     | 4,907,064        |
|     | Vanguard Institutional Index Fund                             | Mutual Fund, 18,597.703 shares                                                                                      | 3,190,836     | 3,856,048        |
|     | American Europacific Growth Fund Class R6                     | Mutual Fund, 100,023.038 shares                                                                                     | 4,873,693     | 4,641,069        |
|     | Harbor International Fund Inst                                | Mutual Fund, 69,022.183 shares                                                                                      | 4,924,075     | 4,133,048        |
|     | Henderson Intl Opportunities Fund Class 1                     | Mutual Fund, 177,444.579 shares                                                                                     | 4,785,023     | 4,618,370        |
|     |                                                               |                                                                                                                     | \$ 33,745,302 | \$ 34,387,210    |
|     | <u>Bonds:</u>                                                 |                                                                                                                     |               |                  |
|     | Federal Natl Mtg Assn Gtd REMIC Passthru Tr REMIC Tr Ser 2015 | Fixed Income, 2.502%, Mat 12/25/2024                                                                                | \$ 108,625    | \$ 106,855       |
|     | US Treasury Note                                              | Fixed Income, Mat 10/31/2021                                                                                        | 4,892         | 4,849            |
|     | US Treasury Note                                              | Fixed Income, Mat 2/28/2023                                                                                         | 64,436        | 62,456           |
|     | US Treasury Note                                              | Fixed Income, Mat 8/15/2026                                                                                         | 29,105        | 27,485           |
|     | US Treasury Bond                                              | Fixed Income, 2.50%, Mat 2/15/2046                                                                                  | 130,098       | 108,963          |
|     | US Treasury Bond                                              | Fixed Income, 2.50%, Mat 5/15/2046                                                                                  | 590,763       | 505,255          |
|     | US Treasury Bond                                              | Fixed Income, 2.25%, Mat 8/15/2046                                                                                  | 55,443        | 53,496           |
|     | US Treasury Sec Stripped Int Pmt                              | Fixed Income, Mat 2/15/2008                                                                                         | 538,598       | 637,526          |
|     | US Treasury Sec Stripped Int Pmt                              | Fixed Income, Mat 2/15/2034                                                                                         | 210,171       | 246,445          |
|     | US Treasury Sec Stripped Int Pmt Tint                         | Fixed Income, Mat 2/15/2035                                                                                         | 197,287       | 231,865          |
|     | US Treasury Sec Stripped Int Pmt Tint                         | Fixed Income, Mat 2/15/2036                                                                                         | 530,735       | 627,270          |
|     | US Treasury Sec Stripped Int Pmt Tint                         | Fixed Income, Mat 2/15/2037                                                                                         | 580,510       | 686,044          |
|     | US Treasury Sec Stripped Int Pmt Tint                         | Fixed Income, Mat 11/15/2032                                                                                        | 187,503       | 182,145          |
|     | US Treasury Sec Stripped Int Pmt Tint                         | Fixed Income, Mat 2/15/2039                                                                                         | 492,476       | 586,493          |
|     | US Treasury Sec Stripped Int Pmt Tint                         | Fixed Income, Mat 2/15/2040                                                                                         | 458,896       | 542,639          |
|     | US Treasury Sec Stripped Int Pmt Int                          | Fixed Income, Mat 2/15/2041                                                                                         | 412,511       | 488,818          |
|     | US Treasury Sec Stripped Int Pmt Int                          | Fixed Income, Mat 2/15/2042                                                                                         | 373,780       | 443,384          |
|     | US Treasury Sec Stripped Int Pmt Int                          | Fixed Income, Mat 2/15/2043                                                                                         | 875,783       | 1,005,332        |
|     | US Treasury Sec Stripped Int Pmt Int                          | Fixed Income, Mat 2/15/2044                                                                                         | 391,442       | 341,326          |
|     | US Treasury Sec Stripped Int Pmt Int                          | Fixed Income, Mat 8/15/2044                                                                                         | 291,943       | 257,114          |
|     | Bay Area Toll Auth Calif Toll Rev Bds 2009f                   | Fixed Income, 6.263%, Mat 4/01/2049                                                                                 | 197,951       | 205,635          |
|     | California ST GO Bds Taxable                                  | Fixed Income, 7.55%, Mat 4/01/2039                                                                                  | 250,828       | 252,627          |
|     | AT&T Inc Sr NT                                                | Fixed Income, 2.30%, Mat 3/11/2019                                                                                  | 75,617        | 75,367           |
|     | Americredit Auto Recv Ser 2015 3                              | Fixed Income, 3.34%, Mat 8/9/2021                                                                                   | 285,031       | 284,789          |
|     | Avis Budget Rental Fdg Ser 2014 1 CI C                        | Fixed Income, 3.75%, Mat 07/20/2020                                                                                 | 335,852       | 324,120          |
|     | Bank Amer Fdg Corp                                            | Fixed Income, 5.65%, Mat 05/01/2018                                                                                 | 100,751       | 94,467           |
|     | Bank Amer Fdg Corp Sr NT                                      | Fixed Income, 5.625%, Mat 07/01/2020                                                                                | 264,317       | 253,285          |
|     | Bank Amer Fdg Corp Sr NT L                                    | Fixed Income, 5.875%, Mat 01/05/2021                                                                                | 81,370        | 78,095           |
|     | Bard C R Inc NT                                               | Fixed Income, 4.40%, Mat 01/15/2021                                                                                 | 212,252       | 214,670          |
|     | Bear Stearns Cos Inc                                          | Fixed Income, 7.25%, Mat 2/1/2018                                                                                   | 154,903       | 137,978          |
|     | Citigroup Inc Sr NT                                           | Fixed Income, 2.70%, Mat 3/30/2021                                                                                  | 106,259       | 104,720          |
|     | Duke Energy Corp New Sr NT                                    | Fixed Income, 2.10%, Mat 6/15/2018                                                                                  | 75,968        | 75,383           |
|     | Fluor Corp New Sr NT                                          | Fixed Income, 3.375%, Mat 9/15/2021                                                                                 | 76,899        | 77,151           |
|     | Goldman Sachs Group Inc Medium Term                           | Fixed Income, 5.375%, Mat 3/15/2020                                                                                 | 254,378       | 244,258          |
|     | Goldman Sachs Group Inc MTN Gbl Sr                            | Fixed Income, 7.50%, Mat 2/15/2019                                                                                  | 148,256       | 144,469          |
|     | Totals - carried forward                                      |                                                                                                                     | \$ 9,145,628  | \$ 9,712,770     |

*See independent auditors' report.*

**CARDONE INDUSTRIES INC. UNION EMPLOYEES' PENSION PLAN**

**EIN# 23-1916269**

**PLAN # 002**

**SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)(Continued)**

**DECEMBER 9, 2016**

| (a) | (b)                                                                         | (c)                                                                                                                 | (d)           | (e)              |
|-----|-----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|---------------|------------------|
|     | Identity of Issue,<br>Borrower, Lessor or<br>Similar Party                  | Description of<br>Investment Including<br>Maturity Date, Rate of<br>Interest, Collateral,<br>Par, or Maturity Value | Cost          | Current<br>Value |
|     | <u>Bonds:</u>                                                               |                                                                                                                     |               |                  |
|     | Totals - brought forward                                                    |                                                                                                                     | \$ 9,145,628  | \$ 9,712,770     |
|     | JPMorgan Chase & Co Sr NT                                                   | Fixed Income, 4.25%, Mat 10/15/2020                                                                                 | 156,800       | 153,658          |
|     | Huntington Bancshares Inc Sr NT                                             | Fixed Income, 2.60%, Mat 8/2/2018                                                                                   | 101,718       | 101,044          |
|     | Keycorp Medium Term Nts Sr NT                                               | Fixed Income, 5.10%, Mat 3/24/2021                                                                                  | 204,721       | 197,332          |
|     | Morgan Stanley Sr NT                                                        | Fixed Income, 5.50%, Mat 1/26/2020                                                                                  | 214,828       | 206,321          |
|     | Nbcuniversal Media LLC Sr NT                                                | Fixed Income, 4.375%, Mat 4/1/2021                                                                                  | 77,677        | 75,422           |
|     | Stryker Corp Sr NT                                                          | Fixed Income, 4.375%, Mat 1/15/2020                                                                                 | 200,562       | 195,943          |
|     | AT&T Inc Gbl NT                                                             | Fixed Income, 2.625%, Mat 12/1/2022                                                                                 | 149,207       | 143,147          |
|     | Americredit Auto Recv Ser 2016 1 Cl D                                       | Fixed Income, 3.59%, Mat 2/8/2022                                                                                   | 235,067       | 235,155          |
|     | Ameriprise Finl Inc Sr NT                                                   | Fixed Income, 4.00%, Mat 10/15/2023                                                                                 | 94,527        | 94,202           |
|     | Ameriprise Finl Inc Sr Gbl NT                                               | Fixed Income, 2.875%, Mat 9/15/2026                                                                                 | 100,667       | 95,061           |
|     | Bank New York Mellon Corp Sr NT                                             | Fixed Income, 2.45%, Mat 8/17/2026                                                                                  | 204,873       | 190,017          |
|     | Chevron Corp New Sr NT                                                      | Fixed Income, 3.191%, Mat 6/24/2023                                                                                 | 90,392        | 91,662           |
|     | Chrysler Cap Auto Receivables Tr 2016-B NT                                  | Fixed Income, 3.51%, Mat 9/15/2023                                                                                  | 159,972       | 158,661          |
|     | Deere John Cap Corp Mtns Fr                                                 | Fixed Income, 2.65%, Mat 6/10/2026                                                                                  | 100,079       | 95,888           |
|     | Drive Auto Recv Tr Ser 2016 B                                               | Fixed Income, 3.19%, Mat 7/15/2022                                                                                  | 199,984       | 201,883          |
|     | Franklin Res Inc Sr NT                                                      | Fixed Income, 2.80%, Mat 9/15/2022                                                                                  | 138,919       | 140,559          |
|     | Home Depot Inc Sr NT                                                        | Fixed Income, 3.75%, Mat 2/15/2024                                                                                  | 171,435       | 173,344          |
|     | JPMorgan Chase & Co Sr NT                                                   | Fixed Income, 3.25%, Mat 9/23/2022                                                                                  | 81,682        | 80,830           |
|     | Loews Corp Sr Gbl NT                                                        | Fixed Income, 3.75%, Mat 4/1/2026                                                                                   | 134,597       | 132,058          |
|     | Markel Corp Sr NT                                                           | Fixed Income, 4.90%, Mat 7/1/2022                                                                                   | 93,207        | 91,910           |
|     | Mastercard Inc NT                                                           | Fixed Income, 3.375%, Mat 4/1/2024                                                                                  | 232,083       | 236,010          |
|     | Metropolitan Life Global Fdg I Fr                                           | Fixed Income, 3.00%, Mat 1/10/2023                                                                                  | 133,412       | 135,011          |
|     | Microsoft Corp Sr Note                                                      | Fixed Income, 3.125%, Mat 11/3/2025                                                                                 | 190,438       | 180,574          |
|     | Midamerican Energy Co 1mtg Bd                                               | Fixed Income, 3.50%, Mat 10/15/2024                                                                                 | 201,804       | 201,066          |
|     | Omnicom Group Inc Sr NT                                                     | Fixed Income, 3.625%, Mat 5/1/2022                                                                                  | 153,053       | 154,875          |
|     | PPL Cap Fdg Inc Gtd Sr NT                                                   | Fixed Income, 4.20%, Mat 6/15/2022                                                                                  | 114,087       | 110,861          |
|     | Sprint Spectrum Co LLC / Sprint Spectrum Co II LLC / Sprint Spectrum Co III | Fixed Income, 3.36%, Mat 3/20/2023                                                                                  | 202,125       | 200,500          |
|     | TJX Cos Inc New NT                                                          | Fixed Income, 2.50%, Mat 5/15/2023                                                                                  | 95,919        | 97,984           |
|     | Toyota Mtr Crd Corp MTN NY B                                                | Fixed Income, 3.30%, Mat 1/12/2022                                                                                  | 196,085       | 191,077          |
|     | US Bancorp Mtns Bk Ent Sr NT                                                | Fixed Income, 3.00%, Mat 3/15/2022                                                                                  | 121,231       | 122,453          |
|     | Valley Natl Bancorp Sub Deb                                                 | Fixed Income, 5.125%, Mat 9/27/2023                                                                                 | 79,969        | 77,516           |
|     | Visa Inc Sr Gbl NT                                                          | Fixed Income, 3.15%, Mat 12/14/2025                                                                                 | 192,930       | 189,105          |
|     | Wellpoint Inc NT                                                            | Fixed Income, 3.30%, Mat 1/15/2023                                                                                  | 169,208       | 168,795          |
|     | Wells Fargo Co MTN Fr                                                       | Fixed Income, 3.45%, Mat 2/13/2023                                                                                  | 197,250       | 194,957          |
|     | Wyeth Sr NT                                                                 | Fixed Income, 6.45%, Mat 2/1/2024                                                                                   | 195,559       | 189,097          |
|     | AT&T Inc NT                                                                 | Fixed Income, 4.35%, Mat 6/15/2045                                                                                  | 164,512       | 151,261          |
|     | Anheuser-Busch Inbev Fin Inc Gtd NT                                         | Fixed Income, 4.35%, Mat 6/15/2045                                                                                  | 183,128       | 190,385          |
|     | Apple Inc Sr                                                                | Fixed Income, 4.375%, Mat 5/13/2045                                                                                 | 181,210       | 179,201          |
|     | Applied Matls Inc Sr NT                                                     | Fixed Income, 5.85%, Mat 6/15/2041                                                                                  | 117,494       | 117,197          |
|     | Comm Mtg Tr Ser 2014 UBS2 Cl D Fltg Rate                                    | Fixed Income, Mat 3/12/2047                                                                                         | 232,031       | 208,610          |
|     | Comm Mtg Tr Ser 2015 PC1 Cl C Fltg Rate                                     | Fixed Income, Mat 7/12/2050                                                                                         | 198,688       | 188,633          |
|     | Comm Mtg Tr Ser 2013 CCRE7 Cl D Fltg Rate                                   | Fixed Income, Mat 3/12/2046                                                                                         | 148,494       | 144,453          |
|     | Csmc Tr 2014-USA Coml Mtg Pass Thru CTF Cl D 144a                           | Fixed Income, 4.3733%, Mat 9/15/2037                                                                                | 77,484        | 74,005           |
|     | Csmc Tr 2014-Tiki Coml Mtg Passthru CTF Cl A 144a Fltg Rate                 | Fixed Income, Mat 9/15/2038                                                                                         | 220,000       | 212,277          |
|     | Comcast Corp New Sr NT                                                      | Fixed Income, 4.25%, Mat 1/15/2033                                                                                  | 128,174       | 126,946          |
|     | Conoco Inc Sr NT                                                            | Fixed Income, 6.95%, Mat 4/15/2029                                                                                  | 184,497       | 166,128          |
|     | Consolidated Edison Co NY Inc 2014a                                         | Fixed Income, 4.45%, Mat 3/15/2024                                                                                  | 192,420       | 189,264          |
|     | Dte Elec Co Ref Mtg Bd A                                                    | Fixed Income, 3.70%, Mat 6/1/2046                                                                                   | 191,843       | 177,912          |
|     | Disney Walt Co Mtns Fr                                                      | Fixed Income, 4.125%, Mat 6/1/2044                                                                                  | 100,884       | 99,500           |
|     | Energy Transfer Ptnrs LP Sr NT                                              | Fixed Income, 6.05%, Mat 06/01/2041                                                                                 | 83,256        | 74,570           |
|     | Exelon Generation Co LLC Sr NT                                              | Fixed Income, 6.25%, Mat 10/01/2039                                                                                 | 118,007       | 99,727           |
|     | Totals - carried forward                                                    |                                                                                                                     | \$ 17,053,814 | \$ 17,416,817    |

*See independent auditors' report.*

**CARDONE INDUSTRIES INC. UNION EMPLOYEES' PENSION PLAN**

**EIN# 23-1916269**

**PLAN # 002**

**SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)(Continued)**

**DECEMBER 9, 2016**

| (a) | (b)                                                        | (c)                                                                                                                 | (d)                  | (e)                  |
|-----|------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
|     | Identity of Issue,<br>Borrower, Lessor or<br>Similar Party | Description of<br>Investment Including<br>Maturity Date, Rate of<br>Interest, Collateral,<br>Par, or Maturity Value | Cost                 | Current<br>Value     |
|     | <u>Bonds:</u>                                              |                                                                                                                     |                      |                      |
|     | Totals - brought forward                                   |                                                                                                                     | \$ 17,053,814        | \$ 17,416,817        |
|     | Fmr Corp Sr NT 144a                                        | Fixed Income, 6.50%, Mat 12/14/2040                                                                                 | 164,457              | 156,967              |
|     | Florida Pwr & LT Co 1st Mtg                                | Fixed Income, 5.25%, Mat 2/1/2041                                                                                   | 180,023              | 168,196              |
|     | General Electric Co CD                                     | Fixed Income, 4.50%, Mat 3/11/2044                                                                                  | 182,529              | 173,410              |
|     | General Elec Cap Corp Medium Term                          | Fixed Income, 6.75%, Mat 3/15/2032                                                                                  | 100,828              | 98,389               |
|     | Gilead Sciences Inc Sr Gbl NT                              | Fixed Income, 4.00%, Mat 9/1/2036                                                                                   | 136,701              | 126,791              |
|     | Home Depot Inc Sr NT                                       | Fixed Income, 4.25%, Mat 4/1/2046                                                                                   | 115,959              | 101,091              |
|     | Intel Corp Sr NT                                           | Fixed Income, 4.90%, Mat 7/29/2045                                                                                  | 190,433              | 192,031              |
|     | JP Morg Chase Cmbs Ser 2016 Nine Cl A                      | Fixed Income, Mat 9/9/2038                                                                                          | 183,691              | 173,311              |
|     | Johnson S C & Son Inc                                      | Fixed Income, 4.80%, Mat 9/1/2040                                                                                   | 167,226              | 166,053              |
|     | Kinder Morgan Energy Partners Sr NT                        | Fixed Income, 6.50%, Mat 9/1/2039                                                                                   | 105,476              | 96,503               |
|     | Lowes Cos Inc NT                                           | Fixed Income, 5.50%, Mat 10/15/2035                                                                                 | 94,679               | 92,538               |
|     | Medtronic Inc Sr Gbl NT                                    | Fixed Income, 4.375%, Mat 3/15/2035                                                                                 | 186,940              | 175,409              |
|     | Metlife Inc Sr NT                                          | Fixed Income, 4.875%, Mat 11/13/2043                                                                                | 150,671              | 147,869              |
|     | Midamerican Energy Co 1mtg Bd                              | Fixed Income, 4.80%, Mat 9/15/2043                                                                                  | 301,394              | 278,751              |
|     | Morgan Stanley Cap 1 Ser 2011 C2 Cl E Fltg Rate            | Fixed Income, Mat 6/17/2044                                                                                         | 219,253              | 214,585              |
|     | Novartis Capital Corp NT                                   | Fixed Income, 4.00%, Mat 11/20/2045                                                                                 | 206,051              | 178,074              |
|     | Oracle Corp                                                | Fixed Income, 6.50%, Mat 4/15/2038                                                                                  | 189,935              | 187,059              |
|     | Pepsico Inc Sr NT                                          | Fixed Income, 4.45%, Mat 4/14/2046                                                                                  | 293,468              | 253,367              |
|     | Pfizer Inc Sr Gbl NT                                       | Fixed Income, 4.00%, Mat 12/15/2036                                                                                 | 95,573               | 94,212               |
|     | Sfave Coml Mtg Tr Ser 2015 5ave Cl B Fltg                  | Fixed Income, Mat 1/08/2043                                                                                         | 166,081              | 151,049              |
|     | South Carolina Elec & Gas Co 1st Mtg                       | Fixed Income, 5.45%, Mat 2/1/2041                                                                                   | 121,169              | 113,844              |
|     | Southwestern Pub Svc Co 1stm Bd                            | Fixed Income, 4.50%, Mat 8/15/2041                                                                                  | 181,097              | 179,412              |
|     | Teachers Ins & Annuity Assn Amer                           | Fixed Income, 4.90%, Mat 9/15/2044                                                                                  | 216,080              | 209,336              |
|     | United Technologies Corp NT                                | Fixed Income, 3.75%, Mat 11/1/2046                                                                                  | 144,326              | 135,365              |
|     | Unitedhealth Group Inc NT                                  | Fixed Income, 6.625%, Mat 11/15/2037                                                                                | 162,744              | 161,484              |
|     | Wells Fargo & Co New Medium Term Sr Notes                  | Fixed Income, 4.30%, Mat 7/22/2027                                                                                  | 204,278              | 205,242              |
|     | Wells Fargo Coml Mtg Tr 2016-LC25                          | Fixed Income, 4.4367%, Mat 11/15/2037                                                                               | 81,530               | 81,581               |
|     | Alibaba Group Hldg LTD Sr Gbl                              | Fixed Income, 2.50%, Mat 11/28/2019                                                                                 | 100,927              | 100,537              |
|     | Bnp Paribas/Bnp Paribas Us Medium Term NT Program LLC      | Fixed Income, 2.40%, Mat 12/12/2018                                                                                 | 192,037              | 191,518              |
|     | France Telecom Sa NT                                       | Fixed Income, 4.125%, Mat 9/14/2021                                                                                 | 139,247              | 137,878              |
|     | Lyondellbasell Industries NV Sr NT                         | Fixed Income, 5.00%, Mat 4/15/2019                                                                                  | 217,530              | 211,526              |
|     | Shire Acquisitions Invt Ireland Sr Global                  | Fixed Income, 2.40%, Mat 9/23/2021                                                                                  | 100,125              | 96,620               |
|     | Statoilhydro Asa                                           | Fixed Income, 5.25%, Mat 4/15/2019                                                                                  | 110,199              | 107,673              |
|     | Transcanada Pipelines LTD Sr Gbl NT                        | Fixed Income, 3.125%, Mat 1/15/2019                                                                                 | 102,798              | 102,048              |
|     | Westpac Bkg Corp Sr Gbl NT                                 | Fixed Income, 2.00%, Mat 8/19/2021                                                                                  | 250,828              | 242,883              |
|     | Actavis Fdg SCS Gtd NT                                     | Fixed Income, 3.45%, Mat 3/15/2022                                                                                  | 204,013              | 197,605              |
|     | America Movil Sab De Cv Sr NT                              | Fixed Income, 3.125%, Mat 7/16/2022                                                                                 | 208,906              | 197,354              |
|     | BP Cap Mkts P L C NT                                       | Fixed Income, 2.75%, Mat 5/10/2023                                                                                  | 14,430               | 14,636               |
|     | BP Cap Mkts P L C Gtd NT                                   | Fixed Income, 3.119%, Mat 5/4/2026                                                                                  | 164,058              | 154,624              |
|     | Cnooc Fin 2013 LTD Sr NT                                   | Fixed Income, 3.00%, Mat 5/9/2023                                                                                   | 221,225              | 221,550              |
|     | Shell International Fin Bv Sr Gbl                          | Fixed Income, 2.50%, Mat 9/12/2026                                                                                  | 102,227              | 97,542               |
|     | Edf S A Sr 144a NT                                         | Fixed Income, 3.625%, Mat 10/13/2025                                                                                | 69,693               | 63,952               |
|     | GE Capital International Fdg Fr                            | Fixed Income, 4.418%, Mat 11/15/2035                                                                                | 154,179              | 139,305              |
|     | Statoil Asa NT                                             | Fixed Income, 3.95%, Mat 5/15/2043                                                                                  | 79,421               | 83,370               |
|     |                                                            |                                                                                                                     | <u>\$ 24,028,248</u> | <u>\$ 24,089,353</u> |

\*Party-in-interest

*See independent auditors' report.*