# Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

**2016**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

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

**A** This return/report is for:
- [ ] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- [X] a single-employer plan
- [ ] a DFE (specify) ____

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

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

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

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
KS KOLBENSCHMIDT US, INC. 401(K) PLAN

**1b** Three-digit plan number (PN) ▶ 335

**1c** Effective date of plan 03/01/1985

**2a** Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
KS KOLBENSCHMIDT US, INC.

1731 INDUSTRIAL PARKWAY
MARINETTE, WI 54143

**2b** Employer Identification Number (EIN) 39-1681963

**2c** Plan Sponsor's telephone number 715-735-1214

**2d** Business code (see instructions) 485990

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

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

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/13/2017 | DAVID LENGAS |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

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

Preparer's telephone number

| | | | |
|---|---|---|---|
| **3a** | Plan administrator's name and address [X] Same as Plan Sponsor | **3b** | Administrator's EIN |
| | | **3c** | Administrator's telephone number |
| **4** | If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: | **4b** | EIN |
| **a** | Sponsor's name | **4c** | PN |

| | | | |
|---|---|---|---|
| **5** | Total number of participants at the beginning of the plan year | **5** | 1111 |
| **6** | Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**). | | |
| **a(1)** | Total number of active participants at the beginning of the plan year | **6a(1)** | 981 |
| **a(2)** | Total number of active participants at the end of the plan year | **6a(2)** | 794 |
| **b** | Retired or separated participants receiving benefits | **6b** | 0 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 208 |
| **d** | Subtotal. Add lines **6a(2)**, **6b**, and **6c**. | **6d** | 1002 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 7 |
| **f** | Total. Add lines **6d** and **6e**. | **6f** | 1009 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 903 |
| **h** | Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 4 |
| **7** | Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

2E 2F 2G 2J 2K 2S 2T 3F 3H

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

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

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

**a Pension Schedules**

- **(1)** [X] **R** (Retirement Plan Information)
- **(2)** [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- **(3)** [ ] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

**b General Schedules**

- **(1)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [ ] **A** (Insurance Information)
- **(4)** [X] **C** (Service Provider Information)
- **(5)** [X] **D** (DFE/Participating Plan Information)
- **(6)** [ ] **G** (Financial Transaction Schedules)

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

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

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

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

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

Receipt Confirmation Code_____

# SCHEDULE C (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Service Provider Information

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

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

OMB No. 1210-0110

**2016**

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

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

**A** Name of plan
KS KOLBENSCHMIDT US, INC. 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 335

**C** Plan sponsor's name as shown on line 2a of Form 5500
KS KOLBENSCHMIDT US, INC.

**D** Employer Identification Number (EIN)
39-1681963

## Part I Service Provider Information (see instructions)

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

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

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

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

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

RBC

54-0990960

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

DELAWARE INVESTMENTS

23-2693133

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

MFS

04-2747644

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

VANGUARD

23-1945930

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

OAKMARK

04-3276558

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

ASTON

20-4747475

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

MAINSTAY

52-2206685

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

METROPOLITAN WEST FUNDS

95-4597302

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

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

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

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

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

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

WELLS FARGO BANK, N.A.

94-1347393

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 15 21 49 50 60 62 63 64 | SERVICE PROVIDER | 67465 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [ ] No [X] |

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

BUTZEL LONG ATTORNEYS AND COUNSELOR

38-2384883

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 29 50 | SERVICE PROVIDER | 23664 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

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

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

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

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

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

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

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

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

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

## Part I Service Provider Information (continued)

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

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

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

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

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

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

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

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

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

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

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

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

## Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

# SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

## DFE/Participating Plan Information

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

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

OMB No. 1210-0110

**2016**

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

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

**A** Name of plan
KS KOLBENSCHMIDT US, INC. 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 335

**C** Plan or DFE sponsor's name as shown on line 2a of Form 5500
KS KOLBENSCHMIDT US, INC.

**D** Employer Identification Number (EIN)
39-1681963

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE: WELLS FARGO STABLE RETURN FUND N

**b** Name of sponsor of entity listed in (a): WELLS FARGO BANK, N.A.

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 41-6202499-001 | C | 17019915 |

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

# SCHEDULE H (Form 5500)

Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

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

OMB No. 1210-0110

**2016**

**This Form is Open to Public Inspection**

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

**A** Name of plan
KS KOLBENSCHMIDT US, INC. 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 335

**C** Plan sponsor's name as shown on line 2a of Form 5500
KS KOLBENSCHMIDT US, INC.

**D** Employer Identification Number (EIN)
39-1681963

## Part I Asset and Liability Statement

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

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | 73374 | 79277 |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | | |
| **(2)** Participant contributions | 1b(2) | | |
| **(3)** Other | 1b(3) | | |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | | |
| **(2)** U.S. Government securities | 1c(2) | | |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | | |
| **(B)** All other | 1c(3)(B) | | |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | | |
| **(B)** Common | 1c(4)(B) | | |
| **(5)** Partnership/joint venture interests | 1c(5) | | |
| **(6)** Real estate (other than employer real property) | 1c(6) | | |
| **(7)** Loans (other than to participants) | 1c(7) | | |
| **(8)** Participant loans | 1c(8) | | |
| **(9)** Value of interest in common/collective trusts | 1c(9) | 17595404 | 17019915 |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | | |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | | |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | | |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | 40947585 | 39591886 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | | |

| | | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | | |
| | **(2)** Employer real property | 1d(2) | | |
| **e** | Buildings and other property used in plan operation | 1e | | |
| **f** | Total assets (add all amounts in lines 1a through 1e) | 1f | 58616363 | 56691078 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | | |
| **h** | Operating payables | 1h | | |
| **i** | Acquisition indebtedness | 1i | | |
| **j** | Other liabilities | 1j | | |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | 1k | 0 | 0 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 58616363 | 56691078 |

## Part II Income and Expense Statement

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

| | Income | | (a) Amount | (b) Total |
|---|---|---|---|---|
| **a** | **Contributions:** | | | |
| | **(1)** Received or receivable in cash from: **(A)** Employers | 2a(1)(A) | 907318 | |
| | **(B)** Participants | 2a(1)(B) | 1998979 | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | | |
| | **(2)** Noncash contributions | 2a(2) | | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 2906297 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | 87 | |
| | **(B)** U.S. Government securities | 2b(1)(B) | | |
| | **(C)** Corporate debt instruments | 2b(1)(C) | | |
| | **(D)** Loans (other than to participants) | 2b(1)(D) | | |
| | **(E)** Participant loans | 2b(1)(E) | | |
| | **(F)** Other | 2b(1)(F) | | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 87 |
| | **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | | |
| | **(B)** Common stock | 2b(2)(B) | | |
| | **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | 609512 | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 609512 |
| | **(3)** Rents | 2b(3) | | |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | | |
| | **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | | |
| | **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 0 |
| | **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | 2b(5)(A) | | |
| | **(B)** Other | 2b(5)(B) | | |
| | **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | 0 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | 291878 |
| (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) | | 3170374 |
| c Other income | 2c | | 654 |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 6978802 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 4921387 | |
| (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) | | 4921387 |
| f Corrective distributions (see instructions) | 2f | | |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | |
| h Interest expense | 2h | | |
| i Administrative expenses: (1) Professional fees | 2i(1) | | |
| (2) Contract administrator fees | 2i(2) | | |
| (3) Investment advisory and management fees | 2i(3) | | |
| (4) Other | 2i(4) | 153027 | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 153027 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 5074414 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | 1904388 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | |
| (2) From this plan | 2l(2) | | 3829673 |

## 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: BAKER TILLY VIRCHOW KRAUSE, LLP **(2)** EIN: 39-0859910

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

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

## Part IV Compliance Questions

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

During the plan year:

| | | Yes | No | Amount |
|---|---|---|---|---|
| **a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) | 4a | | X | |
| **b** Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.) | 4b | | X | |

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

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

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

| **5b(1)** Name of plan(s) | **5b(2)** EIN(s) | **5b(3)** PN(s) |
|---|---|---|
| PIERBURG INCORPORATED 401(K) PLAN | 57-1051355 | 001 |
| | | |
| | | |
| | | |

**5c** If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ..... ☐ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year_____. (See instructions.)

## Part V Trust Information

| **6a** Name of trust | **6b** Trust's EIN |
|---|---|
| | |

| **6c** Name of trustee or custodian | **6d** Trustee's or custodian's telephone number |
|---|---|
| | |

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Retirement Plan Information

This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

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

OMB No. 1210-0110

**2016**

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

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

**A** Name of plan
KS KOLBENSCHMIDT US, INC. 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 335

**C** Plan sponsor's name as shown on line 2a of Form 5500
KS KOLBENSCHMIDT US, INC.

**D** Employer Identification Number (EIN)
39-1681963

## Part I Distributions

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

**1** Total value of distributions paid in property other than in cash or the forms of property specified in the instructions ..... **1** 0

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

EIN(s): 41-6257133

**Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.**

**3** Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year ..... **3**

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

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

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

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

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

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

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

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

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

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

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

## Part III Amendments

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

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

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

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

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

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

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

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

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Part VII IRS Compliance Questions

| | |
|---|---|
| **20a** Is the plan a 401(k) plan? If "No," skip b | ☐ Yes ☐ No |
| **20b** How did the plan satisfy the nondiscrimination requirements for employee deferrals under section 401(k)(3) for the plan year? Check all that apply: | ☐ Design-based safe harbor ☐ "Prior year" ADP test ☐ "Current year" ADP test ☐ N/A |
| **21a** What testing method was used to satisfy the coverage requirements under section 410(b) for the plan year? Check all that apply: | ☐ Ratio percentage test ☐ Average benefit test ☐ N/A |
| **21b** Did the plan satisfy the coverage and nondiscrimination requirements of sections 410(b) and 401(a)(4) for the plan year by combining this plan with any other plan under the permissive aggregation rules? | ☐ Yes ☐ No |

**22a** If the plan is a master and prototype plan (M&P) or volume submitter plan that received a favorable IRS opinion letter or advisory letter, enter the date of the letter _____/_____/_____ and the serial number _____.

**22b** If the plan is an individually-designed plan that received a favorable determination letter from the IRS, enter the date of the most recent determination letter _____/_____/_____.

# KS KOLBENSCHMIDT US, INC. 401(K) PLAN

Marinette, Wisconsin

FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION

Including Independent Auditors' Report

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

# KS KOLBENSCHMIDT US, INC. 401(K) PLAN

TABLE OF CONTENTS


**Independent Auditors' Report** 1 - 2

**Financial Statements**

Statements of Net Assets Available for Benefits 3

Statements of Changes in Net Assets Available for Benefits 4

Notes to Financial Statements 5 - 11

**Supplemental Information**

Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) 12


Note: Supplemental schedules required by the Employee Retirement Income Security Act of 1974 not included as part of these statements are not applicable to KS Kolbenschmidt US, Inc. 401(k) Plan.

BAKER TILLY

INDEPENDENT AUDITORS' REPORT

To Plan Management and Participants
KS Kolbenschmidt US, Inc. 401(k) Plan
Marinette, Wisconsin

**Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of KS Kolbenschmidt US, Inc. 401(k) Plan (the "plan"), which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, and the related 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 conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

***Basis for Disclaimer of Opinion***

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 3, which was certified by Wells Fargo Bank, N.A., the trustee of the plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the trustee, as of December 31, 2016 and 2015 and for the years then ended, that the information provided to the plan administrator by the trustee is complete and accurate.

***Disclaimer of Opinion***

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

To Plan Management and Participants
KS Kolbenschmidt US, Inc. 401(k) Plan

***Other Matter***

The supplemental schedule, Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) as of December 31, 2016, is required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule.

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

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

Baker Tilly Virchow Krause, LLP

Appleton, Wisconsin
October 11, 2017

# KS KOLBENSCHMIDT US, INC. 401(K) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
As of December 31, 2016 and 2015

*ASSETS*

| | 2016 | 2015 |
|---|---|---|
| Investments at fair value | $ 56,691,078 | $ 58,616,363 |
| **NET ASSETS AVAILABLE FOR BENEFITS** | $ 56,691,078 | $ 58,616,363 |

See accompanying notes to financial statements.

# KS KOLBENSCHMIDT US, INC. 401(K) PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Years Ended December 31, 2016 and 2015

| | 2016 | 2015 |
|---|---|---|
| **ADDITIONS** | | |
| Additions to net assets attributed to: | | |
| Investment income: | | |
| Net appreciation in fair value of investments | $ 3,363,487 | $ - |
| Interest and dividends | 709,018 | 743,387 |
| | 4,072,505 | 743,387 |
| Contributions: | | |
| Participants | 1,998,979 | 2,429,124 |
| Company | 907,318 | 1,069,163 |
| Rollovers | - | 61,906 |
| | 2,906,297 | 3,560,193 |
| Total Additions | 6,978,802 | 4,303,580 |
| **DEDUCTIONS** | | |
| Deductions from net assets attributed to: | | |
| Net depreciation in fair value of investments | - | 986,700 |
| Benefits paid to participants | 4,921,387 | 5,211,661 |
| Administrative expenses | 153,027 | 155,325 |
| Total Deductions | 5,074,414 | 6,353,686 |
| Net Increase (Decrease) | 1,904,388 | (2,050,106) |
| **NET ASSETS AVAILABLE FOR BENEFITS** - Beginning of Year | 58,616,363 | 60,666,469 |
| Transfer of net assets from this plan | (3,829,673) | - |
| **NET ASSETS AVAILABLE FOR BENEFITS - END OF YEAR** | $ 56,691,078 | $ 58,616,363 |

See accompanying notes to financial statements.

## NOTE 1 - Description of the Plan

The following description of the KS Kolbenschmidt US, Inc. 401(k) Plan (the "plan") provides only general information. Participants should refer to the plan's summary plan description for a more complete description of the plan's provisions.

*General*

The plan is a defined contribution plan established by KS Kolbenschmidt US, Inc. (the "company") and is subject to the provisions of the Employee Retirement Income Security Act of 1974 as amended ("ERISA"). The plan covers all employees of KS Kolbenschmidt US, Inc. and KS Large Bore Pistons, Inc. (collectively, the "company"). Effective January 1, 2016, the plan excludes employees employed at the company's Auburn Hills, Michigan and Fort Wayne, Indiana locations. Effective January 1, 2016, the plan transferred the effected participants to the Pierburg US, LLC 401(k) Plan. As a result of this spin-off, assets of $3,829,673 were transferred out of the plan during the year ended December 31, 2016.

All employees who have completed at least 250 hours of service in 90 consecutive days, as defined by the plan, are eligible to participate in the plan on the first day of the following month. Upon enrollment in the plan, a participant may direct employer and employee contributions to any combination of investment options offered by the plan.

*Contributions*

Each year, participants may contribute up to 75% of pre-tax annual compensation (salary reduction contributions), or after-tax Roth 401(k) contributions (Roth contributions), as defined by the plan, up to the maximum limits of the Internal Revenue Code ("IRC"). Participants who have obtained age 50 before the end of the plan year are eligible to make catch up contributions. Participants may also contribute amounts representing distributions from other qualified plans (rollover contributions). Employees of the company are automatically enrolled at 3% for salary reduction contributions 35 days after becoming eligible to participate in the plan, as defined by the plan, with the option to opt out of participation. The deferral percentage for each automatically enrolled participant will increase annually by 1% up to 6%.

The company makes a matching contribution of employee contributions equal to 100% of the first 1% of eligible compensation plus 50% of the next 5% of eligible compensation, not exceeding 6% of the employee's compensation contributed to the plan. All company contributions must be made to the plan on or before the date on which the federal income tax return of the employer for such year is due, including extensions. All contributions are subject to certain limitations set forth by the IRC and are invested according to options specified by each participant. Participants are required to work 1,000 hours prior to becoming eligible for their employer match.

*Participant Accounts*

Each participant's account is credited with the participant's salary reduction contributions, Roth contributions, rollover contributions and an allocation of the company's contributions and plan earnings and losses thereon (net of administrative expenses). Allocations are based on the participant's eligible compensation or account balances, as defined by the plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

**NOTE 1 - Description of the Plan** (cont.)

*Vesting*

Participants are immediately vested in their salary reduction and rollover contributions plus earnings thereon. Participants who leave the plan because of death, early or normal retirement, or disability retirement, as defined by the plan, are considered 100% vested. Company matching contributions and earnings thereon vest in accordance with provisions of the plan as follows:

| Vesting Years of Service | Percentage Vested |
|---|---|
| Less than 2 years | 0% |
| 2 years or more | 100% |

*Forfeited Accounts*

As of December 31, 2016 and 2015, forfeited nonvested accounts totaled $33 and $39, respectively. These accounts will be used to reduce future company contributions. Company contributions were reduced by $12,886 and $17,919 from forfeited nonvested accounts during the years ended December 31, 2016 and 2015, respectively.

*Payment of Benefits*

Benefits may be paid to the participant or beneficiary upon death, disability, retirement or termination of employment, or reaching age 59 1/2, as defined in the plan document. The plan provides for normal retirement at age 65. The total vested portion of a participant's account balance is distributed in the form of a lump-sum payment, installments, or an annuity. Non-vested account balances will be used to offset future employer contributions. Participants experiencing financial hardship may withdraw a portion of this account balance as defined by the plan.

*Administrative Expenses*

Certain expenses of maintaining the plan are paid by the plan, unless otherwise paid by the company. Expenses that are paid by the company are excluded from these financial statements. Investment related expenses are included in net appreciation (depreciation) of fair value of investments.

## NOTE 2 - Summary of Significant Accounting Policies

*Basis of Accounting and Use of Estimates*

The accompanying financial statements have been prepared on the accrual basis of accounting. The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires the plan's management to use estimates and assumptions that affect the accompanying financial statements and disclosures. Actual results could differ from these 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. Plan management determines the plan's valuation policies utilizing information provided by investment advisors and the trustee. See Note 4 for discussion of fair value measurements.
The plan invests in a collective trust fund that determines its fair value using the net asset value ("NAV") of the fund. The NAV is determined by the fund's trustee using the fair value of the underlying securities within the fund at year end.

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

*Cash Equivalents*

The plan defines cash equivalents as highly liquid, short-term investments with a maturity at the date of acquisition of three months or less.

*Payment of Benefits*

Benefits are recorded when paid.

## NOTE 3 - Information Certified by Trustee

The plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under ERISA as of and for the years ended December 31, 2016 and 2015. Accordingly, Wells Fargo Bank, N.A., the trustee of the plan, has certified to the completeness and accuracy of all investments reported in the accompanying Statements of Net Assets Available for Benefits as of December 31, 2016 and 2015 and the supplemental Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) as of December 31, 2016, and the related investment activity reported in the Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2016 and 2015.

## NOTE 4 - Fair Value of Financial Instruments

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

Level 1 - Inputs to the valuation methodology are unadjusted quoted market prices for identical assets in active markets that the plan has the ability to access.

Level 2 - 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.

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

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

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

*Cash and Equivalents:* Valued at the cash equivalent of units held by the plan at year end.

*Mutual funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the plan are open-end mutual funds that are registered with the Securities Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the plan are deemed to be actively traded.

*Common/Collective Trust Fund:* Valued at NAV of units of a bank collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. The practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily. Were the plan to initiate a full redemption of the collective trust, the investment advisor reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

**NOTE 4 - Fair Value of Financial Instruments** (cont.)

Plan management is responsible for the determination of fair value. Accordingly, plan management performs periodic analysis on the prices received from the pricing services used to determine whether the prices are reasonable estimates of fair value. As a result of these reviews, plan management has not historically adjusted the prices obtained from the pricing services. The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The table below presents the balances of assets measured at fair value on a recurring basis by level within the hierarchy.

| | December 31, 2016 | | | |
|---|---|---|---|---|
| | Total | Level 1 | Level 2 | Level 3 |
| Cash Equivalent | $ 79,277 | $ 79,277 | $ - | $ - |
| Mutual Funds | 39,591,886 | 39,591,886 | - | - |
| Total Assets in the Fair Value Hierarchy | 39,671,163 | $ 39,671,163 | $ - | $ - |
| Investments measured at NAV (a) | 17,019,915 | | | |
| Investments at Fair Value | $ 56,691,078 | | | |

| | December 31, 2015 | | | |
|---|---|---|---|---|
| | Total | Level 1 | Level 2 | Level 3 |
| Cash Equivalent | $ 73,374 | $ 73,374 | $ - | $ - |
| Mutual Funds | 40,947,585 | 40,947,585 | - | - |
| Total Assets in the Fair Value Hierarchy | 41,020,959 | $ 41,020,959 | $ - | $ - |
| Investments measured at NAV (a) | 17,595,404 | | | |
| Investments at Fair Value | $ 58,616,363 | | | |

(a) In accordance with Subtopic 820-10, certain investments that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the Statements of Net Assets Available for Benefits.

## NOTE 4 - Fair Value of Financial Instruments (cont.)

The following table sets forth additional disclosures for the fair value measurement of investments that calculate fair value based on NAV as of December 31.

| | 2016 | | | |
|---|---|---|---|---|
| | Fair Value | Unfunded Commitments | Redemption Frequency (If Currently Eligible) | Redemption Notice Period |
| Common/Collective Trust Fund | $ 17,019,915 | $ - | Daily | 12-month |

| | 2015 | | | |
|---|---|---|---|---|
| | Fair Value | Unfunded Commitments | Redemption Frequency (If Currently Eligible) | Redemption Notice Period |
| Common/Collective Trust Fund | $ 17,595,404 | $ - | Daily | 12-month |

## NOTE 5 - Related Party and Party in Interest Transactions

Certain plan investments are managed and sold by the trustee of the plan and; therefore, these transactions qualify as party in interest transactions. Administrative expenses paid by the plan for services provided by the trustee amounted to $153,027 and $155,325 for the years ended December 31, 2016 and 2015, respectively. Additional investment fees paid to the trustee were netted against investment returns.

Certain administrative features of the plan are performed by officers or employees of the company. No such officer or employee receives compensation from the plan.

## NOTE 6 - Plan Termination

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

## NOTE 7 - Tax Status

The Internal Revenue Service ("IRS") has determined and informed the company by a letter dated August 26, 2009, that the plan and related trust are designed in accordance with applicable sections of the IRC. Although the plan has been amended since receiving the determination letter, plan management believes that the plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and, therefore, believes that the plan is qualified and the related trust is tax exempt.

**NOTE 7 - Tax Status** (cont.)

U.S. GAAP requires plan management to evaluate tax positions taken by the plan and recognize a tax liability if the plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the plan and has concluded that as of December 31, 2016 and 2015, there were no uncertain positions taken, or expected to be taken, that would require recognition of a liability or disclosure 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.

**NOTE 8 - Risks and Uncertainties**

The plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

**NOTE 9 - Administration of Plan Assets**

The plan's assets are administered under a contract with Wells Fargo Bank, N.A., the trustee of the plan. The trustee invests funds received from contributions, investment sales, interest, and dividend income and makes distribution payments to participants.

**NOTE 10 - Concentrations**

The plan holds certain investments that represent 10% or more of the plan's net assets available for benefits. As of December 31, 2016 and 2015, the plan held 3 funds, totaling $32,587,432 and $33,212,348, respectively, that were each greater than 10% of the plan's net assets available for benefits.

**NOTE 11 - Subsequent Events**

The plan has evaluated subsequent events through October 11, 2017, which is the date that the financial statements were approved and available to be issued, for events requiring recording or disclosure in the plan's financial statements.

# SUPPLEMENTAL INFORMATION

# KS KOLBENSCHMIDT US, INC. 401(K) PLAN

SCHEDULE H, LINE 4(i) - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
Plan 335
EIN 39-1681963
As of December 31, 2016

| (a) | (b) Identity of Issue, Borrower, Lessor, or Similar Party | (c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value | (d) Cost | (e) Current Value |
|---|---|---|---|---|
| * | Wells Fargo | Money Market Fund | ** | $ 79,277 |
| * | Wells Fargo | Collective Stable Return Fund | ** | 17,019,915 |
| | MFS | Total Return Fund | ** | 7,630,882 |
| | AMG | Managers Fairpointe Mid Cap N | ** | 1,023,395 |
| | Vanguard | 500 Index Fund | ** | 3,764,987 |
| * | Wells Fargo | Advantage Dow Jones Target Today | ** | 122,436 |
| * | Wells Fargo | Advantage Dow Jones Target 2010 | ** | 197,236 |
| * | Wells Fargo | Advantage Dow Jones Target 2020 | ** | 1,239,232 |
| * | Wells Fargo | Advantage Dow Jones Target 2030 | ** | 2,083,586 |
| * | Wells Fargo | Advantage Dow Jones Target 2040 | ** | 1,447,239 |
| * | Wells Fargo | Advantage Dow Jones Target 2050 | ** | 1,608,021 |
| | Wells Fargo | Advantage Dow Jones Target 2060 | ** | 206,242 |
| | MFS | Value Fund | ** | 7,936,635 |
| | Delaware Investments | Emerging Markets Fund | ** | 548,553 |
| | Mainstay | Large Cap Growth Fund | ** | 2,641,579 |
| | RBC | Small Cap Core I | ** | 5,399,017 |
| | Oakmark | International | ** | 2,741,591 |
| | Metropolitan West | Total Return Bond | ** | 1,001,255 |
| | | | | $ 56,691,078 |

* Represents a party in interest
** Cost omitted for participant directed investments

This schedule has been prepared based on information certified as complete and accurate by Wells Fargo Bank, N.A., Trustee.

# KS KOLBENSCHMIDT US, INC. 401(K) PLAN

Marinette, Wisconsin

FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION

Including Independent Auditors' Report

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

# KS KOLBENSCHMIDT US, INC. 401(K) PLAN

TABLE OF CONTENTS


**Independent Auditors' Report** 1 - 2

**Financial Statements**

Statements of Net Assets Available for Benefits 3

Statements of Changes in Net Assets Available for Benefits 4

Notes to Financial Statements 5 - 11

**Supplemental Information**

Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) 12


Note: Supplemental schedules required by the Employee Retirement Income Security Act of 1974 not included as part of these statements are not applicable to KS Kolbenschmidt US, Inc. 401(k) Plan.

BAKER TILLY

INDEPENDENT AUDITORS' REPORT

To Plan Management and Participants
KS Kolbenschmidt US, Inc. 401(k) Plan
Marinette, Wisconsin

**Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of KS Kolbenschmidt US, Inc. 401(k) Plan (the "plan"), which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, and the related 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 conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

***Basis for Disclaimer of Opinion***

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 3, which was certified by Wells Fargo Bank, N.A., the trustee of the plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the trustee, as of December 31, 2016 and 2015 and for the years then ended, that the information provided to the plan administrator by the trustee is complete and accurate.

***Disclaimer of Opinion***

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

To Plan Management and Participants
KS Kolbenschmidt US, Inc. 401(k) Plan

***Other Matter***

The supplemental schedule, Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) as of December 31, 2016, is required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule.

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

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

Baker Tilly Virchow Krause, LLP

Appleton, Wisconsin
October 11, 2017

# KS KOLBENSCHMIDT US, INC. 401(K) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
As of December 31, 2016 and 2015

*ASSETS*

| | 2016 | 2015 |
|---|---|---|
| Investments at fair value | $ 56,691,078 | $ 58,616,363 |
| **NET ASSETS AVAILABLE FOR BENEFITS** | $ 56,691,078 | $ 58,616,363 |

See accompanying notes to financial statements.

# KS KOLBENSCHMIDT US, INC. 401(K) PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Years Ended December 31, 2016 and 2015

| | 2016 | 2015 |
|---|---|---|
| **ADDITIONS** | | |
| Additions to net assets attributed to: | | |
| Investment income: | | |
| Net appreciation in fair value of investments | $ 3,363,487 | $ - |
| Interest and dividends | 709,018 | 743,387 |
| | 4,072,505 | 743,387 |
| Contributions: | | |
| Participants | 1,998,979 | 2,429,124 |
| Company | 907,318 | 1,069,163 |
| Rollovers | - | 61,906 |
| | 2,906,297 | 3,560,193 |
| Total Additions | 6,978,802 | 4,303,580 |
| **DEDUCTIONS** | | |
| Deductions from net assets attributed to: | | |
| Net depreciation in fair value of investments | - | 986,700 |
| Benefits paid to participants | 4,921,387 | 5,211,661 |
| Administrative expenses | 153,027 | 155,325 |
| Total Deductions | 5,074,414 | 6,353,686 |
| Net Increase (Decrease) | 1,904,388 | (2,050,106) |
| **NET ASSETS AVAILABLE FOR BENEFITS** - Beginning of Year | 58,616,363 | 60,666,469 |
| Transfer of net assets from this plan | (3,829,673) | - |
| **NET ASSETS AVAILABLE FOR BENEFITS - END OF YEAR** | $ 56,691,078 | $ 58,616,363 |

See accompanying notes to financial statements.

## NOTE 1 - Description of the Plan

The following description of the KS Kolbenschmidt US, Inc. 401(k) Plan (the "plan") provides only general information. Participants should refer to the plan's summary plan description for a more complete description of the plan's provisions.

*General*

The plan is a defined contribution plan established by KS Kolbenschmidt US, Inc. (the "company") and is subject to the provisions of the Employee Retirement Income Security Act of 1974 as amended ("ERISA"). The plan covers all employees of KS Kolbenschmidt US, Inc. and KS Large Bore Pistons, Inc. (collectively, the "company"). Effective January 1, 2016, the plan excludes employees employed at the company's Auburn Hills, Michigan and Fort Wayne, Indiana locations. Effective January 1, 2016, the plan transferred the effected participants to the Pierburg US, LLC 401(k) Plan. As a result of this spin-off, assets of $3,829,673 were transferred out of the plan during the year ended December 31, 2016.

All employees who have completed at least 250 hours of service in 90 consecutive days, as defined by the plan, are eligible to participate in the plan on the first day of the following month. Upon enrollment in the plan, a participant may direct employer and employee contributions to any combination of investment options offered by the plan.

*Contributions*

Each year, participants may contribute up to 75% of pre-tax annual compensation (salary reduction contributions), or after-tax Roth 401(k) contributions (Roth contributions), as defined by the plan, up to the maximum limits of the Internal Revenue Code ("IRC"). Participants who have obtained age 50 before the end of the plan year are eligible to make catch up contributions. Participants may also contribute amounts representing distributions from other qualified plans (rollover contributions). Employees of the company are automatically enrolled at 3% for salary reduction contributions 35 days after becoming eligible to participate in the plan, as defined by the plan, with the option to opt out of participation. The deferral percentage for each automatically enrolled participant will increase annually by 1% up to 6%.

The company makes a matching contribution of employee contributions equal to 100% of the first 1% of eligible compensation plus 50% of the next 5% of eligible compensation, not exceeding 6% of the employee's compensation contributed to the plan. All company contributions must be made to the plan on or before the date on which the federal income tax return of the employer for such year is due, including extensions. All contributions are subject to certain limitations set forth by the IRC and are invested according to options specified by each participant. Participants are required to work 1,000 hours prior to becoming eligible for their employer match.

*Participant Accounts*

Each participant's account is credited with the participant's salary reduction contributions, Roth contributions, rollover contributions and an allocation of the company's contributions and plan earnings and losses thereon (net of administrative expenses). Allocations are based on the participant's eligible compensation or account balances, as defined by the plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

**NOTE 1 - Description of the Plan** (cont.)

*Vesting*

Participants are immediately vested in their salary reduction and rollover contributions plus earnings thereon. Participants who leave the plan because of death, early or normal retirement, or disability retirement, as defined by the plan, are considered 100% vested. Company matching contributions and earnings thereon vest in accordance with provisions of the plan as follows:

| Vesting Years of Service | Percentage Vested |
|---|---|
| Less than 2 years | 0% |
| 2 years or more | 100% |

*Forfeited Accounts*

As of December 31, 2016 and 2015, forfeited nonvested accounts totaled $33 and $39, respectively. These accounts will be used to reduce future company contributions. Company contributions were reduced by $12,886 and $17,919 from forfeited nonvested accounts during the years ended December 31, 2016 and 2015, respectively.

*Payment of Benefits*

Benefits may be paid to the participant or beneficiary upon death, disability, retirement or termination of employment, or reaching age 59 1/2, as defined in the plan document. The plan provides for normal retirement at age 65. The total vested portion of a participant's account balance is distributed in the form of a lump-sum payment, installments, or an annuity. Non-vested account balances will be used to offset future employer contributions. Participants experiencing financial hardship may withdraw a portion of this account balance as defined by the plan.

*Administrative Expenses*

Certain expenses of maintaining the plan are paid by the plan, unless otherwise paid by the company. Expenses that are paid by the company are excluded from these financial statements. Investment related expenses are included in net appreciation (depreciation) of fair value of investments.

## NOTE 2 - Summary of Significant Accounting Policies

*Basis of Accounting and Use of Estimates*

The accompanying financial statements have been prepared on the accrual basis of accounting. The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires the plan's management to use estimates and assumptions that affect the accompanying financial statements and disclosures. Actual results could differ from these 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. Plan management determines the plan's valuation policies utilizing information provided by investment advisors and the trustee. See Note 4 for discussion of fair value measurements.
The plan invests in a collective trust fund that determines its fair value using the net asset value ("NAV") of the fund. The NAV is determined by the fund's trustee using the fair value of the underlying securities within the fund at year end.

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

*Cash Equivalents*

The plan defines cash equivalents as highly liquid, short-term investments with a maturity at the date of acquisition of three months or less.

*Payment of Benefits*

Benefits are recorded when paid.

## NOTE 3 - Information Certified by Trustee

The plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under ERISA as of and for the years ended December 31, 2016 and 2015. Accordingly, Wells Fargo Bank, N.A., the trustee of the plan, has certified to the completeness and accuracy of all investments reported in the accompanying Statements of Net Assets Available for Benefits as of December 31, 2016 and 2015 and the supplemental Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) as of December 31, 2016, and the related investment activity reported in the Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2016 and 2015.

## NOTE 4 - Fair Value of Financial Instruments

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

Level 1 - Inputs to the valuation methodology are unadjusted quoted market prices for identical assets in active markets that the plan has the ability to access.

Level 2 - 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.

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

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

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

*Cash and Equivalents:* Valued at the cash equivalent of units held by the plan at year end.

*Mutual funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the plan are open-end mutual funds that are registered with the Securities Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the plan are deemed to be actively traded.

*Common/Collective Trust Fund:* Valued at NAV of units of a bank collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. The practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily. Were the plan to initiate a full redemption of the collective trust, the investment advisor reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

**NOTE 4 - Fair Value of Financial Instruments** (cont.)

Plan management is responsible for the determination of fair value. Accordingly, plan management performs periodic analysis on the prices received from the pricing services used to determine whether the prices are reasonable estimates of fair value. As a result of these reviews, plan management has not historically adjusted the prices obtained from the pricing services. The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The table below presents the balances of assets measured at fair value on a recurring basis by level within the hierarchy.

| | December 31, 2016 | | | |
|---|---|---|---|---|
| | Total | Level 1 | Level 2 | Level 3 |
| Cash Equivalent | $ 79,277 | $ 79,277 | $ - | $ - |
| Mutual Funds | 39,591,886 | 39,591,886 | - | - |
| Total Assets in the Fair Value Hierarchy | 39,671,163 | $ 39,671,163 | $ - | $ - |
| Investments measured at NAV (a) | 17,019,915 | | | |
| Investments at Fair Value | $ 56,691,078 | | | |

| | December 31, 2015 | | | |
|---|---|---|---|---|
| | Total | Level 1 | Level 2 | Level 3 |
| Cash Equivalent | $ 73,374 | $ 73,374 | $ - | $ - |
| Mutual Funds | 40,947,585 | 40,947,585 | - | - |
| Total Assets in the Fair Value Hierarchy | 41,020,959 | $ 41,020,959 | $ - | $ - |
| Investments measured at NAV (a) | 17,595,404 | | | |
| Investments at Fair Value | $ 58,616,363 | | | |

(a) In accordance with Subtopic 820-10, certain investments that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the Statements of Net Assets Available for Benefits.

## NOTE 4 - Fair Value of Financial Instruments (cont.)

The following table sets forth additional disclosures for the fair value measurement of investments that calculate fair value based on NAV as of December 31.

| | 2016 | | | |
|---|---|---|---|---|
| | Fair Value | Unfunded Commitments | Redemption Frequency (If Currently Eligible) | Redemption Notice Period |
| Common/Collective Trust Fund | $ 17,019,915 | $ - | Daily | 12-month |

| | 2015 | | | |
|---|---|---|---|---|
| | Fair Value | Unfunded Commitments | Redemption Frequency (If Currently Eligible) | Redemption Notice Period |
| Common/Collective Trust Fund | $ 17,595,404 | $ - | Daily | 12-month |

## NOTE 5 - Related Party and Party in Interest Transactions

Certain plan investments are managed and sold by the trustee of the plan and; therefore, these transactions qualify as party in interest transactions. Administrative expenses paid by the plan for services provided by the trustee amounted to $153,027 and $155,325 for the years ended December 31, 2016 and 2015, respectively. Additional investment fees paid to the trustee were netted against investment returns.

Certain administrative features of the plan are performed by officers or employees of the company. No such officer or employee receives compensation from the plan.

## NOTE 6 - Plan Termination

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

## NOTE 7 - Tax Status

The Internal Revenue Service ("IRS") has determined and informed the company by a letter dated August 26, 2009, that the plan and related trust are designed in accordance with applicable sections of the IRC. Although the plan has been amended since receiving the determination letter, plan management believes that the plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and, therefore, believes that the plan is qualified and the related trust is tax exempt.

**NOTE 7 - Tax Status** (cont.)

U.S. GAAP requires plan management to evaluate tax positions taken by the plan and recognize a tax liability if the plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the plan and has concluded that as of December 31, 2016 and 2015, there were no uncertain positions taken, or expected to be taken, that would require recognition of a liability or disclosure 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.

**NOTE 8 - Risks and Uncertainties**

The plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

**NOTE 9 - Administration of Plan Assets**

The plan's assets are administered under a contract with Wells Fargo Bank, N.A., the trustee of the plan. The trustee invests funds received from contributions, investment sales, interest, and dividend income and makes distribution payments to participants.

**NOTE 10 - Concentrations**

The plan holds certain investments that represent 10% or more of the plan's net assets available for benefits. As of December 31, 2016 and 2015, the plan held 3 funds, totaling $32,587,432 and $33,212,348, respectively, that were each greater than 10% of the plan's net assets available for benefits.

**NOTE 11 - Subsequent Events**

The plan has evaluated subsequent events through October 11, 2017, which is the date that the financial statements were approved and available to be issued, for events requiring recording or disclosure in the plan's financial statements.

# SUPPLEMENTAL INFORMATION

# KS KOLBENSCHMIDT US, INC. 401(K) PLAN

SCHEDULE H, LINE 4(i) - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
Plan 335
EIN 39-1681963
As of December 31, 2016

| (a) | (b) Identity of Issue, Borrower, Lessor, or Similar Party | (c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value | (d) Cost | (e) Current Value |
|---|---|---|---|---|
| * | Wells Fargo | Money Market Fund | ** | $ 79,277 |
| * | Wells Fargo | Collective Stable Return Fund | ** | 17,019,915 |
| | MFS | Total Return Fund | ** | 7,630,882 |
| | AMG | Managers Fairpointe Mid Cap N | ** | 1,023,395 |
| | Vanguard | 500 Index Fund | ** | 3,764,987 |
| * | Wells Fargo | Advantage Dow Jones Target Today | ** | 122,436 |
| * | Wells Fargo | Advantage Dow Jones Target 2010 | ** | 197,236 |
| * | Wells Fargo | Advantage Dow Jones Target 2020 | ** | 1,239,232 |
| * | Wells Fargo | Advantage Dow Jones Target 2030 | ** | 2,083,586 |
| * | Wells Fargo | Advantage Dow Jones Target 2040 | ** | 1,447,239 |
| * | Wells Fargo | Advantage Dow Jones Target 2050 | ** | 1,608,021 |
| | Wells Fargo | Advantage Dow Jones Target 2060 | ** | 206,242 |
| | MFS | Value Fund | ** | 7,936,635 |
| | Delaware Investments | Emerging Markets Fund | ** | 548,553 |
| | Mainstay | Large Cap Growth Fund | ** | 2,641,579 |
| | RBC | Small Cap Core I | ** | 5,399,017 |
| | Oakmark | International | ** | 2,741,591 |
| | Metropolitan West | Total Return Bond | ** | 1,001,255 |
| | | | | $ 56,691,078 |

* Represents a party in interest
** Cost omitted for participant directed investments

This schedule has been prepared based on information certified as complete and accurate by Wells Fargo Bank, N.A., Trustee.

# KS KOLBENSCHMIDT US, INC. 401(K) PLAN

Marinette, Wisconsin

FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION

Including Independent Auditors' Report

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

# KS KOLBENSCHMIDT US, INC. 401(K) PLAN

TABLE OF CONTENTS


**Independent Auditors' Report** 1 - 2

**Financial Statements**

Statements of Net Assets Available for Benefits 3

Statements of Changes in Net Assets Available for Benefits 4

Notes to Financial Statements 5 - 11

**Supplemental Information**

Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) 12


Note: Supplemental schedules required by the Employee Retirement Income Security Act of 1974 not included as part of these statements are not applicable to KS Kolbenschmidt US, Inc. 401(k) Plan.

BAKER TILLY

INDEPENDENT AUDITORS' REPORT

To Plan Management and Participants
KS Kolbenschmidt US, Inc. 401(k) Plan
Marinette, Wisconsin

**Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of KS Kolbenschmidt US, Inc. 401(k) Plan (the "plan"), which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, and the related 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 conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

***Basis for Disclaimer of Opinion***

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 3, which was certified by Wells Fargo Bank, N.A., the trustee of the plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the trustee, as of December 31, 2016 and 2015 and for the years then ended, that the information provided to the plan administrator by the trustee is complete and accurate.

***Disclaimer of Opinion***

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

To Plan Management and Participants
KS Kolbenschmidt US, Inc. 401(k) Plan

***Other Matter***

The supplemental schedule, Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) as of December 31, 2016, is required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule.

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

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

Baker Tilly Virchow Krause, LLP

Appleton, Wisconsin
October 11, 2017

# KS KOLBENSCHMIDT US, INC. 401(K) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
As of December 31, 2016 and 2015

*ASSETS*

| | 2016 | 2015 |
|---|---|---|
| Investments at fair value | $ 56,691,078 | $ 58,616,363 |
| **NET ASSETS AVAILABLE FOR BENEFITS** | $ 56,691,078 | $ 58,616,363 |

See accompanying notes to financial statements.

# KS KOLBENSCHMIDT US, INC. 401(K) PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Years Ended December 31, 2016 and 2015

| | 2016 | 2015 |
|---|---|---|
| **ADDITIONS** | | |
| Additions to net assets attributed to: | | |
| Investment income: | | |
| Net appreciation in fair value of investments | $ 3,363,487 | $ - |
| Interest and dividends | 709,018 | 743,387 |
| | 4,072,505 | 743,387 |
| Contributions: | | |
| Participants | 1,998,979 | 2,429,124 |
| Company | 907,318 | 1,069,163 |
| Rollovers | - | 61,906 |
| | 2,906,297 | 3,560,193 |
| Total Additions | 6,978,802 | 4,303,580 |
| **DEDUCTIONS** | | |
| Deductions from net assets attributed to: | | |
| Net depreciation in fair value of investments | - | 986,700 |
| Benefits paid to participants | 4,921,387 | 5,211,661 |
| Administrative expenses | 153,027 | 155,325 |
| Total Deductions | 5,074,414 | 6,353,686 |
| Net Increase (Decrease) | 1,904,388 | (2,050,106) |
| **NET ASSETS AVAILABLE FOR BENEFITS** - Beginning of Year | 58,616,363 | 60,666,469 |
| Transfer of net assets from this plan | (3,829,673) | - |
| **NET ASSETS AVAILABLE FOR BENEFITS - END OF YEAR** | $ 56,691,078 | $ 58,616,363 |

See accompanying notes to financial statements.

## NOTE 1 - Description of the Plan

The following description of the KS Kolbenschmidt US, Inc. 401(k) Plan (the "plan") provides only general information. Participants should refer to the plan's summary plan description for a more complete description of the plan's provisions.

*General*

The plan is a defined contribution plan established by KS Kolbenschmidt US, Inc. (the "company") and is subject to the provisions of the Employee Retirement Income Security Act of 1974 as amended ("ERISA"). The plan covers all employees of KS Kolbenschmidt US, Inc. and KS Large Bore Pistons, Inc. (collectively, the "company"). Effective January 1, 2016, the plan excludes employees employed at the company's Auburn Hills, Michigan and Fort Wayne, Indiana locations. Effective January 1, 2016, the plan transferred the effected participants to the Pierburg US, LLC 401(k) Plan. As a result of this spin-off, assets of $3,829,673 were transferred out of the plan during the year ended December 31, 2016.

All employees who have completed at least 250 hours of service in 90 consecutive days, as defined by the plan, are eligible to participate in the plan on the first day of the following month. Upon enrollment in the plan, a participant may direct employer and employee contributions to any combination of investment options offered by the plan.

*Contributions*

Each year, participants may contribute up to 75% of pre-tax annual compensation (salary reduction contributions), or after-tax Roth 401(k) contributions (Roth contributions), as defined by the plan, up to the maximum limits of the Internal Revenue Code ("IRC"). Participants who have obtained age 50 before the end of the plan year are eligible to make catch up contributions. Participants may also contribute amounts representing distributions from other qualified plans (rollover contributions). Employees of the company are automatically enrolled at 3% for salary reduction contributions 35 days after becoming eligible to participate in the plan, as defined by the plan, with the option to opt out of participation. The deferral percentage for each automatically enrolled participant will increase annually by 1% up to 6%.

The company makes a matching contribution of employee contributions equal to 100% of the first 1% of eligible compensation plus 50% of the next 5% of eligible compensation, not exceeding 6% of the employee's compensation contributed to the plan. All company contributions must be made to the plan on or before the date on which the federal income tax return of the employer for such year is due, including extensions. All contributions are subject to certain limitations set forth by the IRC and are invested according to options specified by each participant. Participants are required to work 1,000 hours prior to becoming eligible for their employer match.

*Participant Accounts*

Each participant's account is credited with the participant's salary reduction contributions, Roth contributions, rollover contributions and an allocation of the company's contributions and plan earnings and losses thereon (net of administrative expenses). Allocations are based on the participant's eligible compensation or account balances, as defined by the plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

**NOTE 1 - Description of the Plan** (cont.)

*Vesting*

Participants are immediately vested in their salary reduction and rollover contributions plus earnings thereon. Participants who leave the plan because of death, early or normal retirement, or disability retirement, as defined by the plan, are considered 100% vested. Company matching contributions and earnings thereon vest in accordance with provisions of the plan as follows:

| Vesting Years of Service | Percentage Vested |
|---|---|
| Less than 2 years | 0% |
| 2 years or more | 100% |

*Forfeited Accounts*

As of December 31, 2016 and 2015, forfeited nonvested accounts totaled $33 and $39, respectively. These accounts will be used to reduce future company contributions. Company contributions were reduced by $12,886 and $17,919 from forfeited nonvested accounts during the years ended December 31, 2016 and 2015, respectively.

*Payment of Benefits*

Benefits may be paid to the participant or beneficiary upon death, disability, retirement or termination of employment, or reaching age 59 1/2, as defined in the plan document. The plan provides for normal retirement at age 65. The total vested portion of a participant's account balance is distributed in the form of a lump-sum payment, installments, or an annuity. Non-vested account balances will be used to offset future employer contributions. Participants experiencing financial hardship may withdraw a portion of this account balance as defined by the plan.

*Administrative Expenses*

Certain expenses of maintaining the plan are paid by the plan, unless otherwise paid by the company. Expenses that are paid by the company are excluded from these financial statements. Investment related expenses are included in net appreciation (depreciation) of fair value of investments.

## NOTE 2 - Summary of Significant Accounting Policies

*Basis of Accounting and Use of Estimates*

The accompanying financial statements have been prepared on the accrual basis of accounting. The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires the plan's management to use estimates and assumptions that affect the accompanying financial statements and disclosures. Actual results could differ from these 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. Plan management determines the plan's valuation policies utilizing information provided by investment advisors and the trustee. See Note 4 for discussion of fair value measurements.
The plan invests in a collective trust fund that determines its fair value using the net asset value ("NAV") of the fund. The NAV is determined by the fund's trustee using the fair value of the underlying securities within the fund at year end.

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## NOTE 3 - Information Certified by Trustee

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

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- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

Level 3 - Inputs 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.

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*Common/Collective Trust Fund:* Valued at NAV of units of a bank collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. The practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily. Were the plan to initiate a full redemption of the collective trust, the investment advisor reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

**NOTE 4 - Fair Value of Financial Instruments** (cont.)

Plan management is responsible for the determination of fair value. Accordingly, plan management performs periodic analysis on the prices received from the pricing services used to determine whether the prices are reasonable estimates of fair value. As a result of these reviews, plan management has not historically adjusted the prices obtained from the pricing services. The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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| Investments measured at NAV (a) | 17,019,915 | | | |
| Investments at Fair Value | $ 56,691,078 | | | |

| | December 31, 2015 | | | |
|---|---|---|---|---|
| | Total | Level 1 | Level 2 | Level 3 |
| Cash Equivalent | $ 73,374 | $ 73,374 | $ - | $ - |
| Mutual Funds | 40,947,585 | 40,947,585 | - | - |
| Total Assets in the Fair Value Hierarchy | 41,020,959 | $ 41,020,959 | $ - | $ - |
| Investments measured at NAV (a) | 17,595,404 | | | |
| Investments at Fair Value | $ 58,616,363 | | | |

(a) In accordance with Subtopic 820-10, certain investments that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the Statements of Net Assets Available for Benefits.

## NOTE 4 - Fair Value of Financial Instruments (cont.)

The following table sets forth additional disclosures for the fair value measurement of investments that calculate fair value based on NAV as of December 31.

| | 2016 | | | |
|---|---|---|---|---|
| | Fair Value | Unfunded Commitments | Redemption Frequency (If Currently Eligible) | Redemption Notice Period |
| Common/Collective Trust Fund | $ 17,019,915 | $ - | Daily | 12-month |

| | 2015 | | | |
|---|---|---|---|---|
| | Fair Value | Unfunded Commitments | Redemption Frequency (If Currently Eligible) | Redemption Notice Period |
| Common/Collective Trust Fund | $ 17,595,404 | $ - | Daily | 12-month |

## NOTE 5 - Related Party and Party in Interest Transactions

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Certain administrative features of the plan are performed by officers or employees of the company. No such officer or employee receives compensation from the plan.

## NOTE 6 - Plan Termination

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

## NOTE 7 - Tax Status

The Internal Revenue Service ("IRS") has determined and informed the company by a letter dated August 26, 2009, that the plan and related trust are designed in accordance with applicable sections of the IRC. Although the plan has been amended since receiving the determination letter, plan management believes that the plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and, therefore, believes that the plan is qualified and the related trust is tax exempt.

**NOTE 7 - Tax Status** (cont.)

U.S. GAAP requires plan management to evaluate tax positions taken by the plan and recognize a tax liability if the plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the plan and has concluded that as of December 31, 2016 and 2015, there were no uncertain positions taken, or expected to be taken, that would require recognition of a liability or disclosure 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.

**NOTE 8 - Risks and Uncertainties**

The plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

**NOTE 9 - Administration of Plan Assets**

The plan's assets are administered under a contract with Wells Fargo Bank, N.A., the trustee of the plan. The trustee invests funds received from contributions, investment sales, interest, and dividend income and makes distribution payments to participants.

**NOTE 10 - Concentrations**

The plan holds certain investments that represent 10% or more of the plan's net assets available for benefits. As of December 31, 2016 and 2015, the plan held 3 funds, totaling $32,587,432 and $33,212,348, respectively, that were each greater than 10% of the plan's net assets available for benefits.

**NOTE 11 - Subsequent Events**

The plan has evaluated subsequent events through October 11, 2017, which is the date that the financial statements were approved and available to be issued, for events requiring recording or disclosure in the plan's financial statements.

# SUPPLEMENTAL INFORMATION

# KS KOLBENSCHMIDT US, INC. 401(K) PLAN

SCHEDULE H, LINE 4(i) - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
Plan 335
EIN 39-1681963
As of December 31, 2016

| (a) | (b) Identity of Issue, Borrower, Lessor, or Similar Party | (c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value | (d) Cost | (e) Current Value |
|---|---|---|---|---|
| * | Wells Fargo | Money Market Fund | ** | $ 79,277 |
| * | Wells Fargo | Collective Stable Return Fund | ** | 17,019,915 |
| | MFS | Total Return Fund | ** | 7,630,882 |
| | AMG | Managers Fairpointe Mid Cap N | ** | 1,023,395 |
| | Vanguard | 500 Index Fund | ** | 3,764,987 |
| * | Wells Fargo | Advantage Dow Jones Target Today | ** | 122,436 |
| * | Wells Fargo | Advantage Dow Jones Target 2010 | ** | 197,236 |
| * | Wells Fargo | Advantage Dow Jones Target 2020 | ** | 1,239,232 |
| * | Wells Fargo | Advantage Dow Jones Target 2030 | ** | 2,083,586 |
| * | Wells Fargo | Advantage Dow Jones Target 2040 | ** | 1,447,239 |
| * | Wells Fargo | Advantage Dow Jones Target 2050 | ** | 1,608,021 |
| | Wells Fargo | Advantage Dow Jones Target 2060 | ** | 206,242 |
| | MFS | Value Fund | ** | 7,936,635 |
| | Delaware Investments | Emerging Markets Fund | ** | 548,553 |
| | Mainstay | Large Cap Growth Fund | ** | 2,641,579 |
| | RBC | Small Cap Core I | ** | 5,399,017 |
| | Oakmark | International | ** | 2,741,591 |
| | Metropolitan West | Total Return Bond | ** | 1,001,255 |
| | | | | $ 56,691,078 |

* Represents a party in interest
** Cost omitted for participant directed investments

This schedule has been prepared based on information certified as complete and accurate by Wells Fargo Bank, N.A., Trustee.