

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

Part II	Basic Plan Information —enter all requested information			
1a Name of plan	<u>KONE INC. EMPLOYEES' RETIREMENT PLAN</u>		1b Three-digit plan number (PN) ▶	<u>001</u>
			1c Effective date of plan	<u>05/18/1962</u>
2a Plan sponsor's name (employer, if for a single-employer plan)	<u>KONE INC.</u> <u>4225 NAPERVILLE ROAD, SUITE 400</u> <u>LISLE, IL 60532</u>		2b Employer Identification Number (EIN)	<u>36-2357423</u>
Mailing address (include room, apt., suite no. and street, or P.O. Box)			2c Plan Sponsor's telephone number	<u>630-955-4225</u>
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)			2d Business code (see instructions)	<u>333900</u>

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	<u>10/13/2017</u>	<u>MICHAEL P. BAUSCHKA</u>
	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
<u>DELOITTE TAX LLP</u> <u>111 S. WACKER DRIVE</u> <u>CHICAGO, IL 60606</u>			<u>312-486-1000</u>

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

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 3377
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..... a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	<div style="background-color: #cccccc; height: 20px; width: 100%;"></div> 6a(1) 1327 6a(2) 1488 6b 809 6c 647 6d 2944 6e 146 6f 3090 6g 6h 36
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: 1A 1B 3H 1C 2I b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

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

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

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

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

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

Receipt Confirmation Code _____

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2016 This Form is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>KONE INC. EMPLOYEES' RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>KONE INC.</u>	D Employer Identification Number (EIN) <u>36-2357423</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2016</u>	
2 Assets:	
a Market value	2a <u>133435950</u>
b Actuarial value	2b <u>143582028</u>
3 Funding target/participant count breakdown	(1) Number of participants (2) Vested Funding Target (3) Total Funding Target
a For retired participants and beneficiaries receiving payment.....	<u>922</u> <u>46254708</u> <u>46254708</u>
b For terminated vested participants.....	<u>1128</u> <u>27885084</u> <u>27885084</u>
c For active participants.....	<u>1327</u> <u>45307710</u> <u>47518443</u>
d Total.....	<u>3377</u> <u>119447502</u> <u>121658235</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>6.15 %</u>
6 Target normal cost.....	6 <u>5781036</u>

Statement by Enrolled Actuary

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

SIGN HERE		<u>09/22/2017</u>
	Signature of actuary	Date
<u>ALAN D. DANG</u>	Type or print name of actuary	<u>14-07076</u>
<u>HEWITT ASSOCIATES LLC</u>	Firm name	Most recent enrollment number
<u>4 OVERLOOK POINT</u> <u>LINCOLNSHIRE, IL 60069</u>	Address of the firm	<u>847-295-5000</u>
		Telephone number (including area code)

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

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

Schedule SB (Form 5500) 2016
v. 160205

Part II Beginning of Year Carryover and Prefunding Balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	7322257
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	7322257
10	Interest on line 9 using prior year's actual return of <u>-4.53</u> %	0	-331698
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		5704476
b(1)	Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.34</u> %		361664
b(2)	Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c	Total available at beginning of current plan year to add to prefunding balance		6066140
d	Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	6990559

Part III Funding Percentages			
14	Funding target attainment percentage	14	112.27%
15	Adjusted funding target attainment percentage	15	118.02%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	118.32%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/14/2017	2236270	0			
07/12/2017	2236270	0			
09/14/2017	17925000	0			
Totals ►			18(b)	22397540	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contributions from prior years	19a 0
b Contributions made to avoid restrictions adjusted to valuation date	19b 0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c 20309447
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☐ Yes ☒ No
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☐ Yes ☐ No
c If line 20a is "Yes," see instructions and complete the following table as applicable:	

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V	Assumptions Used to Determine Funding Target and Target Normal Cost					
21	Discount rate:					
a	Segment rates:	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">1st segment: 4.43%</td> <td style="width: 33%;">2nd segment: 5.91%</td> <td style="width: 33%;">3rd segment: 6.65%</td> </tr> </table>	1st segment: 4.43%	2nd segment: 5.91%	3rd segment: 6.65%	☐ N/A, full yield curve used
1st segment: 4.43%	2nd segment: 5.91%	3rd segment: 6.65%				
b	Applicable month (enter code)	21b	4			
22	Weighted average retirement age	22	62			
23	Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute					
Part VI	Miscellaneous Items					
24	Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No					
25	Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No					
26	Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No					
27	If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.	27				
Part VII	Reconciliation of Unpaid Minimum Required Contributions For Prior Years					
28	Unpaid minimum required contributions for all prior years	28	0			
29	Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0			
30	Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0			
Part VIII	Minimum Required Contribution For Current Year					
31	Target normal cost and excess assets (see instructions):					
a	Target normal cost (line 6)	31a	5781036			
b	Excess assets, if applicable, but not greater than line 31a	31b	5781036			
32	Amortization installments:	Outstanding Balance	Installment			
a	Net shortfall amortization installment	0	0			
b	Waiver amortization installment	0	0			
33	If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33				
34	Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	0			
	Carryover balance	Prefunding balance	Total balance			
35	Balances elected for use to offset funding requirement	0	0			
36	Additional cash requirement (line 34 minus line 35)	36	0			
37	Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	20309447			
38	Present value of excess contributions for current year (see instructions)					
a	Total (excess, if any, of line 37 over line 36)	38a	20309447			
b	Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b				
39	Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0			
40	Unpaid minimum required contributions for all years	40	0			
Part IX	Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)					
41	If an election was made to use PRA 2010 funding relief for this plan:					
a	Schedule elected	☐ 2 plus 7 years ☐ 15 years				
b	Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011				
42	Amount of acceleration adjustment	42				
43	Excess installment acceleration amount to be carried over to future plan years	43				

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 KONE INC. EMPLOYEES' RETIREMENT PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 KONE INC.	D Employer Identification Number (EIN) 36-2357423	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

HEWITT ASSOCIATES LLC

36-2235791

(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?
11 50	NONE	1083212	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

WELLS FARGO BANK, N.A.

41-6257133

(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?
21 50 64 65	NONE	121429	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

PLANTE MORAN

38-1357951

(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?
10 50	NONE	13500	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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	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 <div style="text-align: center; font-size: 1.2em; font-weight: bold;">2016</div> This Form is Open to Public Inspection.
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan <u>KONE INC. EMPLOYEES' RETIREMENT PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%; padding: 5px;"> B Three-digit plan number (PN) ► </td> <td style="width: 20%; padding: 5px; text-align: center;"> <u>001</u> </td> </tr> <tr style="background-color: #f2f2f2;"> <td colspan="2" style="height: 20px;"></td> </tr> </table>	B Three-digit plan number (PN) ►	<u>001</u>		
B Three-digit plan number (PN) ►	<u>001</u>				
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>KONE INC.</u>	D Employer Identification Number (EIN) <u>36-2357423</u>				

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)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>HIGH YIELD PLUS BOND FUND</u>		
b Name of sponsor of entity listed in (a): <u>HEWITT ENNISKNUPP, INC.</u>		
c EIN-PN <u>27-2436452-004</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>8289131</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>GLOBAL REAL ESTATE FUND</u>		
b Name of sponsor of entity listed in (a): <u>HEWITT ENNISKNUPP, INC.</u>		
c EIN-PN <u>27-2436452-005</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>4068042</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>LARGE CAP EQUITY INDEX FUND</u>		
b Name of sponsor of entity listed in (a): <u>HEWITT ENNISKNUPP, INC.</u>		
c EIN-PN <u>27-2436452-006</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>10842766</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>LONG CREDIT BOND FUND</u>		
b Name of sponsor of entity listed in (a): <u>HEWITT ENNISKNUPP, INC.</u>		
c EIN-PN <u>27-2436452-007</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>51474112</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SMALL CAP EQUITY INDEX FUND</u>		
b Name of sponsor of entity listed in (a): <u>HEWITT ENNISKNUPP, INC.</u>		
c EIN-PN <u>27-2436452-009</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>3777365</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>NON-U.S. EQUITY INDEX FUND</u>		
b Name of sponsor of entity listed in (a): <u>HEWITT ENNISKNUPP, INC.</u>		
c EIN-PN <u>27-2436452-010</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>14061700</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>MID DURATION LONG CREDIT BOND FUND</u>		
b Name of sponsor of entity listed in (a): <u>HEWITT ENNISKNUPP, INC.</u>		
c EIN-PN <u>27-2436452-013</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>26390062</u>

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

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

SCHEDULE H (Form 5500) Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2016 This Form is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016		
A Name of plan KONE INC. EMPLOYEES' RETIREMENT PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 KONE INC.		
		D Employer Identification Number (EIN) 36-2357423

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	6271886	22397540
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	-1709	267
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	1186431	1450769
(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)	126185088	118903178
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(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	133641696	142751754

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 through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	133641696	142751754
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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)	22397540	
(B) Participants	2a(1)(B)		
(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)		22397540
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	22763	
(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)		22763
(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)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(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)		10518090
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		3414
d Total income. Add all income amounts in column (b) and enter total.....	2d		32941807

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	22607088	
(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)		22607088
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)	1086512	
(2) Contract administrator fees.....	2i(2)	134929	
(3) Investment advisory and management fees.....	2i(3)		
(4) Other	2i(4)	3220	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		1224661
j Total expenses. Add all expense amounts in column (b) and enter total	2j		23831749

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		9110058
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

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

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

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

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

☒ Yes ☐ No

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

(1) Name: PLANTE & MORAN, LLC

(2) EIN: 38-1359951

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

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

Part IV Compliance Questions

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

During the plan year:

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

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

	Yes	No	Amount
4a		X	
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		5000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			
o Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service?	4o			

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

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

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

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ☒ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 3990415. (See instructions.)

Part V Trust Information

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

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

A Name of plan <u>KONE INC. EMPLOYEES' RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>KONE INC.</u>	D Employer Identification Number (EIN) <u>36-2357423</u>

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>41-6257133</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	<u>485</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
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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
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☒ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

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

Schedule R (Form 5500) 2016
v. 160205

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

Part VI	Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans
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18	If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment
19	If the total number of participants is 1,000 or more, complete lines (a) through (c) a Enter the percentage of plan assets held as: Stock: <u>28</u> % Investment-Grade Debt: <u>63</u> % High-Yield Debt: <u>8</u> % Real Estate: <u>0</u> % Other: <u>1</u> % b Provide the average duration of the combined investment-grade and high-yield debt: ☐ 0-3 years ☐ 3-6 years ☒ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more c What duration measure was used to calculate line 19(b)? ☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

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

KONE Inc. Employees' Retirement Plan

Financial Report
December 31, 2016

KONE Inc. Employees' Retirement Plan

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Independent Auditor's Report

To the Retirement Committee
KONE Inc. Employees' Retirement Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of KONE Inc. Employees' Retirement Plan (the "Plan"), which comprise the statement of net assets available for benefits as of December 31, 2016 and 2015 and the related statement of changes in net assets available for benefits for the years then ended, and the statement of accumulated plan benefits as of December 31, 2015 and the related statement of changes in accumulated plan benefits for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Basis for Disclaimer of Opinion

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

To the Retirement Committee
KONE Inc. Employees' Retirement Plan

Disclaimer of Opinion

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

Other Matter

The supplemental schedules of assets held at end of year as of December 31, 2016 and reportable transactions for the year ended December 31, 2016 are required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA and are presented for the purpose of additional analysis and are 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 these supplemental schedules.

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

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

Plante & Moran, PLLC

Schaumburg, Illinois
September 28, 2017

KONE Inc. Employees' Retirement Plan

Statement of Net Assets Available for Benefits

	December 31, 2016	December 31, 2015
Assets		
Investments at fair value (Note 4)	\$ 120,353,947	\$ 127,371,519
Employer contributions receivable	22,397,540	6,271,886
Other	267	(1,709)
Net Assets Available for Benefits	<u>\$ 142,751,754</u>	<u>\$ 133,641,696</u>

KONE Inc. Employees' Retirement Plan

Statement of Changes in Net Assets Available for Benefits

	Year Ended	
	December 31, 2016	December 31, 2015
Additions to Net Assets		
Employer contributions	\$ 22,397,540	\$ 6,271,886
Investment income (loss):		
Interest and dividends	22,763	642
Net realized and unrealized gains (losses) on investments	10,521,504	(6,039,355)
Total investment income (loss)	10,544,267	(6,038,713)
Total additions	32,941,807	233,173
Deductions from Net Assets		
Benefits paid directly to participants or beneficiaries	22,607,088	6,328,730
Administrative expenses	1,224,661	1,027,753
Total deductions	23,831,749	7,356,483
Net Increase (Decrease)	9,110,058	(7,123,310)
Net Assets Available for Benefits		
Beginning of year	133,641,696	140,765,006
End of year	\$ 142,751,754	\$ 133,641,696

KONE Inc. Employees' Retirement Plan

Statement of Accumulated Plan Benefits December 31, 2015

Actuarial Present Value of Accumulated Plan Benefits

Vested benefits:

Participants currently receiving benefit payments	\$ 55,499,693
Other vested participants	<u>107,845,117</u>

Total vested benefits 163,344,810

Nonvested benefits 2,249,708

Total actuarial present value of accumulated plan benefits **\$ 165,594,518**

KONE Inc. Employees' Retirement Plan

Statement of Changes in Accumulated Plan Benefits Year Ended December 31, 2015

Actuarial Present Value of Accumulated Plan Benefits -

Beginning of year	\$ 168,269,659
Increase (decrease) during the year attributable to:	
Benefits accumulated	6,777,500
Benefits paid	(6,328,730)
Decrease in the discount period	6,176,024
Change of assumptions	<u>(9,299,935)</u>
Net decrease	<u>(2,675,141)</u>

Actuarial Present Value of Accumulated Plan Benefits - End of year	<u>\$ 165,594,518</u>
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KONE Inc. Employees' Retirement Plan

Notes to Financial Statements December 31, 2016 and 2015

Note 1 - Plan Description

The following description of KONE Inc. Employees' Retirement Plan (the "Plan") provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General - The Plan is a defined benefit plan covering substantially all employees of KONE Inc. (the "Company"). The Plan is a combination of different locations and/or business units and therefore requirements and benefits vary. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Eligibility and Vesting - Employees become participants in the Plan following completion of the eligibility requirements as described in the Plan and are fully vested for normal retirement benefits after five years of service.

Pension Benefits - Salaried and clerical employees are entitled to annual pension benefits beginning at age 65 equal to a percentage, as specified in the Plan, of their average annual compensation for the five most highly compensated consecutive calendar years within the 10-year period preceding retirement or termination of service. All other employees are entitled to annual pension benefits beginning at age 65 equal to the number of completed years of service multiplied by the applicable rate in effect at the date of retirement. Employees may elect to receive the value of their accumulated plan benefit as a lump-sum distribution upon retirement or termination, or they may elect to receive their benefits as a life annuity payable monthly from retirement.

Effective December 31, 2014, all nonfactory plan participants' accrued benefits were frozen and the Plan will include a cash balance account for nonfactory plan participants with one or more hour of service on or after January 1, 2015.

Nonfactory plan participants' cash balance accounts shall be maintained for each participant and are composed of the annual employer credit and interest credit. The annual employer credit is calculated based on the participant's salary during the plan year multiplied by the contribution percentage, which ranges from 4.0 percent to 6.5 percent depending on the years of service. The interest credit is calculated based on the 30-year U.S. Treasury note rate.

Nonfactory plan participants' frozen benefits as of December 31, 2014 and factory participants' benefits are calculated based on the greater of the employee's compensation during his or her five most highly compensated consecutive calendar years occurring within a 10-year period immediately preceding retirement or termination of service, or by multiplying credited years of service by the applicable benefit rate in effect at retirement.

KONE Inc. Employees' Retirement Plan

Notes to Financial Statements December 31, 2016 and 2015

Note 1 - Plan Description (Continued)

During 2016, the Plan allowed for a short election window from September 19, 2016 to October 31, 2016 for eligible participants to elect a lump-sum benefit if the participant or the spousal beneficiary of a participant, terminated prior to January 1, 2015 and had not entered pay status under the Plan as of December 1, 2016. Benefits paid under this election window were approximately \$14.6 million during the year ended December 31, 2016. This event has not been reflected within the January 1, 2016 actuarial present value of accumulated plan benefits.

Death Benefits - If an active or terminated employee who has a vested interest in the Plan dies prior to his or her normal retirement age, a death benefit equal to the benefit the employee would have received under the qualified joint and survivor annuity form had they retired on the day immediately preceding the date of his or her death will be paid to the surviving spouse. Beneficiaries of unmarried participants and those who have elected to waive the preretirement surviving spouse benefit will receive a lump-sum benefit or monthly installments equal to the actuarial equivalent of the participant's vested accrued normal retirement benefit at the date of break in service.

Funding - Contributions are made by the Company in actuarially determined amounts. The Company's policy is to make contributions necessary to satisfy ERISA funding standards. Annual contributions meet the minimum funding requirements of ERISA.

Contributions - All contributions to the Plan are made by the Company. The Company contributes such amounts, as determined on an actuarial basis, to provide the Plan with assets sufficient to meet the projected benefits to be paid to plan participants. No participant contributions are permitted.

Party-in-interest Transactions - Certain plan assets are in investment funds managed by Wells Fargo Bank, N.A. or its affiliates. Wells Fargo Bank, N.A. is the trustee of the Plan; therefore, these transactions qualify as party-in-interest transactions as defined under ERISA guidelines.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting - The accompanying financial statements are prepared on the accrual basis of accounting.

Investment Valuation and Income Recognition - Investments held by the Plan are stated at fair value. Fair value is defined as 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. There are no redemption restrictions or unfunded commitments on these investments. See Note 4 for further discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded as earned. Dividends are recorded on the ex-dividend date.

KONE Inc. Employees' Retirement Plan

Notes to Financial Statements December 31, 2016 and 2015

Note 2 - Summary of Significant Accounting Policies (Continued)

Benefit Payments - Benefits are recorded when paid.

Administrative Expenses - Various administrative costs are paid by the Company.

Actuarial Present Value of Accumulated Plan Benefits - Accumulated plan benefits are those future periodic payments, including lump-sum payments, that are attributable, under the Plan's provisions, to the service employees have rendered. These include benefits expected to be paid to:

- a. Retired or terminated employees or their beneficiaries
- b. Beneficiaries of employees who have died
- c. Present employees or their beneficiaries

The actuarial present value of accumulated plan benefits is determined by an independent actuary and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money and probability of payment between the valuation date and the expected date of payment. The Plan has elected to calculate the obligation using beginning of year benefit information.

The significant actuarial assumptions used in the valuation of the Plan as of December 31, 2015 are summarized as follows:

Actuarial method	- Projected unit credit cost method
Retirement age	- Rates graded by age, ranging from 55 to 70
Mortality	- RP-2006 fully generational table with scale MP-2016 mortality improvement for the 2015 year end and RP-2014 fully generational mortality table with scale MP-2015 mortality improvement for the 2014 year end
Salary increases	- 2.5 percent increase per year through 2015, then 4.0 percent per year in 2016 and thereafter
Discount rate	- 4.06 percent for the 2015 year end and 3.74 percent for the 2014 year end

The decrease of approximately \$9.3 million of accumulated plan benefits resulted primarily from assumption changes related to a change in the discount rate and use of an updated mortality table improvement scale.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

KONE Inc. Employees' Retirement Plan

Notes to Financial Statements December 31, 2016 and 2015

Note 2 - Summary of Significant Accounting Policies (Continued)

Risks and Uncertainties - Contributions to the Plan and the plan benefit obligations are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions will occur in the near term and, due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. 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 the financial statements.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncements - During 2016, the Plan adopted Accounting Standards Update (ASU) Nos. 2015-07, *Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or its Equivalent)*, and 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), and Health and Welfare Benefit Plans (Topic 965) - I. Fully Benefit-Responsive Investment Contracts, II. Plan Investment Disclosures, and III. Measurement Date Practical Expedient*, and 2016-01, *Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Liabilities*. ASU No. 2015-07 amended ASC 820, *Fair Value Measurements*, and removed the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share as a practical expedient. Part II of ASU No. 2015-12 was applicable to the Plan and modified the investment disclosures under ASC 820 and 960. ASU No. 2016-01 exempts all entities that are not public business entities from disclosing fair value information for financial instruments not recorded at fair value. The standards were adopted retrospectively and had no impact on the Plan's net assets or changes in net assets.

Subsequent Events - The financial statements and related disclosures include evaluation of events up through and including September 28, 2017, which is the date the financial statements were available to be issued.

KONE Inc. Employees' Retirement Plan

Notes to Financial Statements December 31, 2016 and 2015

Note 3 - Unaudited Information

Wells Fargo Bank, N.A. (the "Trustee") holds the Plan's investments and executes all investment transactions. The investment balances and related investment income and losses included in the accompanying financial statements and supplemental schedule of assets held at end of year are based solely on information certified by the Trustee.

Note 4 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Plan's assets measured at fair value on a recurring basis at December 31, 2016 and 2015.

Level 1 - Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Plan has the ability to access.

Level 2 - Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, and inputs other than quoted prices that are observable for the asset.

Level 3 - Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Plan's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The following valuation methodologies have been used to value the Plan's investments:

Money Market Fund - Money market funds are valued at closing quoted prices reported in active markets.

Common Collective Trust Funds - The common collective trust funds are valued at net asset value per share or its equivalent of the funds, which is based on the fair value of the funds' underlying assets.

KONE Inc. Employees' Retirement Plan

Notes to Financial Statements December 31, 2016 and 2015

Note 4 - Fair Value Measurements (Continued)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while 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.

Assets Measured at Fair Value on a Recurring Basis at December 31, 2016

	Investments (at Fair Value)	Level I
Money market fund	\$ 1,450,769	\$ 1,450,769
Investments measured at NAV - Common collective trust funds	118,903,178	
Total investments at fair value	\$ 120,353,947	

Assets Measured at Fair Value on a Recurring Basis at December 31, 2015

	Investments (at Fair Value)	Level I
Money market fund	\$ 1,186,431	\$ 1,186,431
Investments measured at NAV - Common collective trust funds	126,185,088	
Total investments at fair value	\$ 127,371,519	

The Plan's policy is to recognize transfers between levels of the fair value hierarchy as of the end of the reporting period. There were no significant transfers between levels of the fair value hierarchy during 2016 and 2015.

Note 5 - Tax Status

The Plan has received a determination letter from the Internal Revenue Service, dated June 27, 2014, indicating that the Plan, as designed, is qualified for tax-exempt treatment under the applicable section of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, management believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

KONE Inc. Employees' Retirement Plan

Notes to Financial Statements December 31, 2016 and 2015

Note 6 - Plan Termination

Should the Plan terminate at some future time, its net assets generally will not be available on a pro-rata basis to provide participants' benefits. Whether a particular participant's accumulated plan benefits will be paid depends on both the priority of those benefits and the level of benefits guaranteed by the Pension Benefit Guaranty Corporation (PBGC) at that time. Some benefits may be fully or partially provided for by the then-existing assets and the PBGC guarantee while other benefits may not be provided for at all.



STATEMENT OF ASSETS AND LIABILITIES
AS OF DECEMBER 31, 2016

KONE INC RETIREMENT - COMBI ACCT
ACCOUNT NUMBER 80010899

<u>PAR VALUE/SHARES</u>	<u>DESCRIPTION</u>	<u>COST VALUE / UNIT COST</u>	<u>MARKET VALUE / UNIT PRICE</u>	<u>UNREALIZED GAIN/LOSS</u>	<u>ACCRUED INCOME</u>
<u>CASH EQUIVALENTS</u>					
OTHER CASH EQUIVALENTS					
NON-PROPRIETARY CASH SWEEP					
	WELLS FARGO BANK COLLATERALIZED INSTITUTIONAL BANK DEPOSIT ACCOUNT 992995936				
<u>1,450,769.100</u>	8001081	<u>1,450,769.10</u>	<u>1,450,769.10</u>	<u>0.00</u>	<u>267.19</u>
1,450,769.100	TOTAL WELLS FARGO BANK COLLATERALIZED	1,450,769.10	1,450,769.10	0.00	267.19
		100.0000	100.0000		
	TOTAL NON-PROPRIETARY CASH SWEEP	1,450,769.10	1,450,769.10	0.00	267.19
	TOTAL OTHER CASH EQUIVALENTS	1,450,769.10	1,450,769.10	0.00	267.19
	TOTAL CASH EQUIVALENTS	1,450,769.10	1,450,769.10	0.00	267.19
<u>POOLED, COMMON AND COLLECTIVE FUNDS</u>					
POOLED FUNDS					
	AGT ACWI-EX US PASSIVE EQUITY 042699645				
<u>1,317,934.316</u>	8001081	<u>14,408,361.73</u>	<u>14,061,700.18</u>	<u>346,661.55-</u>	<u>0.00</u>
1,317,934.316	TOTAL AGT ACWI-EX US	14,408,361.73	14,061,700.18	346,661.55-	0.00
		10.9325	10.6695		
	AGT GLOBAL REAL ESTATE 042699553				
<u>224,830.712</u>	8001081	<u>3,415,267.62</u>	<u>4,068,041.94</u>	<u>652,774.32</u>	<u>0.00</u>
224,830.712	TOTAL AGT GLOBAL REAL ESTATE	3,415,267.62	4,068,041.94	652,774.32	0.00
		15.1904	18.0938		

STATEMENT OF ASSETS AND LIABILITIES
AS OF DECEMBER 31, 2016

KONE INC RETIREMENT - COMBI ACCT
ACCOUNT NUMBER 80010899

PAR VALUE/SHARES	DESCRIPTION	COST VALUE / UNIT COST	MARKET VALUE / UNIT PRICE	UNREALIZED GAIN/LOSS	ACCRUED INCOME
	AGT HIGH YIELD PLUS 042699538				
576,559.015	8001081	7,822,152.64	8,289,131.30	466,978.66	0.00
576,559.015	TOTAL AGT HIGH YIELD PLUS	7,822,152.64 13.5670	8,289,131.30 14.3769	466,978.66	0.00
	AGT MID DURATION LONG CREDIT 042699660				
2,432,308.624	8001081	24,744,722.48	26,390,062.11	1,645,339.63	0.00
2,432,308.624	TOTAL AGT MID DURATION	24,744,722.48 10.1733	26,390,062.11 10.8498	1,645,339.63	0.00
	AGT US LARGE CAP PASSIVE EQUITY 042699595				
466,970.111	8001081	8,372,957.48	10,842,765.80	2,469,808.32	0.00
466,970.111	TOTAL AGT US LARGE CAP	8,372,957.48 17.9304	10,842,765.80 23.2194	2,469,808.32	0.00
	AGT US LONG FIXED ACTIVE CREDIT 042699603				
3,104,777.866	8001081	49,308,007.51	51,474,112.24	2,166,104.73	0.00
3,104,777.866	TOTAL AGT US LONG FIXED	49,308,007.51 15.8813	51,474,112.24 16.5790	2,166,104.73	0.00
	AGT US SMALL CAP PASSIVE EQUITY 042699611				
168,921.933	8001081	3,083,064.81	3,777,364.70	694,299.89	0.00
168,921.933	TOTAL AGT US SMALL CAP	3,083,064.81 18.2514	3,777,364.70 22.3616	694,299.89	0.00
	TOTAL POOLED FUNDS	111,154,534.27	118,903,178.27	7,748,644.00	0.00
	TOTAL POOLED, COMMON AND COLLECTIVE FUNDS	111,154,534.27	118,903,178.27	7,748,644.00	0.00
	TOTAL ASSETS AND LIABILITIES	112,605,303.37	120,353,947.37	7,748,644.00	267.19
	ACCRUED INCOME	267.19	267.19		

STATEMENT OF ASSETS AND LIABILITIES
AS OF DECEMBER 31, 2016KONE INC RETIREMENT - COMBI ACCT
ACCOUNT NUMBER 80010899

<u>PAR VALUE/SHARES</u>	<u>DESCRIPTION</u>	<u>COST VALUE / UNIT COST</u>	<u>MARKET VALUE / UNIT PRICE</u>	<u>UNREALIZED GAIN/LOSS</u>	<u>ACCRUED INCOME</u>
	TOTAL ACCOUNT	<u>112,605,570.56</u>	<u>120,354,214.56</u>	<u>7,748,644.00</u>	



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REPORTABLE TRANSACTIONS - SINGLE / BY ISSUE
FOR THE PERIOD JANUARY 1, 2016 THROUGH DECEMBER 31, 2016

KONE INC RETIREMENT - COMBI ACCT
ACCOUNT NUMBER 80010899

TRANSACTION ACCOUNT	DATE BOUGHT/SOLD	SHARES/ PAR VALUE	UNIT PRICE	EXPENSE INCURRED	PRINCIPAL CASH	TRANSACTION COST	REALIZED GAIN/LOSS
BEGINNING MARKET VALUE			127,369,810.31				
COMPARATIVE VALUE (5%)			6,368,490.52				
8001081	ISSUE: VP7000228 - WF HERITAGE MM FD-INSTL #3106 03/02/16 B	8,050,000	1.000	0	8,050,000-*	8,050,000	
8001081	ISSUE: VP7000228 - WF HERITAGE MM FD-INSTL #3106 07/12/16 S	9,136,615	1.000	0	9,136,615 *	9,136,615	0
8001081	ISSUE: 042699603 - AGT US LNG FX AC CREDIT 11/17/16 B	1,038,558	16.369	0	17,000,000-*	17,000,000	
8001081	ISSUE: 042699603 - AGT US LNG FX AC CREDIT 12/21/16 B	988,469	16.389	0	16,200,000-*	16,200,000	
8001081	ISSUE: 042699660 - AGT MID DUR LNG CREDIT 11/17/16 S	2,072,137	10.617	0	22,000,000 *	21,080,568	919,432
8001081	ISSUE: 042699660 - AGT MID DUR LNG CREDIT 12/21/16 S	1,385,833	10.824	0	15,000,000 *	14,098,559	901,441
8001081	ISSUE: 992995936 - WFB COLLATERALIZED INST BANK DEP A/C 07/12/16 B	9,136,615	1.000	0	9,136,615-*	9,136,615	
8001081	ISSUE: 992995936 - WFB COLLATERALIZED INST BANK DEP A/C 12/01/16 S	15,006,602	1.000	0	15,006,602 *	15,006,602	0
GRAND TOTAL				0	111,529,832	109,708,959	1,820,873

FOOTNOTES

* = SINGLE TRANSACTION IS 5% REPORTABLE
B = BUY TRANSACTION
S = SELL TRANSACTION
R = REINVESTMENT TRANSACTION

**REPORTABLE TRANSACTIONS - SERIES / BY BROKER
FOR THE PERIOD JANUARY 1, 2016 THROUGH DECEMBER 31, 2016**
**KONE INC RETIREMENT - COMBI ACCT
ACCOUNT NUMBER 80010899**

TRANSACTION ACCOUNT	DATE BOUGHT/SOLD	SHARES/ PAR VALUE	UNIT PRICE	EXPENSE INCURRED	PRINCIPAL CASH	TRANSACTION COST	REALIZED GAIN/LOSS
BEGINNING MARKET VALUE			127,369,810.31				
COMPARATIVE VALUE (5%)			6,368,490.52				
BROKER: MISCELLANEOUS							
8001081	ISSUE: 042699538 - AGT HIGH YIELD PLUS 03/01/16 S	79,569	12.882	0	1,025,000	1,079,507	-54,507
8001081	ISSUE: 042699553 - AGT GLOBAL REAL ESTATE 03/01/16 S	48,532	16.484	0	800,000	737,228	62,772
8001081	ISSUE: 042699595 - ACT US LG C PASS EQ 03/01/16 S	54,625	19.680	0	1,075,000	979,451	95,549
8001081	ISSUE: 042699603 - AGT US LNG FX AC CREDIT 03/01/16 B	66,061	15.138	0	1,000,000-	1,000,000	
8001081	ISSUE: 042699645 - AGT ACWI-EX US PASS EQ 03/01/16 S	149,219	9.382	0	1,400,000	1,631,339	-231,339
8001081	ISSUE: 042699660 - AGT MID DUR LNG CREDIT 03/01/16 S	492,110	9.652	0	4,750,000	5,006,406	-256,406
8001081	ISSUE: 042699603 - AGT US LNG FX AC CREDIT 03/08/16 B	130,937	15.275	0	2,000,000-	2,000,000	
8001081	ISSUE: 042699660 - AGT MID DUR LNG CREDIT 03/08/16 S	486,196	9.770	0	4,750,000	4,946,243	-196,243
8001081	ISSUE: 042699595 - AGT US LG C PASS EQ 07/01/16 S	25,725	21.380	0	550,000	461,266	88,734
8001081	ISSUE: 042699611 - AGT US SM CP PASS EQ 07/01/16 S	23,962	18.780	0	450,000	437,340	12,660
8001081	ISSUE: 042699603 - AGT US LNG FX AC CREDIT 09/01/16 S	57,345	17.438	0	1,000,000	857,081	142,919
8001081	ISSUE: 042699603 - AGT US LNG FX AC CREDIT 11/17/16 B	1,038,558	16.369	0	17,000,000-*	17,000,000	
8001081	ISSUE: 042699660 - AGT MID DUR LNG CREDIT 11/17/16 S	2,072,137	10.617	0	22,000,000 *	21,080,568	919,432
8001081	ISSUE: 042699603 - AGT US LNG FX AC CREDIT 12/21/16 B	988,469	16.389	0	16,200,000-*	16,200,000	
8001081	ISSUE: 042699611 - AGT US SM CP PASS EQ 12/21/16 S	8,833	22.642	0	200,000	161,220	38,780
8001081	ISSUE: 042699645 - AGT ACWI-EX US PASS EQ 12/21/16 S	94,460	10.587	0	1,000,000	1,032,690	-32,690
8001081	ISSUE: 042699660 - AGT MID DUR LNG CREDIT 12/21/16 S	1,385,833	10.824	0	15,000,000 *	14,098,559	901,441

**REPORTABLE TRANSACTIONS - SERIES / BY BROKER
FOR THE PERIOD JANUARY 1, 2016 THROUGH DECEMBER 31, 2016****KONE INC RETIREMENT - COMBI ACCT
ACCOUNT NUMBER 80010899**

TRANSACTION ACCOUNT	DATE BOUGHT/SOLD	SHARES/ PAR VALUE	UNIT PRICE	EXPENSE INCURRED	PRINCIPAL CASH	TRANSACTION COST	REALIZED GAIN/LOSS
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	SUB-TOTAL			0	90,200,000	88,708,898	1,491,101
	GRAND TOTAL			0	90,200,000	88,708,898	1,491,101

F O O T N O T E S

* = SINGLE TRANSACTION IS 5% REPORTABLE
B = BUY TRANSACTION
S = SELL TRANSACTION
R = REINVESTMENT TRANSACTION

**REPORTABLE TRANSACTIONS - SERIES / BY ISSUE
FOR THE PERIOD JANUARY 1, 2016 THROUGH DECEMBER 31, 2016**
**KONE INC RETIREMENT - COMBI ACCT
ACCOUNT NUMBER 80010899**

TRANSACTION ACCOUNT	DATE BOUGHT/SOLD	SHARES/ PAR VALUE	UNIT PRICE	EXPENSE INCURRED	PRINCIPAL CASH	TRANSACTION COST	REALIZED GAIN/LOSS
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BEGINNING MARKET VALUE	127,369,810.31
COMPARATIVE VALUE (5%)	6,368,490.52

ISSUE: VP7000228 - WF HERITAGE MM FD-INSTL #3106

8001081	01/06/16 B	86	1.000	0	86-	86	
8001081	01/12/16 B	1,440,886	1.000	0	1,440,886-	1,440,886	
8001081	01/15/16 B	536	1.000	0	536-	536	
8001081	01/19/16 B	390	1.000	0	390-	390	
8001081	01/20/16 B	222	1.000	0	222-	222	
8001081	01/22/16 B	3,798	1.000	0	3,798-	3,798	
8001081	01/26/16 B	561	1.000	0	561-	561	
8001081	02/01/16 B	812	1.000	0	812-	812	
8001081	02/03/16 B	725	1.000	0	725-	725	
8001081	02/05/16 B	269	1.000	0	269-	269	
8001081	02/25/16 B	44	1.000	0	44-	44	
8001081	02/29/16 B	117	1.000	0	117-	117	
8001081	03/02/16 B	8,050,000	1.000	0	8,050,000-*	8,050,000	
8001081	03/08/16 B	2,750,000	1.000	0	2,750,000-	2,750,000	
8001081	04/05/16 B	90	1.000	0	90-	90	
8001081	04/14/16 B	220	1.000	0	220-	220	
8001081	05/03/16 B	205	1.000	0	205-	205	
8001081	05/05/16 B	216	1.000	0	216-	216	
8001081	05/05/16 B	137	1.000	0	137-	137	
8001081	05/31/16 B	235	1.000	0	235-	235	
8001081	06/06/16 B	270	1.000	0	270-	270	
8001081	06/23/16 B	270	1.000	0	270-	270	
8001081	06/23/16 B	1,000,000	1.000	0	1,000,000-	1,000,000	
8001081	06/30/16 B	3,237	1.000	0	3,237-	3,237	
8001081	07/01/16 B	265	1.000	0	265-	265	
8001081	07/05/16 B	2,610	1.000	0	2,610-	2,610	

SUB-TOTAL OF BUYS # 26

8001081	01/04/16 S	406,807	1.000	0	406,807	406,807	0
8001081	01/08/16 S	341	1.000	0	341	341	0
8001081	01/12/16 S	45,306	1.000	0	45,306	45,306	0
8001081	01/15/16 S	245	1.000	0	245	245	0
8001081	01/20/16 S	101,939	1.000	0	101,939	101,939	0
8001081	01/21/16 S	390	1.000	0	390	390	0
8001081	01/28/16 S	561	1.000	0	561	561	0
8001081	01/29/16 S	25,915	1.000	0	25,915	25,915	0

**REPORTABLE TRANSACTIONS - SERIES / BY ISSUE
FOR THE PERIOD JANUARY 1, 2016 THROUGH DECEMBER 31, 2016**
**KONE INC RETIREMENT - COMBI ACCT
ACCOUNT NUMBER 80010899**

TRANSACTION ACCOUNT	DATE BOUGHT/SOLD	SHARES/ PAR VALUE	UNIT PRICE	EXPENSE INCURRED	PRINCIPAL CASH	TRANSACTION COST	REALIZED GAIN/LOSS
8001081	01/29/16 S	100,874	1.000	0	100,874	100,874	0
8001081	02/01/16 S	404,726	1.000	0	404,726	404,726	0
8001081	02/05/16 S	182	1.000	0	182	182	0
8001081	02/08/16 S	31,149	1.000	0	31,149	31,149	0
8001081	02/09/16 S	153,240	1.000	0	153,240	153,240	0
8001081	02/12/16 S	224,633	1.000	0	224,633	224,633	0
8001081	02/17/16 S	61	1.000	0	61	61	0
8001081	02/23/16 S	6,353	1.000	0	6,353	6,353	0
8001081	02/23/16 S	38,754	1.000	0	38,754	38,754	0
8001081	03/01/16 S	405,991	1.000	0	405,991	405,991	0
8001081	03/02/16 S	180	1.000	0	180	180	0
8001081	03/03/16 S	626	1.000	0	626	626	0
8001081	03/15/16 S	594	1.000	0	594	594	0
8001081	03/16/16 S	177,371	1.000	0	177,371	177,371	0
8001081	04/01/16 S	421,089	1.000	0	421,089	421,089	0
8001081	04/07/16 S	90	1.000	0	90	90	0
8001081	04/07/16 S	52,081	1.000	0	52,081	52,081	0
8001081	04/11/16 S	7,890	1.000	0	7,890	7,890	0
8001081	04/18/16 S	220	1.000	0	220	220	0
8001081	04/21/16 S	171,718	1.000	0	171,718	171,718	0
8001081	04/29/16 S	9,889	1.000	0	9,889	9,889	0
8001081	05/02/16 S	416,785	1.000	0	416,785	416,785	0
8001081	05/02/16 S	63,537	1.000	0	63,537	63,537	0
8001081	05/02/16 S	71,053	1.000	0	71,053	71,053	0
8001081	05/03/16 S	29,315	1.000	0	29,315	29,315	0
8001081	05/04/16 S	137	1.000	0	137	137	0
8001081	05/05/16 S	205	1.000	0	205	205	0
8001081	05/06/16 S	1,009	1.000	0	1,009	1,009	0
8001081	05/09/16 S	137	1.000	0	137	137	0
8001081	05/17/16 S	255,783	1.000	0	255,783	255,783	0
8001081	05/24/16 S	77,240	1.000	0	77,240	77,240	0
8001081	05/27/16 S	607	1.000	0	607	607	0
8001081	06/01/16 S	427,569	1.000	0	427,569	427,569	0
8001081	06/03/16 S	16,519	1.000	0	16,519	16,519	0
8001081	06/16/16 S	5,811	1.000	0	5,811	5,811	0
8001081	06/17/16 S	51,381	1.000	0	51,381	51,381	0
8001081	06/27/16 S	71,416	1.000	0	71,416	71,416	0
8001081	06/28/16 S	3,000	1.000	0	3,000	3,000	0
8001081	07/01/16 S	1,025,297	1.000	0	1,025,297	1,025,297	0
8001081	07/12/16 S	9,136,615	1.000	0	9,136,615 *	9,136,615	0
SUB-TOTAL OF SALES # 48				0	14,442,631	14,442,631	0
SUB-TOTAL				0	27,698,832	27,698,832	0

**REPORTABLE TRANSACTIONS - SERIES / BY ISSUE
FOR THE PERIOD JANUARY 1, 2016 THROUGH DECEMBER 31, 2016**
**KONE INC RETIREMENT - COMBI ACCT
ACCOUNT NUMBER 80010899**

TRANSACTION ACCOUNT	DATE BOUGHT/SOLD	SHARES/ PAR VALUE	UNIT PRICE	EXPENSE INCURRED	PRINCIPAL CASH	TRANSACTION COST	REALIZED GAIN/LOSS
ISSUE: 042699603 - AGT US LNG FX AC CREDIT							
8001081	03/01/16 B	66,061	15.138	0	1,000,000-	1,000,000	
8001081	03/08/16 B	130,937	15.275	0	2,000,000-	2,000,000	
8001081	11/17/16 B	1,038,558	16.369	0	17,000,000-*	17,000,000	
8001081	12/21/16 B	988,469	16.389	0	16,200,000-*	16,200,000	
SUB-TOTAL OF BUYS # 4				0	36,200,000	36,200,000	
8001081	09/01/16 S	57,345	17.438	0	1,000,000	857,081	142,919
SUB-TOTAL OF SALES # 1				0	1,000,000	857,081	142,919
SUB-TOTAL				0	37,200,000	37,057,081	142,919
ISSUE: 042699660 - AGT MID DUR LNG CREDIT							
8001081	03/01/16 S	492,110	9.652	0	4,750,000	5,006,406	-256,406
8001081	03/08/16 S	486,196	9.770	0	4,750,000	4,946,243	-196,243
8001081	11/17/16 S	2,072,137	10.617	0	22,000,000 *	21,080,568	919,432
8001081	12/21/16 S	1,385,833	10.824	0	15,000,000 *	14,098,559	901,441
SUB-TOTAL OF SALES # 4				0	46,500,000	45,131,776	1,368,223
SUB-TOTAL				0	46,500,000	45,131,776	1,368,223
ISSUE: 992995936 - WFB COLLATERALIZED INST BANK DEP A/C							
8001081	07/12/16 B	9,136,615	1.000	0	9,136,615-*	9,136,615	
8001081	07/21/16 B	844,708	1.000	0	844,708-	844,708	
8001081	07/28/16 B	1,549	1.000	0	1,549-	1,549	
8001081	08/15/16 B	200	1.000	0	200-	200	
8001081	08/30/16 B	15,494	1.000	0	15,494-	15,494	
8001081	08/31/16 B	272	1.000	0	272-	272	
8001081	09/02/16 B	118	1.000	0	118-	118	
8001081	09/12/16 B	4,831,000	1.000	0	4,831,000-	4,831,000	
8001081	09/16/16 B	252	1.000	0	252-	252	
8001081	09/30/16 B	92	1.000	0	92-	92	
8001081	10/12/16 B	442	1.000	0	442-	442	
8001081	10/27/16 B	534	1.000	0	534-	534	
8001081	11/03/16 B	229	1.000	0	229-	229	
8001081	11/18/16 B	5,000,000	1.000	0	5,000,000-	5,000,000	
8001081	12/02/16 B	29,763	1.000	0	29,763-	29,763	
8001081	12/05/16 B	199	1.000	0	199-	199	

**REPORTABLE TRANSACTIONS - SERIES / BY ISSUE
FOR THE PERIOD JANUARY 1, 2016 THROUGH DECEMBER 31, 2016**
**KONE INC RETIREMENT - COMBI ACCT
ACCOUNT NUMBER 80010899**

TRANSACTION ACCOUNT	DATE BOUGHT/SOLD	SHARES/ PAR VALUE	UNIT PRICE	EXPENSE INCURRED	PRINCIPAL CASH	TRANSACTION COST	REALIZED GAIN/LOSS
8001081	12/15/16 B	23,228	1.000	0	23,228-	23,228	
8001081	12/21/16 B	31,437	1.000	0	31,437-	31,437	
8001081	12/29/16 B	26,209	1.000	0	26,209-	26,209	
SUB-TOTAL OF BUYS # 19				0	19,942,341	19,942,341	
8001081	07/25/16 S	2,990	1.000	0	2,990	2,990	0
8001081	07/29/16 S	1,339	1.000	0	1,339	1,339	0
8001081	08/01/16 S	402,214	1.000	0	402,214	402,214	0
8001081	08/05/16 S	70,540	1.000	0	70,540	70,540	0
8001081	08/08/16 S	5,236	1.000	0	5,236	5,236	0
8001081	08/09/16 S	30,408	1.000	0	30,408	30,408	0
8001081	08/10/16 S	171	1.000	0	171	171	0
8001081	08/16/16 S	200	1.000	0	200	200	0
8001081	08/17/16 S	1,513	1.000	0	1,513	1,513	0
8001081	08/18/16 S	25,855	1.000	0	25,855	25,855	0
8001081	08/23/16 S	2,443	1.000	0	2,443	2,443	0
8001081	08/24/16 S	1,231	1.000	0	1,231	1,231	0
8001081	08/26/16 S	93,749	1.000	0	93,749	93,749	0
8001081	08/29/16 S	823	1.000	0	823	823	0
8001081	09/01/16 S	406,030	1.000	0	406,030	406,030	0
8001081	09/06/16 S	2,511	1.000	0	2,511	2,511	0
8001081	09/07/16 S	938,936	1.000	0	938,936	938,936	0
8001081	09/08/16 S	4,189	1.000	0	4,189	4,189	0
8001081	09/09/16 S	11,260	1.000	0	11,260	11,260	0
8001081	09/15/16 S	143	1.000	0	143	143	0
8001081	09/21/16 S	59,272	1.000	0	59,272	59,272	0
8001081	09/23/16 S	92	1.000	0	92	92	0
8001081	09/27/16 S	68,935	1.000	0	68,935	68,935	0
8001081	09/29/16 S	86	1.000	0	86	86	0
8001081	10/03/16 S	417,963	1.000	0	417,963	417,963	0
8001081	10/05/16 S	455	1.000	0	455	455	0
8001081	10/24/16 S	140,083	1.000	0	140,083	140,083	0
8001081	10/28/16 S	3,300	1.000	0	3,300	3,300	0
8001081	10/31/16 S	274	1.000	0	274	274	0
8001081	11/01/16 S	423,051	1.000	0	423,051	423,051	0
8001081	11/02/16 S	1,743	1.000	0	1,743	1,743	0
8001081	11/07/16 S	229	1.000	0	229	229	0
8001081	11/14/16 S	30,716	1.000	0	30,716	30,716	0
8001081	11/21/16 S	536	1.000	0	536	536	0
8001081	12/01/16 S	15,006,602	1.000	0	15,006,602 *	15,006,602	0
8001081	12/06/16 S	31,437	1.000	0	31,437	31,437	0
8001081	12/07/16 S	5,622	1.000	0	5,622	5,622	0
8001081	12/09/16 S	3,291	1.000	0	3,291	3,291	0
8001081	12/12/16 S	14,638	1.000	0	14,638	14,638	0
8001081	12/13/16 S	96,657	1.000	0	96,657	96,657	0

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FOR THE PERIOD JANUARY 1, 2016 THROUGH DECEMBER 31, 2016**
**KONE INC RETIREMENT - COMBI ACCT
ACCOUNT NUMBER 80010899**

TRANSACTION ACCOUNT	DATE BOUGHT/SOLD	SHARES/ PAR VALUE	UNIT PRICE	EXPENSE INCURRED	PRINCIPAL CASH	TRANSACTION COST	REALIZED GAIN/LOSS
8001081	12/16/16 S	25,354	1.000	0	25,354	25,354	0
8001081	12/19/16 S	55,457	1.000	0	55,457	55,457	0
8001081	12/22/16 S	18,350	1.000	0	18,350	18,350	0
8001081	12/23/16 S	1,839	1.000	0	1,839	1,839	0
8001081	12/28/16 S	63,924	1.000	0	63,924	63,924	0
8001081	12/30/16 S	19,884	1.000	0	19,884	19,884	0
SUB-TOTAL OF SALES # 46				0	18,491,571	18,491,571	0
SUB-TOTAL				0	38,433,912	38,433,912	0
GRAND TOTAL				0	149,832,744	148,321,601	1,511,142

FOOTNOTES

* = SINGLE TRANSACTION IS 5% REPORTABLE
 B = BUY TRANSACTION
 S = SELL TRANSACTION
 R = REINVESTMENT TRANSACTION

**REPORTABLE TRANSACTIONS - SINGLE / BY BROKER
FOR THE PERIOD JANUARY 1, 2016 THROUGH DECEMBER 31, 2016**
**KONE INC RETIREMENT - COMBI ACCT
ACCOUNT NUMBER 80010899**

TRANSACTION ACCOUNT	DATE BOUGHT/SOLD	SHARES/ PAR VALUE	UNIT PRICE	EXPENSE INCURRED	PRINCIPAL CASH	TRANSACTION COST	REALIZED GAIN/LOSS
BEGINNING MARKET VALUE			127,369,810.31				
COMPARATIVE VALUE (5%)			6,368,490.52				
BROKER: MISCELLANEOUS							
8001081	ISSUE: 042699538 - AGT HIGH YIELD PLUS 03/01/16 S	79,569	12.882	0	1,025,000	1,079,507	-54,507
8001081	ISSUE: 042699553 - AGT GLOBAL REAL ESTATE 03/01/16 S	48,532	16.484	0	800,000	737,228	62,772
8001081	ISSUE: 042699595 - ACT US LG C PASS EQ 03/01/16 S	54,625	19.680	0	1,075,000	979,451	95,549
8001081	ISSUE: 042699603 - AGT US LNG FX AC CREDIT 03/01/16 B	66,061	15.138	0	1,000,000-	1,000,000	
8001081	ISSUE: 042699645 - AGT ACWI-EX US PASS EQ 03/01/16 S	149,219	9.382	0	1,400,000	1,631,339	-231,339
8001081	ISSUE: 042699660 - AGT MID DUR LNG CREDIT 03/01/16 S	492,110	9.652	0	4,750,000	5,006,406	-256,406
8001081	ISSUE: 042699603 - AGT US LNG FX AC CREDIT 03/08/16 B	130,937	15.275	0	2,000,000-	2,000,000	
8001081	ISSUE: 042699660 - AGT MID DUR LNG CREDIT 03/08/16 S	486,196	9.770	0	4,750,000	4,946,243	-196,243
8001081	ISSUE: 042699595 - AGT US LG C PASS EQ 07/01/16 S	25,725	21.380	0	550,000	461,266	88,734
8001081	ISSUE: 042699611 - AGT US SM CP PASS EQ 07/01/16 S	23,962	18.780	0	450,000	437,340	12,660
8001081	ISSUE: 042699603 - AGT US LNG FX AC CREDIT 09/01/16 S	57,345	17.438	0	1,000,000	857,081	142,919
8001081	ISSUE: 042699603 - AGT US LNG FX AC CREDIT 11/17/16 B	1,038,558	16.369	0	17,000,000-*	17,000,000	
8001081	ISSUE: 042699660 - AGT MID DUR LNG CREDIT 11/17/16 S	2,072,137	10.617	0	22,000,000 *	21,080,568	919,432
8001081	ISSUE: 042699603 - AGT US LNG FX AC CREDIT 12/21/16 B	988,469	16.389	0	16,200,000-*	16,200,000	
8001081	ISSUE: 042699611 - AGT US SM CP PASS EQ 12/21/16 S	8,833	22.642	0	200,000	161,220	38,780
8001081	ISSUE: 042699645 - AGT ACWI-EX US PASS EQ 12/21/16 S	94,460	10.587	0	1,000,000	1,032,690	-32,690
8001081	ISSUE: 042699660 - AGT MID DUR LNG CREDIT 12/21/16 S	1,385,833	10.824	0	15,000,000 *	14,098,559	901,441

**REPORTABLE TRANSACTIONS - SINGLE / BY BROKER
FOR THE PERIOD JANUARY 1, 2016 THROUGH DECEMBER 31, 2016****KONE INC RETIREMENT - COMBI ACCT
ACCOUNT NUMBER 80010899**

TRANSACTION ACCOUNT	DATE BOUGHT/SOLD	SHARES/ PAR VALUE	UNIT PRICE	EXPENSE INCURRED	PRINCIPAL CASH	TRANSACTION COST	REALIZED GAIN/LOSS
-----	-----	-----	-----	-----	-----	-----	-----
	SUB-TOTAL			0	90,200,000	88,708,898	1,491,101
	GRAND TOTAL			0	90,200,000	88,708,898	1,491,101

F O O T N O T E S

* = SINGLE TRANSACTION IS 5% REPORTABLE
B = BUY TRANSACTION
S = SELL TRANSACTION
R = REINVESTMENT TRANSACTION

Schedule SB Attachment (Form 5500)—2016 Plan Year
Kone Inc. Employees' Retirement Plan
EIN: 36-2357423 PN: 001

Schedule SB, line 19—Discounted Employer Contributions

Year applied for contributions: 2016

Date	Amount	Days to Discount to 1/1/2016 at 6.15%	Interest Adjusted Contribution
April 14, 2017	\$ 2,236,270	469	\$ 2,071,619
July 12, 2017	2,236,270	558	2,041,770
September 14, 2017	<u>17,925,000</u>	622	<u>16,196,058</u>
Total Contribution	\$ 22,397,540		\$ 20,309,447

Schedule SB Attachment (Form 5500)—2016 Plan Year
Kone Inc. Employees' Retirement Plan
EIN: 36-2357423 PN: 001

Schedule SB, line 22—Description of Weighted Average Retirement Age

The average retirement age shown in line 22 has been calculated by assuming the following retirement rates and no decrements other than retirement for this calculation. All retirements are assumed to occur at mid-year, except for the 100% retirement age.

(a) Age	(b) Rate	(c) Weight	(d) Product (a) × (b) × (c)
55.5	10.00%	1.0000	5.55
56.5	10.00%	0.9000	5.09
57.5	10.00%	0.8100	4.66
58.5	10.00%	0.7290	4.26
59.5	10.00%	0.6561	3.90
60.5	10.00%	0.5905	3.57
61.5	10.00%	0.5314	3.27
62.5	15.00%	0.4783	4.48
63.5	15.00%	0.4066	3.87
64.5	15.00%	0.3456	3.34
65.5	25.00%	0.2937	4.81
66.5	25.00%	0.2203	3.66
67.5	25.00%	0.1652	2.79
68.5	25.00%	0.1239	2.12
69.5	25.00%	0.0929	1.61
70	100.00%	0.0697	4.88
Weighted Average			61.86

Plan Name	KONE Inc. Employees' Retirement Plan
Plan Sponsor EIN	36-2357423
ERISA Plan #	001
Plan Year Ending	December 31, 2016

The required attachment marked with an “X” in the Attachment column is included within the Accountant’s Opinion attachment to Sch. H, Part III, Line 3, which consists of the entire audit report issued by the DFE’s Independent Qualified Public Accountant (IQPA).

Form / Schedule	Line #	Description	Attachment
5500 Sch. H	Line 3	Financial statements used in formulating the IQPA's opinion	X
5500 Sch. H	Line 4i	Schedule of Assets (Held at End of Year)	X
5500 Sch. H	Line 4i	Schedule of Assets (Acquired and Disposed of Within Year)	
5500 Sch. H	Line 4j	Schedule of Reportable Transactions	X
5500 Sch. H	Line 4a	Schedule of Delinquent Participant Contributions	

Plan Name	KONE Inc. Employees' Retirement Plan
Plan Sponsor EIN	36-2357423
ERISA Plan #	001
Plan Year Ending	December 31, 2016

The required attachment marked with an “X” in the Attachment column is included within the Accountant’s Opinion attachment to Sch. H, Part III, Line 3, which consists of the entire audit report issued by the DFE’s Independent Qualified Public Accountant (IQPA).

Form / Schedule	Line #	Description	Attachment
5500 Sch. H	Line 3	Financial statements used in formulating the IQPA's opinion	X
5500 Sch. H	Line 4i	Schedule of Assets (Held at End of Year)	X
5500 Sch. H	Line 4i	Schedule of Assets (Acquired and Disposed of Within Year)	
5500 Sch. H	Line 4j	Schedule of Reportable Transactions	X
5500 Sch. H	Line 4a	Schedule of Delinquent Participant Contributions	

Schedule SB Attachment (Form 5500)—2016 Plan Year
Kone Inc. Employees' Retirement Plan
EIN: 36-2357423 PN: 001

Schedule SB, Part V—Statement of Actuarial Assumptions/Methods

Interest Rates for Minimum Funding Purposes	Based on segment rates with a four-month lookback (as of September 2015), each adjusted as needed to fall within the 25-year average interest rate stabilization corridor
1st Segment Rate	4.43%
2nd Segment Rate	5.91%
3rd Segment Rate	6.65%
Interest Rates for Maximum Tax Purposes	Based on segment rates with a four-month lookback (as of September 2015), without regard to interest rate stabilization
1st Segment Rate	1.34%
2nd Segment Rate	4.03%
3rd Segment Rate	5.06%
Salary Increases	
Minimum Funding Target Normal Cost	4.0%
Maximum Tax Expected Benefit Increase	4.0%
Cash Balance Interest Crediting Rate	3.5%
Cash Balance Annuity Conversion Rate	Same as funding interest rates above
Social Security Wage Base Increases	Future wage indices are based on a national wage increase of 3.5% per year.
Optional Payment Form Election Percentage	Office and McKinney 50% elect a lump sum 35% elect single life annuity 9% elect a 50% joint and survivor annuity 5% elect a 100% joint and survivor annuity 1% elect a 66-2/3% joint and survivor annuity Factory 70% elect single life annuity 18% elect a 50% joint and survivor annuity 10% elect a 100% joint and survivor annuity 2% elect a 66-2/3% joint and survivor annuity
Optional Payment Form Conversion Interest Rate	Same as funding interest rates above for lump sums and actuarial equivalence for annuity payment forms.

Schedule SB Attachment (Form 5500)—2016 Plan Year
Kone Inc. Employees' Retirement Plan
EIN: 36-2357423 PN: 001

Optional Payment Form Conversion Mortality	Current IRC section 417(e) table for lump sums and actuarial equivalence for annuity payment forms.
Retirement Age	
Active Participants	See Table 1
Terminated Vested Participants	Age 62
Mortality Rates	
Healthy and Disabled	2016 static mortality table for annuitants and non-annuitants per section 1.430(h)(3)-1(e)
Withdrawal Rates	See Table 2
Disability Rates	See Table 3
Decrement Timing	Middle of year decrements (except that retirement is assumed to occur at the beginning of the year for ages where the assumed retirement rate is 100%)
Surviving Spouse Benefit	It is assumed that 85% of males and 85% of females have an eligible spouse, and that males are three years older than their spouses.
Valuation Compensation	2015 Pensionable earnings rolled forward one year with the salary increase assumption
Benefit and Compensation Limits	Projected benefits and compensation are limited by the current IRC section 415 maximum benefit of \$210,000 and the IRC section 401(a)(17) compensation limit of \$265,000.
Valuation of Plan Assets	<p>Smoothed fair market value of assets over the current and prior two years, adjusted for contributions, benefit payments, administrative expenses, and expected earnings. The average value of assets calculated in this manner is further limited to not less than 90% nor more than 110% of fair market value.</p> <p>A characteristic of this method is that the expected distribution of the value of plan assets is skewed toward understatement relative to the corresponding market values for expected long-term rates of return in excess of the third segment rate under IRC section 430(h)(2)(C)(iii).</p>

Schedule SB Attachment (Form 5500)—2016 Plan Year
Kone Inc. Employees' Retirement Plan
EIN: 36-2357423 PN: 001

Expected Return on Assets

2014 Plan Year	6.99% (third segment rate for 2014)
2015 Plan Year	6.81% (third segment rate for 2015)
2016 Plan Year	6.65% (third segment rate for 2016)

Trust Expenses Included in Target Normal Cost

\$1,298,000 Based on expected plan administrative expenses plus PBGC premium, rounded to the nearest \$1,000

Actuarial Method

Standard unit credit cost method

Valuation Date

January 1, 2016

Schedule SB Attachment (Form 5500)—2016 Plan Year
Kone Inc. Employees' Retirement Plan
EIN: 36-2357423 PN: 001

Table 1

Retirement Rates

Age	Rate
55	10.00%
56	10.00%
57	10.00%
58	10.00%
59	10.00%
60	10.00%
61	10.00%
62	15.00%
63	15.00%
64	15.00%
65	25.00%
66	25.00%
67	25.00%
68	25.00%
69	25.00%
70+	100.00%

Schedule SB Attachment (Form 5500)—2016 Plan Year
Kone Inc. Employees' Retirement Plan
EIN: 36-2357423 PN: 001

Table 2—Page 1 of 2

Withdrawal Rates

Age	Years of Service				
	0–1	2	3	4	5+
15	30.00%	25.00%	20.00%	15.00%	35.50%
16	30.00%	25.00%	20.00%	15.00%	35.50%
17	30.00%	25.00%	20.00%	15.00%	35.50%
18	30.00%	25.00%	20.00%	15.00%	35.50%
19	30.00%	25.00%	20.00%	15.00%	35.50%
20	30.00%	25.00%	20.00%	15.00%	35.50%
21	30.00%	25.00%	20.00%	15.00%	35.50%
22	30.00%	25.00%	20.00%	15.00%	33.50%
23	30.00%	25.00%	20.00%	15.00%	31.70%
24	30.00%	25.00%	20.00%	15.00%	29.90%
25	30.00%	25.00%	20.00%	15.00%	28.10%
26	30.00%	25.00%	20.00%	15.00%	26.40%
27	30.00%	25.00%	20.00%	15.00%	24.80%
28	30.00%	25.00%	20.00%	15.00%	23.20%
29	30.00%	25.00%	20.00%	15.00%	21.70%
30	30.00%	25.00%	20.00%	15.00%	20.30%
31	30.00%	25.00%	20.00%	15.00%	18.90%
32	30.00%	25.00%	20.00%	15.00%	17.50%
33	30.00%	25.00%	20.00%	15.00%	16.30%
34	30.00%	25.00%	20.00%	15.00%	15.10%
35	30.00%	25.00%	20.00%	15.00%	13.90%
36	30.00%	25.00%	20.00%	15.00%	12.80%
37	30.00%	25.00%	20.00%	15.00%	11.80%
38	30.00%	25.00%	20.00%	15.00%	10.80%
39	30.00%	25.00%	20.00%	15.00%	9.90%
40	30.00%	25.00%	20.00%	15.00%	9.00%
41	30.00%	25.00%	20.00%	15.00%	8.20%
42	30.00%	25.00%	20.00%	15.00%	7.50%
43	30.00%	25.00%	20.00%	15.00%	6.80%
44	30.00%	25.00%	20.00%	15.00%	6.20%

Schedule SB Attachment (Form 5500)—2016 Plan Year
Kone Inc. Employees' Retirement Plan
EIN: 36-2357423 PN: 001

Table 2—Page 2 of 2

Withdrawal Rates

Age	Years of Service				
	0–1	2	3	4	5+
45	30.00%	25.00%	20.00%	15.00%	5.60%
46	30.00%	25.00%	20.00%	15.00%	5.10%
47	30.00%	25.00%	20.00%	15.00%	4.70%
48	30.00%	25.00%	20.00%	15.00%	4.30%
49	30.00%	25.00%	20.00%	15.00%	4.00%
50	30.00%	25.00%	20.00%	15.00%	3.70%
51	30.00%	25.00%	20.00%	15.00%	3.50%
52	30.00%	25.00%	20.00%	15.00%	3.40%
53	30.00%	25.00%	20.00%	15.00%	3.30%
54	30.00%	25.00%	20.00%	15.00%	3.30%
55	30.00%	25.00%	20.00%	15.00%	3.30%
56+	30.00%	25.00%	20.00%	15.00%	0.00%

Schedule SB Attachment (Form 5500)—2016 Plan Year
Kone Inc. Employees' Retirement Plan
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Table 3

Disability Rates

Age	Rate	Age	Rate
20	0.050%	50	0.340%
21	0.050%	51	0.380%
22	0.050%	52	0.430%
23	0.050%	53	0.490%
24	0.050%	54	0.560%
25	0.060%	55	0.645%
26	0.060%	56	0.735%
27	0.060%	57	0.830%
28	0.065%	58	0.930%
29	0.065%	59	1.030%
30	0.065%	60	1.130%
31	0.070%	61	1.240%
32	0.070%	62	1.370%
33	0.080%	63	1.515%
34	0.085%	64	1.680%
35	0.090%	65+	0.000%
36	0.100%		
37	0.105%		
38	0.110%		
39	0.120%		
40	0.130%		
41	0.145%		
42	0.155%		
43	0.170%		
44	0.180%		
45	0.200%		
46	0.220%		
47	0.250%		
48	0.275%		
49	0.315%		

Schedule SB Attachment (Form 5500)—2016 Plan Year
Kone Inc. Employees' Retirement Plan
EIN: 36-2357423 PN: 001

Schedule SB, Part V—Summary of Plan Provisions

Office and McKinney

Final Average Pay Formula Effective Before December 31, 2014

Eligibility for Participation	All covered employees are eligible to participate on the first day of the month coincident with or next following completion of one year of eligibility service.
Normal Retirement Eligibility	The first day of the month coincident with or next following the attainment of age 65.
Monthly Benefit	<p>The greater of (1) and (2) below:</p> <p>(1) The sum of (a) and (b) below, multiplied by years of projected benefit service at normal retirement age (maximum 40 years), reduced by (c) below, and then multiplied by a fraction, not exceeding one, equal to years of benefit service over projected benefit service at normal retirement age:</p> <p>(a) 1.00% of average monthly compensation</p> <p>(b) 0.25% of average monthly compensation up to \$1,666.67</p> <p>(c) 50% of primary Social Security benefit at age 65</p> <p>(2) The applicable dollar rate, as in effect at the date of termination, multiplied by the number of years of benefit service at normal retirement:</p>

Date of Termination	Applicable Dollar Rate
Office Prior to 5/1/1981	\$11
On or After 5/1/1981 but Before 5/1/1982	\$12
On or After 5/1/1982 but Before 1/1/1990	\$13
On or After 1/1/1990	\$18
McKinney	\$18

Schedule SB Attachment (Form 5500)—2016 Plan Year
Kone Inc. Employees' Retirement Plan
EIN: 36-2357423 PN: 001

Early Retirement

Eligibility

Age 55 and five years of vesting service.

Benefit Reduction for Early Payment

Accrued benefit reduced actuarially for each month by which payments precede normal retirement age.

Disability Retirement

Eligibility

Five years of vesting service.

Benefit

Unreduced accrued benefit, payable immediately.

Preretirement Surviving Spouse Benefit

Eligibility

All vested participants.

Benefit

50% of an employee's accrued benefit, reduced for early retirement and the 50% joint and survivor option, payable to a surviving spouse commencing on the later of (a) the date the participant would have attained age 55, or (b) the date of death.

Vested Termination Benefits

Eligibility

Five years of vesting service. Vested terminations on or after January 1, 2015 may receive entire benefit upon termination.

Benefit

Accrued benefit payable at normal retirement age, or payable at early retirement age with reductions as for early retirement, or at vested termination with actuarial reductions.

Effective December 31, 2014, the accrued benefits under the Final Average Pay Program were frozen, and the above formula was replaced by the frozen benefit amount at age 65. As of January 1, 2015, the new cash balance formula is effective for future accruals.

Schedule SB Attachment (Form 5500)—2016 Plan Year
Kone Inc. Employees' Retirement Plan
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Cash Balance Formula Effective After January 1, 2015

Eligibility for Participation	All covered employees are eligible to participate on the first day of the month coincident with or next following completion of one year of eligibility service.														
Normal Retirement Eligibility	The first day of the month coincident with or next following the attainment of age 65.														
Monthly Benefit	<p>Cash Balance</p> <table> <tr> <th>Service</th><th>Contribution</th></tr> <tr> <td>0–4</td><td>4.0%</td></tr> <tr> <td>5–9</td><td>4.5%</td></tr> <tr> <td>10–14</td><td>5.0%</td></tr> <tr> <td>15–19</td><td>5.5%</td></tr> <tr> <td>20–24</td><td>6.0%</td></tr> <tr> <td>25+</td><td>6.5%</td></tr> </table> <p>Pay credits provided annually at end of year, or at date of termination (if earlier).</p> <p>Thirty year Treasury rates interest, credited annually.</p> <p>Cash balance account payable as a lump sum, or equivalent annuity based on 417(e).</p>	Service	Contribution	0–4	4.0%	5–9	4.5%	10–14	5.0%	15–19	5.5%	20–24	6.0%	25+	6.5%
Service	Contribution														
0–4	4.0%														
5–9	4.5%														
10–14	5.0%														
15–19	5.5%														
20–24	6.0%														
25+	6.5%														
Early Retirement Eligibility	Age 55 with three or more years of vesting service.														
Benefit Reduction for Early Payment	Same as normal retirement benefit.														
Disability Retirement Eligibility	Permanent and total disability with three years of service.														
Benefit	Accruals end at date of disability. Interest credits continue until the balance is distributed.														

Schedule SB Attachment (Form 5500)—2016 Plan Year
Kone Inc. Employees' Retirement Plan
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Preretirement Surviving Spouse Benefit

Eligibility

All vested participants who have not yet begun receiving benefit payments.

Benefit

Same as normal retirement benefit, except that the form of payment is a lump sum or a single life annuity (for a spouse beneficiary).

Interest credits continue until the balance is distributed.

Vested Termination Benefits

Eligibility

Three years of vesting service. May receive entire benefit upon vested termination.

Benefit

Account balance at termination plus interest until date of distribution.

Schedule SB Attachment (Form 5500)—2016 Plan Year
Kone Inc. Employees' Retirement Plan
EIN: 36-2357423 PN: 001

Factory

Eligibility for Participation

All employees covered by a collective bargaining agreement with District Lodge No. 102 of the IAM are eligible to participate on the first day of the month coincident with or next following completion of the probationary period.

Normal Retirement

Eligibility

The first day of the month coincident with or next following the attainment of age 65.

Monthly Benefit

The sum of (1) and (2) below:

- (1) The applicable dollar rate, as in effect at the date of termination, multiplied by the number of years of benefit service at the date of termination or December 31, 2003, if earlier:

Date of Termination	Applicable Dollar Rate
On or After 5/1/1979 but Prior to 5/1/1980	\$10
On or After 5/1/1980 but Prior to 5/1/1981	\$11
On or After 5/1/1981 but Prior to 5/1/1982	\$12
On or After 5/1/1982 but Prior to 4/16/1989	\$13
On or After 4/16/1989 but Prior to 4/16/1990	\$14
On or After 4/16/1990 but Prior to 4/16/1991 (effective retroactive for retirements occurring on or After 4/16/1989)	\$16
On or After 4/16/1991 but Prior to 4/16/1992 (effective retroactive for retirements occurring on or After 4/16/1989)	\$18
On or After 4/16/1992 but Prior to 4/16/1993	\$19
On or After 4/16/1993 but Prior to 4/16/1994	\$20
On or After 4/16/1994 but Prior to 4/16/1995	\$21
On or After 4/16/1995 but Prior to 4/16/1996	\$22
On or After 4/16/1996 but Prior to 4/16/1997	\$23
On or After 4/16/1997 but Prior to 11/1/2002	\$24
On or After 11/1/2002	\$25

Schedule SB Attachment (Form 5500)—2016 Plan Year
Kone Inc. Employees' Retirement Plan
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- (2) The sum of the applicable dollar rate multiplied by years of benefit service earned in each service period for service after December 31, 2003:

Service Period	Applicable Dollar Rate
On or After 1/1/2004 but Prior to 1/1/2008	\$26
On or After 1/1/2008 but Prior to 1/1/2009	\$27
On or After 1/1/2009 but Prior to 1/1/2010	\$28
On or After 1/1/2010 but Prior to 1/1/2016	\$29
On or After 1/1/2016 but Prior to 1/1/2017	\$30
On or After 1/1/2017 but Prior to 1/1/2018	\$31
On or After 1/1/2018	\$32

Early Retirement
Eligibility

Age 55.

Benefit Reduction for Early Payment

Accrued benefit reduced actuarially for each month by which payments precede normal retirement age.

Disability Retirement
Eligibility

Five years of vesting service.

Benefit

Unreduced accrued benefit, payable immediately.

Preretirement Surviving Spouse Benefit
Eligibility

All vested participants.

Benefit

50% of an employee's accrued benefit, reduced for early retirement and the 50% joint and survivor option, payable to a surviving spouse commencing on the later of (a) the date the participant would have attained age 55, or (b) the date of death.

Vested Termination Benefits
Eligibility

Five years of vesting service.

Benefit

Accrued benefit payable at normal retirement age, or payable at early retirement age with reductions as for early retirement.

Definitions
Effective Date

Amended and restated December 31, 2014. Most recent amendment adopted and effective January 1, 2016.

Eligibility Service

One year of eligibility service is earned for each period during which six months are worked by a full-time employee (1,000 or more hours if part-time employee).

Schedule SB Attachment (Form 5500)—2016 Plan Year
Kone Inc. Employees' Retirement Plan
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Benefit Service	One year of benefit service is earned for each year in which 1,000 or more hours are worked.
Vesting Service	One year of vesting service is earned for each year in which 1,000 or more hours are worked. In the year of termination, one year is credited if the participant works at least six months during that plan year.
Compensation	Base salary plus overtime and bonuses but excluding income from the Incentive Stock Participation Plan and other amounts includible in a participant's gross income.
Average Monthly Compensation	The average monthly compensation for the highest five consecutive calendar years during the last ten years of service preceding termination of employment.
Normal Form of Benefit	Life annuity or an actuarially equivalent 50% joint and survivor annuity if the participant is married at the date of his retirement.
Optional Payment Forms	Life annuity, 50% joint and survivor annuity, 66⅔% joint and survivor annuity, 75% joint and survivor annuity, and 100% joint and survivor annuity. Large amount lump sum option on entire benefit for Office and McKinney employees.
Payment of Small Amounts	Non-elective lump sum payment if the actuarial equivalent single sum of the benefit does not exceed \$5,000.
Actuarial Equivalent	For lump sum calculations, the mortality table prescribed in Revenue Ruling 2001-62 and the annual interest rate on 30-year Treasury securities for the month of October preceding the first day of the plan year in which the distribution occurs. For early retirement reductions, factors in Table I of the plan document. For joint and survivor annuities, factors in Table II of the plan document. For all other cases, the UP-1984 Unisex Mortality table and 7% interest rate.
Plan Year	Calendar year.

Schedule SB Attachment (Form 5500)—2016 Plan Year
Kone Inc. Employees' Retirement Plan
EIN: 36-2357423 PN: 001

Plan Changes Since the Prior Year

The funding valuation reflects the following plan change:

- Effective January 1, 2016, the pension benefit multiplier for Factory employees increased from \$29 to \$30 credited per year and will subsequently increase to \$31 effective January 1, 2017 and \$32 effective January 1, 2018 and later.

Other Information to Fully and Fairly Disclose the Actuarial Position of the Plan

Due to software limitations with the electronic filing process, information filed electronically cannot be controlled by the Enrolled Actuary. The values on the signed Schedule SB will govern to the extent there are any differences in the entries filed electronically and the actual data contained on the signed Schedule SB.

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2016 This Form is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

► **Round off amounts to nearest dollar.**

► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan KONE INC. EMPLOYEES' RETIREMENT PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Kone Inc.	D Employer Identification Number (EIN) 36-2357423	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500	

Part I Basic Information			
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2016</u>			
2 Assets:			
a Market value.....	2a	133,435,950	
b Actuarial value.....	2b	143,582,028	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment.....	922	46,254,708	46,254,708
b For terminated vested participants.....	1,128	27,885,084	27,885,084
c For active participants.....	1,327	45,307,710	47,518,443
d Total.....	3,377	119,447,502	121,658,235
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐			
a Funding target disregarding prescribed at-risk assumptions.....	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b		
5 Effective interest rate.....	5	6.15%	
6 Target normal cost.....	6	5,781,036	

Statement by Enrolled Actuary

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

SIGN HERE	<u>ALAN D. DANG</u> <u>ADD</u> Signature of actuary ALAN D. DANG Type or print name of actuary AON CONSULTING, INC. Firm name 4 OVERLOOK POINT LINCOLNSHIRE IL 60069 Address of the firm	<u>09/22/2017</u> Date <u>1707076</u> Most recent enrollment number <u>847-295-5000</u> Telephone number (including area code)
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If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

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

Schedule SB (Form 5500) 2016
v. 160205

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	0	7,322,257
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year).....	0	0
9 Amount remaining (line 7 minus line 8).....	0	7,322,257
10 Interest on line 9 using prior year's actual return of <u>-4.53%</u>	0	-331,698
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year).....		5,704,476
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.34%</u>		361,664
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return.....		0
c Total available at beginning of current plan year to add to prefunding balance.....		6,066,140
d Portion of (c) to be added to prefunding balance.....		0
12 Other reductions in balances due to elections or deemed elections.....	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d - line 12).....	0	6,990,559

Part III Funding Percentages

14 Funding target attainment percentage.....	14	112.27%
15 Adjusted funding target attainment percentage.....	15	118.02%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	118.32%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

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

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/14/2017	2,236,270	0			
07/12/2017	2,236,270	0			
09/14/2017	17,925,000	0			
Totals ▶			18(b)	22,397,540	18(c) 0

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

a Contributions allocated toward unpaid minimum required contributions from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date.....	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	20,309,447

20 Quarterly contributions and liquidity shortfalls:

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

Liquidity shortfall as of end of quarter of this plan year

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

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

21 Discount rate:			
a Segment rates:	1st segment: 4.43 %	2nd segment: 5.91 %	3rd segment: 6.65 %
			☐ N/A, full yield curve used
b Applicable month (enter code).....			21b 4
22 Weighted average retirement age			22 62
23 Mortality table(s) (see instructions)	☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute		

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	5,781,036	
b Excess assets, if applicable, but not greater than line 31a	31b	5,781,036	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment.....	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35).....	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	20,309,447	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	20,309,447	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37).....	39	0	
40 Unpaid minimum required contributions for all years	40	0	

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

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

Schedule SB Attachment (Form 5500)—2016 Plan Year
Kone Inc. Employees' Retirement Plan
EIN: 36-2357423 PN: 001

Schedule SB, line 19—Discounted Employer Contributions

Year applied for contributions: 2016

Date	Amount	Days to Discount to 1/1/2016 at 6.15%	Interest Adjusted Contribution
April 14, 2017	\$ 2,236,270	469	\$ 2,071,619
July 12, 2017	2,236,270	558	2,041,770
September 14, 2017	<u>17,925,000</u>	622	<u>16,196,058</u>
Total Contribution	\$ 22,397,540		\$ 20,309,447

Schedule SB Attachment (Form 5500)—2016 Plan Year
Kone Inc. Employees' Retirement Plan
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Schedule SB, line 22—Description of Weighted Average Retirement Age

The average retirement age shown in line 22 has been calculated by assuming the following retirement rates and no decrements other than retirement for this calculation. All retirements are assumed to occur at mid-year, except for the 100% retirement age.

(a) Age	(b) Rate	(c) Weight	(d) Product (a) × (b) × (c)
55.5	10.00%	1.0000	5.55
56.5	10.00%	0.9000	5.09
57.5	10.00%	0.8100	4.66
58.5	10.00%	0.7290	4.26
59.5	10.00%	0.6561	3.90
60.5	10.00%	0.5905	3.57
61.5	10.00%	0.5314	3.27
62.5	15.00%	0.4783	4.48
63.5	15.00%	0.4066	3.87
64.5	15.00%	0.3456	3.34
65.5	25.00%	0.2937	4.81
66.5	25.00%	0.2203	3.66
67.5	25.00%	0.1652	2.79
68.5	25.00%	0.1239	2.12
69.5	25.00%	0.0929	1.61
70	100.00%	0.0697	4.88
Weighted Average			61.86

Schedule SB Attachment (Form 5500)—2016 Plan Year
Kone Inc. Employees' Retirement Plan
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Schedule SB, Part V—Statement of Actuarial Assumptions/Methods

Interest Rates for Minimum Funding Purposes	Based on segment rates with a four-month lookback (as of September 2015), each adjusted as needed to fall within the 25-year average interest rate stabilization corridor
1st Segment Rate	4.43%
2nd Segment Rate	5.91%
3rd Segment Rate	6.65%
Interest Rates for Maximum Tax Purposes	Based on segment rates with a four-month lookback (as of September 2015), without regard to interest rate stabilization
1st Segment Rate	1.34%
2nd Segment Rate	4.03%
3rd Segment Rate	5.06%
Salary Increases	
Minimum Funding Target Normal Cost	4.0%
Maximum Tax Expected Benefit Increase	4.0%
Cash Balance Interest Crediting Rate	3.5%
Cash Balance Annuity Conversion Rate	Same as funding interest rates above
Social Security Wage Base Increases	Future wage indices are based on a national wage increase of 3.5% per year.
Optional Payment Form Election Percentage	Office and McKinney 50% elect a lump sum 35% elect single life annuity 9% elect a 50% joint and survivor annuity 5% elect a 100% joint and survivor annuity 1% elect a 66-2/3% joint and survivor annuity Factory 70% elect single life annuity 18% elect a 50% joint and survivor annuity 10% elect a 100% joint and survivor annuity 2% elect a 66-2/3% joint and survivor annuity
Optional Payment Form Conversion Interest Rate	Same as funding interest rates above for lump sums and actuarial equivalence for annuity payment forms.

Schedule SB Attachment (Form 5500)—2016 Plan Year
Kone Inc. Employees' Retirement Plan
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Optional Payment Form Conversion Mortality	Current IRC section 417(e) table for lump sums and actuarial equivalence for annuity payment forms.
Retirement Age	
Active Participants	See Table 1
Terminated Vested Participants	Age 62
Mortality Rates	
Healthy and Disabled	2016 static mortality table for annuitants and non-annuitants per section 1.430(h)(3)-1(e)
Withdrawal Rates	See Table 2
Disability Rates	See Table 3
Decrement Timing	Middle of year decrements (except that retirement is assumed to occur at the beginning of the year for ages where the assumed retirement rate is 100%)
Surviving Spouse Benefit	It is assumed that 85% of males and 85% of females have an eligible spouse, and that males are three years older than their spouses.
Valuation Compensation	2015 Pensionable earnings rolled forward one year with the salary increase assumption
Benefit and Compensation Limits	Projected benefits and compensation are limited by the current IRC section 415 maximum benefit of \$210,000 and the IRC section 401(a)(17) compensation limit of \$265,000.
Valuation of Plan Assets	<p>Smoothed fair market value of assets over the current and prior two years, adjusted for contributions, benefit payments, administrative expenses, and expected earnings. The average value of assets calculated in this manner is further limited to not less than 90% nor more than 110% of fair market value.</p> <p>A characteristic of this method is that the expected distribution of the value of plan assets is skewed toward understatement relative to the corresponding market values for expected long-term rates of return in excess of the third segment rate under IRC section 430(h)(2)(C)(iii).</p>

Schedule SB Attachment (Form 5500)—2016 Plan Year
Kone Inc. Employees' Retirement Plan
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Expected Return on Assets

2014 Plan Year	6.99% (third segment rate for 2014)
2015 Plan Year	6.81% (third segment rate for 2015)
2016 Plan Year	6.65% (third segment rate for 2016)

Trust Expenses Included in Target Normal Cost

\$1,298,000 Based on expected plan administrative expenses plus PBGC premium, rounded to the nearest \$1,000

Actuarial Method

Standard unit credit cost method

Valuation Date

January 1, 2016

Schedule SB Attachment (Form 5500)—2016 Plan Year
Kone Inc. Employees' Retirement Plan
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Table 1

Retirement Rates

Age	Rate
55	10.00%
56	10.00%
57	10.00%
58	10.00%
59	10.00%
60	10.00%
61	10.00%
62	15.00%
63	15.00%
64	15.00%
65	25.00%
66	25.00%
67	25.00%
68	25.00%
69	25.00%
70+	100.00%

Schedule SB Attachment (Form 5500)—2016 Plan Year
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Table 2—Page 1 of 2

Withdrawal Rates

Age	Years of Service				
	0–1	2	3	4	5+
15	30.00%	25.00%	20.00%	15.00%	35.50%
16	30.00%	25.00%	20.00%	15.00%	35.50%
17	30.00%	25.00%	20.00%	15.00%	35.50%
18	30.00%	25.00%	20.00%	15.00%	35.50%
19	30.00%	25.00%	20.00%	15.00%	35.50%
20	30.00%	25.00%	20.00%	15.00%	35.50%
21	30.00%	25.00%	20.00%	15.00%	35.50%
22	30.00%	25.00%	20.00%	15.00%	33.50%
23	30.00%	25.00%	20.00%	15.00%	31.70%
24	30.00%	25.00%	20.00%	15.00%	29.90%
25	30.00%	25.00%	20.00%	15.00%	28.10%
26	30.00%	25.00%	20.00%	15.00%	26.40%
27	30.00%	25.00%	20.00%	15.00%	24.80%
28	30.00%	25.00%	20.00%	15.00%	23.20%
29	30.00%	25.00%	20.00%	15.00%	21.70%
30	30.00%	25.00%	20.00%	15.00%	20.30%
31	30.00%	25.00%	20.00%	15.00%	18.90%
32	30.00%	25.00%	20.00%	15.00%	17.50%
33	30.00%	25.00%	20.00%	15.00%	16.30%
34	30.00%	25.00%	20.00%	15.00%	15.10%
35	30.00%	25.00%	20.00%	15.00%	13.90%
36	30.00%	25.00%	20.00%	15.00%	12.80%
37	30.00%	25.00%	20.00%	15.00%	11.80%
38	30.00%	25.00%	20.00%	15.00%	10.80%
39	30.00%	25.00%	20.00%	15.00%	9.90%
40	30.00%	25.00%	20.00%	15.00%	9.00%
41	30.00%	25.00%	20.00%	15.00%	8.20%
42	30.00%	25.00%	20.00%	15.00%	7.50%
43	30.00%	25.00%	20.00%	15.00%	6.80%
44	30.00%	25.00%	20.00%	15.00%	6.20%

Schedule SB Attachment (Form 5500)—2016 Plan Year
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Table 2—Page 2 of 2

Withdrawal Rates

Age	Years of Service				
	0–1	2	3	4	5+
45	30.00%	25.00%	20.00%	15.00%	5.60%
46	30.00%	25.00%	20.00%	15.00%	5.10%
47	30.00%	25.00%	20.00%	15.00%	4.70%
48	30.00%	25.00%	20.00%	15.00%	4.30%
49	30.00%	25.00%	20.00%	15.00%	4.00%
50	30.00%	25.00%	20.00%	15.00%	3.70%
51	30.00%	25.00%	20.00%	15.00%	3.50%
52	30.00%	25.00%	20.00%	15.00%	3.40%
53	30.00%	25.00%	20.00%	15.00%	3.30%
54	30.00%	25.00%	20.00%	15.00%	3.30%
55	30.00%	25.00%	20.00%	15.00%	3.30%
56+	30.00%	25.00%	20.00%	15.00%	0.00%

Schedule SB Attachment (Form 5500)—2016 Plan Year
Kone Inc. Employees' Retirement Plan
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Table 3

Disability Rates

Age	Rate	Age	Rate
20	0.050%	50	0.340%
21	0.050%	51	0.380%
22	0.050%	52	0.430%
23	0.050%	53	0.490%
24	0.050%	54	0.560%
25	0.060%	55	0.645%
26	0.060%	56	0.735%
27	0.060%	57	0.830%
28	0.065%	58	0.930%
29	0.065%	59	1.030%
30	0.065%	60	1.130%
31	0.070%	61	1.240%
32	0.070%	62	1.370%
33	0.080%	63	1.515%
34	0.085%	64	1.680%
35	0.090%	65+	0.000%
36	0.100%		
37	0.105%		
38	0.110%		
39	0.120%		
40	0.130%		
41	0.145%		
42	0.155%		
43	0.170%		
44	0.180%		
45	0.200%		
46	0.220%		
47	0.250%		
48	0.275%		
49	0.315%		

Schedule SB Attachment (Form 5500)—2016 Plan Year
Kone Inc. Employees' Retirement Plan
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Schedule SB, Part V—Summary of Plan Provisions

Office and McKinney

Final Average Pay Formula Effective Before December 31, 2014

Eligibility for Participation	All covered employees are eligible to participate on the first day of the month coincident with or next following completion of one year of eligibility service.
Normal Retirement Eligibility	The first day of the month coincident with or next following the attainment of age 65.
Monthly Benefit	<p>The greater of (1) and (2) below:</p> <p>(1) The sum of (a) and (b) below, multiplied by years of projected benefit service at normal retirement age (maximum 40 years), reduced by (c) below, and then multiplied by a fraction, not exceeding one, equal to years of benefit service over projected benefit service at normal retirement age:</p> <p>(a) 1.00% of average monthly compensation</p> <p>(b) 0.25% of average monthly compensation up to \$1,666.67</p> <p>(c) 50% of primary Social Security benefit at age 65</p> <p>(2) The applicable dollar rate, as in effect at the date of termination, multiplied by the number of years of benefit service at normal retirement:</p>

Date of Termination	Applicable Dollar Rate
Office Prior to 5/1/1981	\$11
On or After 5/1/1981 but Before 5/1/1982	\$12
On or After 5/1/1982 but Before 1/1/1990	\$13
On or After 1/1/1990	\$18
McKinney	\$18

Schedule SB Attachment (Form 5500)—2016 Plan Year
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Early Retirement

Eligibility

Age 55 and five years of vesting service.

Benefit Reduction for Early Payment

Accrued benefit reduced actuarially for each month by which payments precede normal retirement age.

Disability Retirement

Eligibility

Five years of vesting service.

Benefit

Unreduced accrued benefit, payable immediately.

Preretirement Surviving Spouse Benefit

Eligibility

All vested participants.

Benefit

50% of an employee's accrued benefit, reduced for early retirement and the 50% joint and survivor option, payable to a surviving spouse commencing on the later of (a) the date the participant would have attained age 55, or (b) the date of death.

Vested Termination Benefits

Eligibility

Five years of vesting service. Vested terminations on or after January 1, 2015 may receive entire benefit upon termination.

Benefit

Accrued benefit payable at normal retirement age, or payable at early retirement age with reductions as for early retirement, or at vested termination with actuarial reductions.

Effective December 31, 2014, the accrued benefits under the Final Average Pay Program were frozen, and the above formula was replaced by the frozen benefit amount at age 65. As of January 1, 2015, the new cash balance formula is effective for future accruals.

Schedule SB Attachment (Form 5500)—2016 Plan Year
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Cash Balance Formula Effective After January 1, 2015

Eligibility for Participation	All covered employees are eligible to participate on the first day of the month coincident with or next following completion of one year of eligibility service.														
Normal Retirement Eligibility	The first day of the month coincident with or next following the attainment of age 65.														
Monthly Benefit	<p>Cash Balance</p> <table> <tr> <th>Service</th><th>Contribution</th></tr> <tr> <td>0–4</td><td>4.0%</td></tr> <tr> <td>5–9</td><td>4.5%</td></tr> <tr> <td>10–14</td><td>5.0%</td></tr> <tr> <td>15–19</td><td>5.5%</td></tr> <tr> <td>20–24</td><td>6.0%</td></tr> <tr> <td>25+</td><td>6.5%</td></tr> </table> <p>Pay credits provided annually at end of year, or at date of termination (if earlier).</p> <p>Thirty year Treasury rates interest, credited annually.</p> <p>Cash balance account payable as a lump sum, or equivalent annuity based on 417(e).</p>	Service	Contribution	0–4	4.0%	5–9	4.5%	10–14	5.0%	15–19	5.5%	20–24	6.0%	25+	6.5%
Service	Contribution														
0–4	4.0%														
5–9	4.5%														
10–14	5.0%														
15–19	5.5%														
20–24	6.0%														
25+	6.5%														
Early Retirement Eligibility	Age 55 with three or more years of vesting service.														
Benefit Reduction for Early Payment	Same as normal retirement benefit.														
Disability Retirement Eligibility	Permanent and total disability with three years of service.														
Benefit	Accruals end at date of disability. Interest credits continue until the balance is distributed.														

Schedule SB Attachment (Form 5500)—2016 Plan Year
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Preretirement Surviving Spouse Benefit

Eligibility

All vested participants who have not yet begun receiving benefit payments.

Benefit

Same as normal retirement benefit, except that the form of payment is a lump sum or a single life annuity (for a spouse beneficiary).

Interest credits continue until the balance is distributed.

Vested Termination Benefits

Eligibility

Three years of vesting service. May receive entire benefit upon vested termination.

Benefit

Account balance at termination plus interest until date of distribution.

Schedule SB Attachment (Form 5500)—2016 Plan Year
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Factory

Eligibility for Participation

All employees covered by a collective bargaining agreement with District Lodge No. 102 of the IAM are eligible to participate on the first day of the month coincident with or next following completion of the probationary period.

Normal Retirement

Eligibility

The first day of the month coincident with or next following the attainment of age 65.

Monthly Benefit

The sum of (1) and (2) below:

- (1) The applicable dollar rate, as in effect at the date of termination, multiplied by the number of years of benefit service at the date of termination or December 31, 2003, if earlier:

Date of Termination	Applicable Dollar Rate
On or After 5/1/1979 but Prior to 5/1/1980	\$10
On or After 5/1/1980 but Prior to 5/1/1981	\$11
On or After 5/1/1981 but Prior to 5/1/1982	\$12
On or After 5/1/1982 but Prior to 4/16/1989	\$13
On or After 4/16/1989 but Prior to 4/16/1990	\$14
On or After 4/16/1990 but Prior to 4/16/1991 (effective retroactive for retirements occurring on or After 4/16/1989)	\$16
On or After 4/16/1991 but Prior to 4/16/1992 (effective retroactive for retirements occurring on or After 4/16/1989)	\$18
On or After 4/16/1992 but Prior to 4/16/1993	\$19
On or After 4/16/1993 but Prior to 4/16/1994	\$20
On or After 4/16/1994 but Prior to 4/16/1995	\$21
On or After 4/16/1995 but Prior to 4/16/1996	\$22
On or After 4/16/1996 but Prior to 4/16/1997	\$23
On or After 4/16/1997 but Prior to 11/1/2002	\$24
On or After 11/1/2002	\$25

Schedule SB Attachment (Form 5500)—2016 Plan Year
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- (2) The sum of the applicable dollar rate multiplied by years of benefit service earned in each service period for service after December 31, 2003:

Service Period	Applicable Dollar Rate
On or After 1/1/2004 but Prior to 1/1/2008	\$26
On or After 1/1/2008 but Prior to 1/1/2009	\$27
On or After 1/1/2009 but Prior to 1/1/2010	\$28
On or After 1/1/2010 but Prior to 1/1/2016	\$29
On or After 1/1/2016 but Prior to 1/1/2017	\$30
On or After 1/1/2017 but Prior to 1/1/2018	\$31
On or After 1/1/2018	\$32

Early Retirement
Eligibility

Age 55.

Benefit Reduction for Early Payment

Accrued benefit reduced actuarially for each month by which payments precede normal retirement age.

Disability Retirement
Eligibility

Five years of vesting service.

Benefit

Unreduced accrued benefit, payable immediately.

Preretirement Surviving Spouse Benefit
Eligibility

All vested participants.

Benefit

50% of an employee's accrued benefit, reduced for early retirement and the 50% joint and survivor option, payable to a surviving spouse commencing on the later of (a) the date the participant would have attained age 55, or (b) the date of death.

Vested Termination Benefits
Eligibility

Five years of vesting service.

Benefit

Accrued benefit payable at normal retirement age, or payable at early retirement age with reductions as for early retirement.

Definitions
Effective Date

Amended and restated December 31, 2014. Most recent amendment adopted and effective January 1, 2016.

Eligibility Service

One year of eligibility service is earned for each period during which six months are worked by a full-time employee (1,000 or more hours if part-time employee).

Schedule SB Attachment (Form 5500)—2016 Plan Year
Kone Inc. Employees' Retirement Plan
EIN: 36-2357423 PN: 001

Benefit Service	One year of benefit service is earned for each year in which 1,000 or more hours are worked.
Vesting Service	One year of vesting service is earned for each year in which 1,000 or more hours are worked. In the year of termination, one year is credited if the participant works at least six months during that plan year.
Compensation	Base salary plus overtime and bonuses but excluding income from the Incentive Stock Participation Plan and other amounts includible in a participant's gross income.
Average Monthly Compensation	The average monthly compensation for the highest five consecutive calendar years during the last ten years of service preceding termination of employment.
Normal Form of Benefit	Life annuity or an actuarially equivalent 50% joint and survivor annuity if the participant is married at the date of his retirement.
Optional Payment Forms	Life annuity, 50% joint and survivor annuity, 66⅔% joint and survivor annuity, 75% joint and survivor annuity, and 100% joint and survivor annuity. Large amount lump sum option on entire benefit for Office and McKinney employees.
Payment of Small Amounts	Non-elective lump sum payment if the actuarial equivalent single sum of the benefit does not exceed \$5,000.
Actuarial Equivalent	For lump sum calculations, the mortality table prescribed in Revenue Ruling 2001-62 and the annual interest rate on 30-year Treasury securities for the month of October preceding the first day of the plan year in which the distribution occurs. For early retirement reductions, factors in Table I of the plan document. For joint and survivor annuities, factors in Table II of the plan document. For all other cases, the UP-1984 Unisex Mortality table and 7% interest rate.
Plan Year	Calendar year.

Schedule SB Attachment (Form 5500)—2016 Plan Year
Kone Inc. Employees' Retirement Plan
EIN: 36-2357423 PN: 001

Plan Changes Since the Prior Year

The funding valuation reflects the following plan change:

- Effective January 1, 2016, the pension benefit multiplier for Factory employees increased from \$29 to \$30 credited per year and will subsequently increase to \$31 effective January 1, 2017 and \$32 effective January 1, 2018 and later.

Other Information to Fully and Fairly Disclose the Actuarial Position of the Plan

Due to software limitations with the electronic filing process, information filed electronically cannot be controlled by the Enrolled Actuary. The values on the signed Schedule SB will govern to the extent there are any differences in the entries filed electronically and the actual data contained on the signed Schedule SB.

Schedule SB Attachment (Form 5500)—2016 Plan Year
Kone Inc. Employees' Retirement Plan
EIN: 36-2357423 PN: 001

Schedule SB, line 24—Change in Actuarial Assumptions

The January 1, 2016 funding valuation reflects the following non-prescribed assumption change:

- A change in the assumed expenses payable from the trust from \$1,090,000 to \$1,298,000, based on expected plan administrative expenses plus PBGC premium, rounded to the nearest \$1,000.

This change was made to better reflect anticipated plan experience. This assumption change did not reduce the funding shortfall by more than the thresholds stated in Internal Revenue Code section 430(h)(5); as such, approval of the Commissioner is not required.

Schedule SB Attachment (Form 5500)—2016 Plan Year
Kone Inc. Employees' Retirement Plan
EIN: 36-2357423 PN: 001

Schedule SB, line 26—Schedule of Active Participant Data as of January 1, 2016

Attained Age	Number of Participants and Average Compensation									
	Years of Credited Service									
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
<25		19	1							
25-29		68 \$63,374	13	1						
30-34		79 \$77,647	49 \$114,996	13	2					
35-39		71 \$95,139	43 \$98,027	17	26 \$96,739	2				
40-44		67 \$98,019	30 \$105,468	25 \$112,176	38 \$127,231	15				
45-49		59 \$122,737	35 \$116,466	28 \$119,700	34 \$97,548	22 \$180,106	12	1		
50-54		64 \$118,487	33 \$105,132	34 \$104,340	28 \$118,319	9	31 \$144,037	13	4	
55-59		31 \$111,948	20 \$126,939	30 \$107,697	31 \$99,677	6	15	28 \$125,962	19	1
60-64		16	17	17	8	9	12	13	10	17
65-69		3	3	4	11	4	2	3		4
70+		1		1	1	2	1			1

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Schedule SB Attachment (Form 5500)—2016 Plan Year
Kone Inc. Employees' Retirement Plan
EIN: 36-2357423 PN: 001

Schedule SB, line 24—Change in Actuarial Assumptions

The January 1, 2016 funding valuation reflects the following non-prescribed assumption change:

- A change in the assumed expenses payable from the trust from \$1,090,000 to \$1,298,000, based on expected plan administrative expenses plus PBGC premium, rounded to the nearest \$1,000.

This change was made to better reflect anticipated plan experience. This assumption change did not reduce the funding shortfall by more than the thresholds stated in Internal Revenue Code section 430(h)(5); as such, approval of the Commissioner is not required.

Schedule SB Attachment (Form 5500)—2016 Plan Year
Kone Inc. Employees' Retirement Plan
EIN: 36-2357423 PN: 001

Schedule SB, line 26—Schedule of Active Participant Data as of January 1, 2016

Attained Age	Number of Participants and Average Compensation									
	Years of Credited Service									
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
<25		19	1							
25-29		68 \$63,374	13	1						
30-34		79 \$77,647	49 \$114,996	13	2					
35-39		71 \$95,139	43 \$98,027	17	26 \$96,739	2				
40-44		67 \$98,019	30 \$105,468	25 \$112,176	38 \$127,231	15				
45-49		59 \$122,737	35 \$116,466	28 \$119,700	34 \$97,548	22 \$180,106	12	1		
50-54		64 \$118,487	33 \$105,132	34 \$104,340	28 \$118,319	9	31 \$144,037	13	4	
55-59		31 \$111,948	20 \$126,939	30 \$107,697	31 \$99,677	6	15	28 \$125,962	19	1
60-64		16	17	17	8	9	12	13	10	17
65-69		3	3	4	11	4	2	3		4
70+		1		1	1	2	1			1

N-1327

Plan Name	KONE Inc. Employees' Retirement Plan
Plan Sponsor EIN	36-2357423
ERISA Plan #	001
Plan Year Ending	December 31, 2016

The required attachment marked with an “X” in the Attachment column is included within the Accountant’s Opinion attachment to Sch. H, Part III, Line 3, which consists of the entire audit report issued by the DFE’s Independent Qualified Public Accountant (IQPA).

Form / Schedule	Line #	Description	Attachment
5500 Sch. H	Line 3	Financial statements used in formulating the IQPA's opinion	X
5500 Sch. H	Line 4i	Schedule of Assets (Held at End of Year)	X
5500 Sch. H	Line 4i	Schedule of Assets (Acquired and Disposed of Within Year)	
5500 Sch. H	Line 4j	Schedule of Reportable Transactions	X
5500 Sch. H	Line 4a	Schedule of Delinquent Participant Contributions	

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2016 This Form is Open to Public Inspection
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Part I Annual Report Identification Information			
For calendar plan year 2016 or fiscal plan year beginning		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.)	
	☒ 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:	☒ Form 5558	☐ automatic extension	☐ the DFVC program
	☐ special extension (enter description)		

Part II Basic Plan Information—enter all requested information			
1a Name of plan KONE INC. EMPLOYEES' RETIREMENT PLAN		1b Three-digit plan number (PN) ▶	001
		1c Effective date of plan 05/18/1962	
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) KONE INC. 4225 NAPERVILLE ROAD, SUITE 400 LISLE IL 60532		2b Employer Identification Number (EIN) 36-2357423 2c Plan Sponsor's telephone number (630) 955-4225 2d Business code (see instructions) 333900	

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		OCT 13, 2017	MICHAEL P. BAUSCHKA
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE		OCT 13, 2017	MICHAEL P. BAUSCHKA
	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
DELOITTE TAX LLP 111 S. WACKER DRIVE CHICAGO IL 60606			(312) 486-1000

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

Form 5500 (2016)
v. 160205

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 3,377
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 a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 1,327 6a(2) 1,488 6b 809 6c 647 6d 2,944 6e 146 6f 3,090 6g 6h 36
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: 1A 1B 3H 1C 2I b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

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

b General Schedules

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

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

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

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

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

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

Receipt Confirmation Code _____