

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>THE VALSPAR CORPORATION EMPLOYEES' PENSION PLAN</u>	1b	Three-digit plan number (PN) ► <u>001</u>
		1c	Effective date of plan <u>01/01/1965</u>
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>VALSPAR CORPORATION</u> <u>TAX DEPT., 1220 GH</u> <u>101 PROSPECT AVENUE, N.W.</u> <u>CLEVELAND, OH 44115-1075</u>	2b	Employer Identification Number (EIN) <u>36-2443580</u>
		2c	Plan Sponsor's telephone number <u>216-566-2000</u>
		2d	Business code (see instructions) <u>325500</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.	10/16/2017	THOMAS P. GILLIGAN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/16/2017	LAWRENCE J. BORON
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number)			Preparer's telephone number

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 3869
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) 878 6a(2) 812 6b 1323 6c 1395 6d 3530 6e 283 6f 3813 6g 6h 45
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 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>THE VALSPAR CORPORATION EMPLOYEES' PENSION 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>VALSPAR CORPORATION</u>	D Employer Identification Number (EIN) <u>36-2443580</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>225448559</u>
b Actuarial value	2b <u>234141693</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>1577</u> <u>115739633</u> <u>115739633</u>
b For terminated vested participants.....	<u>1493</u> <u>39138210</u> <u>39138210</u>
c For active participants.....	<u>811</u> <u>32107396</u> <u>32965841</u>
d Total.....	<u>3881</u> <u>186985239</u> <u>187843684</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>6.06 %</u>
6 Target normal cost.....	6 <u>1773771</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>10/12/2017</u>
	Signature of actuary	Date
<u>STEVEN M SCHATT</u>	Type or print name of actuary	<u>17-06183</u>
<u>TOWERS WATSON DELAWARE INC.</u>	Firm name	Most recent enrollment number
<u>8400 NORMANDALE LAKE BOULEVARD</u> <u>SUITE 1700</u> <u>MINNEAPOLIS, MN 55437</u>	Address of the firm	<u>952-842-7000</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)	31934654	3966022
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)	31934654	3966022
10	Interest on line 9 using prior year's actual return of <u>-1.34</u> %	-427924	-53145
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		0
b(1)	Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.26</u> %		0
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		0
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)	31506730	3912877

Part III Funding Percentages			
14	Funding target attainment percentage	14	105.79%
15	Adjusted funding target attainment percentage	15	124.64%
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	122.11%
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
Totals ►			18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a	Contributions allocated toward unpaid minimum required contributions from prior years	19a 0
b	Contributions made to avoid restrictions adjusted to valuation date	19b 0
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c 0
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year?		☐ 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
0	0	0
(4) 4th	0	

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	1773771			
b	Excess assets, if applicable, but not greater than line 31a	31b	1773771			
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			
37	Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)		37			
38	Present value of excess contributions for current year (see instructions)					
a	Total (excess, if any, of line 37 over line 36)	38a	0			
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			
40	Unpaid minimum required contributions for all years		40			
41						
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			
Part IX	Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)					

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 THE VALSPAR CORPORATION EMPLOYEES' PENSION PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 VALSPAR CORPORATION	
D Employer Identification Number (EIN) 36-2443580	

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	
WILLIAM BLAIR	222 WEST ADAMS STREET CHICAGO, IL 60606

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
CAUSEWAY CAPTIAL MANAGEMENT LLC	
04-6987758	

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
THE VANGUARD GROUP, INC.	
23-1945930	

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
FIDELITY MANAGEMENT TRUST COMPANY	245 SUMMER STREET BOSTON, MA 02210

(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)

TOWERS WATSON DELAWARE INC

53-0181291

(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?
13 50	NONE	195892	Yes ☐ No ☒	Yes ☐ No ☒		Yes ☐ No ☒

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

WELLS FARGO BANK

41-1592157

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 21 50 64	NONE	50999	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

PAVILION/JEFFREY SLOCUM & ASSOCIATE

41-0991758

(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?
27 28 50 51	NONE	18371	Yes ☐ No ☒	Yes ☐ No ☒		Yes ☐ No ☒

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2016 This Form is Open to Public Inspection.
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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>THE VALSPAR CORPORATION EMPLOYEES' PENSION PLAN</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>VALSPAR CORPORATION</u>	D Employer Identification Number (EIN) <u>36-2443580</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: EQUITY INDEX COMMINGLED FUND

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

c EIN-PN <u>04-3022712-011</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>83628194</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE: WF SHORT TERM INVESTMENT FUND G

b Name of sponsor of entity listed in (a): WELLS FARGO BANK

c EIN-PN <u>41-6292499-001</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>47968</u>
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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)
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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)
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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)
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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)
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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)
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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 <u>01/01/2016</u> and ending <u>12/31/2016</u>		
A Name of plan <u>THE VALSPAR CORPORATION EMPLOYEES' PENSION 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>VALSPAR CORPORATION</u>	D Employer Identification Number (EIN) <u>36-2443580</u>	

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	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other.....	1b(3)	1047913	1028282
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	0	0
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	83756	449945
(B) All other.....	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	4992	4992
(B) Common.....	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	495010	495010
(6) Real estate (other than employer real property).....	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans.....	1c(8)	0	0
(9) Value of interest in common/collective trusts	1c(9)	78648727	83676162
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities.....	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	145168162	147485485
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)	0	0

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	225448560	233139876

Liabilities

g Benefit claims payable	1g	0	0
h Operating payables	1h	28074	44519
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	28074	44519

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	225420486	233095357
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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)	0	
(B) Participants	2a(1)(B)	0	
(C) Others (including rollovers)	2a(1)(C)	0	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	338	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	12037	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	0	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		12375
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	4483000	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		4483000
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	370912	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		370912

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		9103308
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		6093760
c Other income.....	2c		38940
d Total income. Add all income amounts in column (b) and enter total.....	2d		20102295

Expenses**e** Benefit payment and payments to provide benefits:

(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	12162160	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		12162160
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense.....	2h		0
i Administrative expenses: (1) Professional fees.....	2i(1)	246893	
(2) Contract administrator fees.....	2i(2)	0	
(3) Investment advisory and management fees.....	2i(3)	18371	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		265264
j Total expenses. Add all expense amounts in column (b) and enter total	2j		12427424

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		7674871
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan.....	2l(2)		0

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: CLIFTONLARSONALLEN LLP

(2) EIN: 41-0746749

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		20000000
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		495010
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			
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		X	

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 4091377. (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>THE VALSPAR CORPORATION EMPLOYEES' PENSION 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>VALSPAR CORPORATION</u>	D Employer Identification Number (EIN) <u>36-2443580</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>0</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	<u>0</u>	
b Enter the amount contributed by the employer to the plan for this plan year	6b	<u>0</u>	
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	<u>0</u>	
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>61.4</u> % Investment-Grade Debt: <u>38.2</u> % High-Yield Debt: <u>0</u> % Real Estate: <u>0.2</u> % Other: <u>0.2</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 / / .	

INDEPENDENT AUDITORS' REPORT

Benefits Administrative Committee
The Valspar Corporation Employees' Pension Plan
Minneapolis, Minnesota

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of The Valspar Corporation Employees' Pension Plan, which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit 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, 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 of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2016 and 2015, that the information provided to the Plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

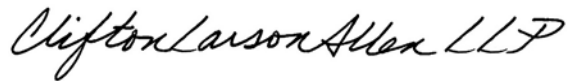
Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedule of assets (held at end of year) as of December 31, 2016 is required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on this supplemental schedule.

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

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Minneapolis, Minnesota
October 11, 2017

**THE VALSPAR CORPORATION EMPLOYEES'
PENSION PLAN**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**

YEARS ENDED DECEMBER 31, 2016 AND 2015

THE VALSPAR CORPORATION EMPLOYEES' PENSION PLAN
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INDEPENDENT AUDITORS' REPORT

Benefits Administrative Committee
The Valspar Corporation Employees' Pension Plan
Minneapolis, Minnesota

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of The Valspar Corporation Employees' Pension Plan, which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit 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, 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 of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2016 and 2015, that the information provided to the Plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

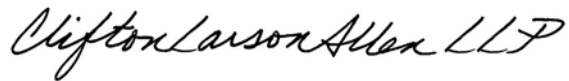
Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedule of assets (held at end of year) as of December 31, 2016 is required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on this supplemental schedule.

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

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Minneapolis, Minnesota
October 11, 2017

THE VALSPAR CORPORATION EMPLOYEES' PENSION PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
INVESTMENTS (at Fair Value)		
Collective Fund	\$ 83,676,162	\$ 78,648,727
Preferred Stock	4,992	4,992
Limited Partnership	495,010	495,010
Mutual Funds	147,485,485	145,168,162
Corporate Bonds	449,945	83,756
Total Investments	<u>232,111,594</u>	<u>224,400,647</u>
SECURITIES RECEIVABLES	<u>1,028,282</u>	<u>1,047,913</u>
Total Assets	233,139,876	225,448,560
LIABILITIES		
ACCOUNTS PAYABLE	<u>44,519</u>	<u>28,074</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 233,095,357</u></u>	<u><u>\$ 225,420,486</u></u>

See accompanying Notes to Financial Statements.

THE VALSPAR CORPORATION EMPLOYEES' PENSION PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ADDITIONS TO (DEDUCTIONS FROM) NET ASSETS AVAILABLE FOR BENEFITS ATTRIBUTED TO:		
INVESTMENT INCOME (LOSS)		
Net Appreciation (Depreciation) in Fair Value of Investments	\$ 15,563,257	\$ (7,912,971)
Interest and Dividends	4,532,292	4,586,982
Total Investment Income (Loss)	<u>20,095,549</u>	<u>(3,325,989)</u>
Less: Investment Fees	(18,371)	(24,669)
Net Investment Income (Loss)	<u>20,077,178</u>	<u>(3,350,658)</u>
OTHER INCOME	6,746	2,252
BENEFIT PAYMENTS PAID TO PARTICIPANTS	(12,162,160)	(11,870,524)
ADMINISTRATIVE FEES	<u>(246,893)</u>	<u>(170,496)</u>
NET INCREASE (DECREASE) PRIOR TO TRANSFER	7,674,871	(15,389,426)
TRANSFER FROM AFFILIATED PLAN	<u>-</u>	<u>127,694</u>
NET INCREASE (DECREASE) AFTER TRANSFER	7,674,871	(15,261,732)
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of Year	<u>225,420,486</u>	<u>240,682,218</u>
End of Year	<u>\$ 233,095,357</u>	<u>\$ 225,420,486</u>

See accompanying Notes to Financial Statements.

THE VALSPAR CORPORATION EMPLOYEES' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 1 DESCRIPTION OF THE PLAN

The following description of The Valspar Corporation Employees' Pension Plan (the Plan) provides only general information. Participants should refer to the Summary Plan Description for a more complete description of the Plan's provisions.

General

The Plan is a defined benefit pension plan which covers all hourly employees of The Valspar Corporation (Employer) who are not eligible for the Valspar Savings & Retirement Plan. Effective November 30, 2012, the Lilly Plan was merged into the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The Plan was originally adopted effective January 1, 1965 and most recently amended and restated effective January 1, 2016.

Funding Policy

The Employer contributes to the Plan as determined by an independent consulting actuary and minimum funding standards under current federal income tax laws. Participants may not make contributions to the Plan. The Employer makes contributions to the Plan based upon the estimated funding level established as of the last valuation date. The Plan has met the minimum funding requirements for the years ended December 31, 2016 and 2015.

Although it has not expressed any intention to do so, the Employer has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA.

Pension Benefits

Under terms of the Plan, participants are eligible for monthly benefit payments upon reaching regular retirement age. The basic form of retirement benefits available under the Plan is a monthly life annuity or, for a married participant, a qualified joint and survivor annuity. For Valspar participants, the amount of the monthly benefit is the product of a flat dollar amount, based on which location the participant worked, multiplied by years of accrual service. For Lilly participants, the amount of the monthly benefit is the product of a rate, based on average monthly plan compensation and number of years of service. The definition of accrual service varies by location. For Quest participants, the amount of the monthly benefit is the product of a flat dollar amount, as set forth in the Collective Bargaining Agreement, multiplied by years of credited service. For Valspar participants, the conditions for early retirement, including the decrease in the monthly retirement benefit for retiring early, also vary by location. For Lilly and Quest participants, the conditions for early retirement vary based on age and years of service. A participant vests fully in retirement benefits after performing five years of vesting service or upon reaching retirement age while working for the Employer. Participants will receive a lump-sum distribution in the event that the actuarial present value of the participant's entire vested benefit is \$5,000 or less.

THE VALSPAR CORPORATION EMPLOYEES' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 1 DESCRIPTION OF THE PLAN (CONTINUED)

Death and Disability Benefits

If an active employee dies at age 55 or older, a death benefit equal to the value of the employee's accumulated pension benefits is paid to the employee's beneficiary. Active employees who have completed at least five years of vesting service and become totally disabled receive annual disability benefits that are equal to the normal retirement benefits they have accumulated as of the time they become disabled. Disability benefits are paid until normal retirement age at which time disabled participants begin receiving normal retirement benefits computed as though they had been employed to normal retirement age with their annual compensation remaining the same as at the time they became disabled.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting.

Investment Valuation and Income Recognition

Investments in the Plan are stated at fair value. Fair value is the amount 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. See Note 4 for a discussion of fair value measurements.

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, disclosure of contingent assets and liabilities and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to services rendered by the employees to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, and (b) present employees or their beneficiaries. Benefits payable upon retirement or termination of employment are included to the extent they are deemed attributable to employee services rendered to the valuation date.

THE VALSPAR CORPORATION EMPLOYEES' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Actuarial Present Value of Accumulated Plan Benefits (Continued)

The consulting actuary determines the actuarial present value of accumulated plan benefits, which is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment.

The significant actuarial assumptions used in the valuations as of January 1, 2016 were:

- (a) Investment earnings (7.25%)
- (b) Life expectancy of participants (RP-2014 Healthy Mortality Tables for males and females with separate mortality rates for annuitants and nonannuitants translated to 2006 using MP-2014 and projected generationally using scale MP-2015)
- (c) The mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvement
- (d) Retirement age assumption (ranges from 55-67 and based on location)

The mortality tables changed from the prior year actuarial assumptions. The mortality tables for 2015 were RP-2014 Healthy Mortality Tables for males and females with separate mortality rates for annuitants and nonannuitants using MP-2014.

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

The computations of the actuarial present value of accumulated Plan benefits were made as of January 1, 2016. Had the valuations been performed as of December 31, there would be no material differences.

Payments of Benefits

Benefit payments to participants are recorded upon distribution.

Administrative Expenses

Substantially all administrative expenses, including investment management fees, are paid by the Plan.

Subsequent Events

In preparing these financial statements, the Plan has evaluated events and transactions for potential recognition or disclosure through October 11, 2017, the date the financial statements were available to be issued.

THE VALSPAR CORPORATION EMPLOYEES' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 3 CERTIFICATION

Wells Fargo Bank, N.A., the trustee of the Plan, has supplied the Plan administrator with a certification as to the completeness and accuracy of all investment information reflected on the accompanying statements of net assets available for benefits as of December 31, 2016 and 2015, the statements of changes in net assets available for benefits for the years then ended, and the supplemental schedule of assets (held at end of year) as of December 31, 2016.

NOTE 4 FAIR VALUE MEASUREMENTS

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

The three levels of the fair value hierarchy are described as follows:

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

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

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

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

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

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

THE VALSPAR CORPORATION EMPLOYEES' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

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

The collective funds are valued at the net asset value (NAV) of units of the bank collective trust. NAV is readily determinable fair value and is the basis for current transactions. If the Plan initiates a full redemption of the collective fund, the issuer reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

Investments in corporate bonds are valued at the closing price reported in the active market in which the individual security is traded.

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

Investment in the limited liability partnership is valued at historical cost, which approximates fair value. Investment in the preferred stock is stated at the value determined by the issuer. The limited liability partnership and preferred stock are investments in a shopping mall in Indianapolis. Although no specific restrictions are noted in the agreement, the Plan's ability to redeem their share in the partnership and stock are reliant upon finding a buyer in the active market.

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2016 and 2015.

2016				
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 147,485,485	\$ -	\$ -	\$ 147,485,485
Common Collective Trust	-	83,676,162	-	83,676,162
Limited Liability Partnership	-	-	495,010	495,010
Corporate Bonds	449,945	-	-	449,945
Preferred Stock	-	-	4,992	4,992
Total Investments	<u>\$ 147,935,430</u>	<u>\$ 83,676,162</u>	<u>\$ 500,002</u>	<u>\$ 232,111,594</u>

2015				
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 145,168,162	\$ -	\$ -	\$ 145,168,162
Common Collective Trust	-	78,648,727	-	78,648,727
Limited Liability Partnership	-	-	495,010	495,010
Corporate Bonds	83,756	-	-	83,756
Preferred Stock	-	-	4,992	4,992
Total Investments	<u>\$ 145,251,918</u>	<u>\$ 78,648,727</u>	<u>\$ 500,002</u>	<u>\$ 224,400,647</u>

THE VALSPAR CORPORATION EMPLOYEES' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth a summary of changes in the fair value of Level 3 assets for the years ended December 31:

	2016		2015	
	Limited Liability Partnership	Preferred Stock	Limited Liability Partnership	Preferred Stock
Balance - Beginning of Year	\$ 495,010	\$ 4,992	\$ 495,010	\$ 4,992
Issuances (Settlements), Net	-	-	-	-
Balance - End of Year	<u>\$ 495,010</u>	<u>\$ 4,992</u>	<u>\$ 495,010</u>	<u>\$ 4,992</u>

NOTE 5 ACCUMULATED PLAN BENEFITS

The Employer has elected to present the actuarially computed present value of accumulated plan benefits as of the beginning of the plan years. Calculation of the actuarial present value of accumulated benefits was made as of January 1, 2016 using the individual aggregate actuarial cost method. The valuation computed by the independent consulting actuary is as follows:

	2016
Actuarial Present Value of Accumulated Plan Benefits:	
Vested Benefits:	
Participants Currently Receiving Payments	\$ 109,925,657
Other Participants	64,161,498
	<u>174,087,155</u>
Nonvested Benefits	681,624
Total Actuarial Present Value of Accumulated Plan Benefits	<u>\$ 174,768,779</u>

The changes in accumulated plan benefits for the year ended January 1, 2016, as computed by the independent consulting actuary, is as follows:

	2016
Actuarial Present Value of Accumulated Plan Benefits - Beginning of Year	\$ 175,661,102
Increase (Decrease) During the Plan Year	
Attributable to:	
Net Benefits Accumulated	1,332,489
Decrease in the Discount Period	12,401,729
Assumption Changes	(2,201,174)
Plan Amendments	129,932
Actuarial (Gains) Losses	(684,774)
Benefit Payments	(11,870,525)
Net Decrease	<u>(892,323)</u>
Actuarial Present Value of Accumulated Plan Benefits - End of Year	<u>\$ 174,768,779</u>

THE VALSPAR CORPORATION EMPLOYEES' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 6 TAX STATUS

The Internal Revenue Service (IRS) has determined and informed the Company by a letter, dated May 9, 2017 that the Plan and the related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC).

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 7 PLAN TERMINATION

The Plan Sponsor has the right to terminate the Plan at any time by action of its board of directors. In the event the Plan is terminated, each participant's interest in benefits accrued under the Plan shall become nonforfeitable. That portion of the assets which is attributable to the participants directly affected shall be allocated in the following order of priority: (1) equally to (a) participants receiving benefits at the beginning of the three-year period ending on the date of termination and (b) participants who would have been eligible for benefits at the beginning of the three year period ending on the date of termination had the participants' employment terminated before that period; (2) other participants whose benefits are guaranteed subject to certain limitations prescribed by ERISA; (3) participants with vested termination benefits; and (4) all other participants with accrued retirement 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 guaranty, while other benefits may not be provided for at all.

If, however, the Plan is terminated for any reason other than the bankruptcy or near bankruptcy of the Plan Sponsor and the Plan has insufficient assets, the Plan Sponsor will be required to pay to the Plan an amount which, together with plan assets, will satisfy all benefits accumulated to the date of the Plan's termination.

NOTE 8 RISKS AND UNCERTAINTIES

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

THE VALSPAR CORPORATION EMPLOYEES' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 8 RISKS AND UNCERTAINTIES (CONTINUED)

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

NOTE 9 TRANSFER FROM AFFILIATED PLAN

During 2015, the Employer acquired Quest Specialty Coatings, LLC. Accrued benefits related to these acquired employees were transferred into the Plan in the amount of \$-0- and \$127,694 for the years ended December 31, 2016 and 2015, respectively.

THE VALSPAR CORPORATION EMPLOYEES' PENSION PLAN
E.I.N. 36-2443580 PLAN NO. 001
SCHEDULE H, LINE 4i—SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2016

(a)	(b)	(c)	(d)	(e)
	Identity of Issue	Description of Investment	Cost	Current Value
	Wells Fargo	Short Term Investment Fund	**	\$ 47,968
	Fidelity US Equity	Commingled Pool	**	83,628,194
	Varios	Corporate Zero Coupon Bonds	**	449,945
	Circentre Inc	Convertible Security	**	4,992
	Causeway International Value Fund	Institutional Value Fund	**	13,056,911
	Vanguard Small Cap	Institutional Index Fund	**	32,013,176
	William Blair International Fund	Growth Fund	**	13,797,942
	Circle Centre Partners	Mirrored Holding	**	495,010
	Vanguard Long Term Bond	Index Fund	**	88,617,456
	Total			<u>\$ 232,111,594</u>

**Cost omitted for participant-directed investments

THE VALSPAR CORPORATION EMPLOYEES' PENSION PLAN
E.I.N. 36-2443580 PLAN NO. 001
SCHEDULE H, LINE 4i—SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2016

(a)	(b)	(c)	(d)	(e)
	Identity of Issue	Description of Investment	Cost	Current Value
	Wells Fargo	Short Term Investment Fund	**	\$ 47,968
	Fidelity US Equity	Commingled Pool	**	83,628,194
	Varios	Corporate Zero Coupon Bonds	**	449,945
	Circentre Inc	Convertible Security	**	4,992
	Causeway International Value Fund	Institutional Value Fund	**	13,056,911
	Vanguard Small Cap	Institutional Index Fund	**	32,013,176
	William Blair International Fund	Growth Fund	**	13,797,942
	Circle Centre Partners	Mirrored Holding	**	495,010
	Vanguard Long Term Bond	Index Fund	**	88,617,456
	Total			<u>\$ 232,111,594</u>

**Cost omitted for participant-directed investments

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

Pension Benefit Guaranty Corporation

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

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

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

OMB No. 1210-0110

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

▶ **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 THE VALSPAR CORPORATION EMPLOYEES' PENSION PLAN		B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF VALSPAR CORPORATION		D Employer Identification Number (EIN) 36-2443580	
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	225,448,559
b Actuarial value.....		2b	234,141,693
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.....	1,577	115,739,633	115,739,633
b For terminated vested participants.....	1,493	39,138,210	39,138,210
c For active participants.....	811	32,107,396	32,965,841
d Total.....	3,881	186,985,239	187,843,684
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	6.06%	
6 Target normal cost.....	6	1,773,771	

Statement by Enrolled Actuary

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

**SIGN
HERE**

Signature of actuary

STEVEN M. SCHATT

Type or print name of actuary

TOWERS WATSON DELAWARE INC

Firm name

8400 NORMANDALE LAKE BLVD
SUITE 1700
MINNEAPOLIS MN 55437

Address of the firm

10/12/2017

Date

1706183

Most recent enrollment number

952-842-7000

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).....	31,934,654	3,966,022
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).....	31,934,654	3,966,022
10 Interest on line 9 using prior year's actual return of <u>-1.34%</u>	-427,924	-53,145
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year).....		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.26%</u>		0
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.....		0
d Portion of (c) to be added to prefunding balance.....		
12 Other reductions in balances due to elections or deemed elections.....		
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	31,506,730	3,912,877

Part III Funding Percentages

14 Funding target attainment percentage	14	105.79%
15 Adjusted funding target attainment percentage.....	15	124.64%
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	122.11%
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
Totals ▶			18(b)	0	18(c) 0

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

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

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	
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	1,773,771	
b Excess assets, if applicable, but not greater than line 31a	31b	1,773,771	
32 Amortization installments:			
a Net shortfall amortization installment.....	Outstanding Balance	Installment	
b Waiver amortization installment			
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
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		
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
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 SB ATTACHMENTS

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

Attained Age	Years of Credited Service																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	5		23		0		0		0		0		0		0		0		0	
25 - 29	8		51		7		2		0		0		0		0		0		0	
30 - 34	1		36		19		8		0		0		0		0		0		0	
35 - 39	6		26		21		20		9		0		0		0		0		0	
40 - 44	1		21		15		30		14		7		0		0		0		0	
45 - 49	0		27		19		23		24		19		4		0		0		0	
50 - 54	2		20		31		29		27		24		18		0		0		0	
55 - 59	1		9		23		26		19		8		15		8		12		0	
60 - 64	0		9		11		12		16		10		7		5		4		6	
65 - 69	1		3		0		2		0		3		1		2		0		0	
70 & Over	0				0		0		0		0		1		0		0		0	

Plan Name: The Valspar Corporation Employees' Pension Plan
 EIN / PN: 36-2443580 / 001
 Plan Sponsor: Valspar Corporation

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22
Description of Weighted Average Retirement Age
as of January 1, 2016

Plan Sponsor: The Valspar Corporation

EIN: 36-2443580

Plan Number: 001

Plan Name: The Valspar Corporation Employees' Pension Plan

Retirement Rate Group	Count	Weighted Average Retirement Age	Weight	Overall Weighted Average Retirement Age
Rochester and Kankakee	128	62.07	0.1517	9.42
Other Valspar Locations	549	61.82	0.6504	40.21
Former Lilly Participants	167	60.90	0.1979	12.05

Average Age at Retirement 61.68

Rounded for Schedule B line 22 62

Plan Name: The Valspar Corporation Employees' Pension Plan
EIN / PN: 36-2443580 / 001
Plan Sponsor: Valspar Corporation

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22 Description of Weighted Average Retirement Age as of January 1, 2016

Rochester and Kankakee Rates

x	q_x^r	l_x	${}_{x-55}p_{55} = l_x / l_{55}$	$q_x^r * l_x / l_{55}$	$x * q_x^r * l_x / l_{55}$
55	0.000	1,000,000	1.000000	0.000000	0.000000
56	0.000	1,000,000	1.000000	0.000000	0.000000
57	0.000	1,000,000	1.000000	0.000000	0.000000
58	0.000	1,000,000	1.000000	0.000000	0.000000
59	0.000	1,000,000	1.000000	0.000000	0.000000
60	0.250	1,000,000	1.000000	0.250000	15.000000
61	0.250	750,000	0.750000	0.187500	11.437500
62	0.350	562,500	0.562500	0.196875	12.206250
63	0.350	365,625	0.365625	0.127969	8.062031
64	0.350	237,656	0.237656	0.083180	5.323500
65	1.000	154,477	0.154477	0.154477	10.040977
66	1.000	0	0.000000	0.000000	0.000000
67	1.000	0	0.000000	0.000000	0.000000

Average age at retirement

62.070258

The average retirement age for Line 22 was calculated by creating a hypothetical life table with retirement as the only decrement, and then computing the average retirement age for the table.

Plan Name: The Valspar Corporation Employees' Pension Plan
 EIN / PN: 36-2443580 / 001
 Plan Sponsor: Valspar Corporation

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22 Description of Weighted Average Retirement Age as of January 1, 2016

Other Valspar Location Rates

x	q_x^r	l_x	${}_{x-55}p_{55} = l_x / l_{55}$	$q_x^r * l_x / l_{55}$	$x * q_x^r * l_x / l_{55}$
55	0.050	1,000,000	1.000000	0.050000	2.750000
56	0.050	950,000	0.950000	0.047500	2.660000
57	0.050	902,500	0.902500	0.045125	2.572125
58	0.050	857,375	0.857375	0.042869	2.486388
59	0.100	814,506	0.814506	0.081451	4.805587
60	0.100	733,056	0.733056	0.073306	4.398334
61	0.200	659,750	0.659750	0.131950	8.048951
62	0.250	527,800	0.527800	0.131950	8.180901
63	0.050	395,850	0.395850	0.019793	1.246928
64	0.150	376,058	0.376058	0.056409	3.610152
65	0.400	319,649	0.319649	0.127860	8.310872
66	0.500	191,789	0.191789	0.095895	6.329048
67	1.000	95,895	0.095895	0.095895	6.424943

Average age at retirement

61.824227

The average retirement age for Line 22 was calculated by creating a hypothetical life table with retirement as the only decrement, and then computing the average retirement age for the table.

Plan Name: The Valspar Corporation Employees' Pension Plan
 EIN / PN: 36-2443580 / 001
 Plan Sponsor: Valspar Corporation

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22 Description of Weighted Average Retirement Age as of January 1, 2016

Former Lilly Participant Rates

x	q_x^r	l_x	${}_{x-55}p_{55} = l_x / l_{55}$	$q_x^r * l_x / l_{55}$	$x * q_x^r * l_x / l_{55}$
55	0.100	1,000,000	1.000000	0.100000	5.500000
56	0.100	900,000	0.900000	0.090000	5.040000
57	0.100	810,000	0.810000	0.081000	4.617000
58	0.100	729,000	0.729000	0.072900	4.228200
59	0.100	656,100	0.656100	0.065610	3.870990
60	0.100	590,490	0.590490	0.059049	3.542940
61	0.100	531,441	0.531441	0.053144	3.241790
62	0.250	478,297	0.478297	0.119574	7.413602
63	0.300	358,723	0.358723	0.107617	6.779859
64	0.050	251,106	0.251106	0.012555	0.803539
65	0.150	238,551	0.238551	0.035783	2.325868
66	0.250	202,768	0.202768	0.050692	3.345672
67	1.000	152,076	0.152076	0.152076	10.189092

Average age at retirement

60.898551

The average retirement age for Line 22 was calculated by creating a hypothetical life table with retirement as the only decrement, and then computing the average retirement age for the table.

Plan Name: The Valspar Corporation Employees' Pension Plan
 EIN / PN: 36-2443580 / 001
 Plan Sponsor: Valspar Corporation

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Appendix A: Statement of Actuarial Assumptions as of January 1, 2016

Economic Assumptions

Interest rate basis:

■ Applicable month	September
■ Yield curve basis	3-Segment Rates
■ MAP-21 extended under HATFA applied for funding	Yes
■ MAP-21 extended under HATFA applied for benefit restrictions	Yes

Interest rates:

	Reflecting Corridors	Not Reflecting Corridors
■ First segment rate	4.43%	1.34%
■ Second segment rate	5.91%	4.03%
■ Third segment rate	6.65%	5.06%
■ Effective interest rate	6.06%	4.29%

Administrative Expenses

\$349,870; expenses are assumed to be \$325,000 plus PBGC variable rate premium, if any.

Compensation increases

Future compensation for former Lilly Employees' Pension Plan participants will increase at the rate of 3.00% per year, compounded annually.

Future increases in social security

Social security benefits are assumed to increase in the future due to increases in the national average wage index of 3.00% per year, compounded annually, and due to increases in the cost of living of 3.00% per year, compounded annually.

Assumed cost-of-living adjustments

None.

Future Increases in Maximum Benefits and Plan Compensation Limitations

It is assumed that maximum benefit and plan compensation limitations under the Internal Revenue Code will not increase in the future.

Plan Name:	The Valspar Corporation Employees' Pension Plan
EIN / PN:	36-2443580 / 001
Plan Sponsor:	Valspar Corporation

SCHEDULE SB ATTACHMENTS

Demographic Assumptions

Mortality

Funding

For all participants, the prescribed mortality assumption under IRC §430(h)(3)(A) using static tables with separate mortality rates for annuitants and non-annuitants was used.

Retirement

The rates at which participants are assumed to retire by age and location are shown below.

Age (in Years)	Rochester and Kankakee	Other Valspar Locations	Former Lilly Participants
55 – 58	0%	5%	10%
59	0%	10%	10%
60	25%	10%	10%
61	25%	20%	10%
62	35%	25%	25%
63	35%	5%	30%
64	35%	15%	5%
65	100%	40%	15%
66	100%	50%	25%
67+	100%	100%	100%

Vested terminated participants are assumed to commence at age 62 if eligible for early retirement and at the earlier of age 65 and Normal Retirement Date if not eligible for early retirement.

Disability Rates

Lilly Non-Cabot Participants

75% of 1964 OASDI rates.

Other Participants

None.

Disabled mortality

The 1983 Group Annuity Mortality Tables for males and females.

Plan Name:	The Valspar Corporation Employees' Pension Plan
EIN / PN:	36-2443580 / 001
Plan Sponsor:	Valspar Corporation

SCHEDULE SB ATTACHMENTS

Representative Termination Rates not Due to Disability, Retirement or Mortality

The rates at which participants are assumed to terminate employment are shown below:

Percentage leaving during the year

Attained Age	All Employees
<25	23.4%
25 – 29	8.6%
30 – 34	4.7%
35 – 39	3.4%
40 – 44	2.9%
45 – 49	2.6%
50 – 54	1.7%
55+	0.7%

Form of Payment

50% of participants are assumed to elect a single life annuity and 50% are assumed to elect the 50% joint and survivor annuity.

Percent married and spouse age

Former Lilly Participants

For purposes of valuing pre-retirement surviving spouse's benefit, 80% of eligible participants are assumed to be married and male spouses are assumed to be 3 years older than female spouses.

Valspar Participants

For purposes of valuing pre-retirement surviving spouse's benefit, 60% of eligible participants are assumed to be married and male spouses are assumed to be 3 years older than female spouses.

Additional Assumptions

Employees

It was assumed there will be no new or rehired employees.

Compensation for former Lilly Plan participants

Compensation assumed paid in the current year beginning on the valuation date is the pay received in the prior year adjusted one-half year using the assumed salary scale.

Plan Name:	The Valspar Corporation Employees' Pension Plan
EIN / PN:	36-2443580 / 001
Plan Sponsor:	Valspar Corporation

SCHEDULE SB ATTACHMENTS

Methods

Valuation date

First day of plan year.

Funding target

Present value of accrued benefits as required by regulations under IRC §430.

Target normal cost

Present value of benefits expected to accrue during the plan year plus plan-related expenses expected to be paid from plan assets during the plan year as required by regulations under IRC §430.

Actuarial value of assets

Under this method, the valuation assets are equal to the average of three values (all determined without regard to receivable contributions), the result increased by the discounted present value of contributions expected to be made after the valuation date based on the prior plan year PPA effective interest rate. This amount is then subject to a 10% corridor around the market value of assets (including the discounted present value of receivable contributions) as of the valuation date. The three values used to develop the average value are: the market value of assets as of the current valuation date, the adjusted market value of assets as of the prior valuation date and the adjusted market value of assets as of the second prior valuation date. The adjusted market value as of a relevant valuation date is equal to the market value of assets as of the prior valuation date increased by actual plan contributions and assumed return on plan assets and decreased by actual plan disbursements after that date until the current valuation date. The algebraically equivalent development of this method (pursuant to IRS Notice 2009-22) is shown in Section 2.3. Because expected investment returns under this method are limited under WRERA, over time it is more likely to produce an actuarial value that is expected to be less than the market value of assets.

Benefits not valued

All benefits described in the plan provisions section of this report were valued.

Plan Name:	The Valspar Corporation Employees' Pension Plan
EIN / PN:	36-2443580 / 001
Plan Sponsor:	Valspar Corporation

SCHEDULE SB ATTACHMENTS

Data Sources

The Valspar Corporation furnished participant data as of January 1, 2016. Data was reviewed for reasonableness and consistency, but no audit was performed.

Assumptions Rationale - Significant Economic Assumptions

Funding Interest Rate

The basis chosen was selected by the plan sponsor from among choices prescribed by law, all of which are based on observed market data over certain periods of time.

Compensation Increases

Assumed compensation increases were based on an experience study conducted in 2015.

Assumptions Rationale – Significant Demographic Assumptions

Mortality

Assumptions used for funding purposes are as prescribed by IRC §430(h). Assumptions used for ASC 960 purposes were selected by the plan sponsor and, as required by U.S. GAAP, represent a best estimate of future experience.

Termination

Termination rates were based on an experience study conducted in 2015.

Retirement

Retirement rates were based on an experience study conducted in 2015. Assumed retirement rates differ by location and age because of observed differences in retirement rates.

Form of Payment

The form of payment assumption was based on an experience study conducted in 2015.

Percent married and spouse age

The percent married and spouse age assumptions were based on an experience study conducted in 2015.

Plan Name:	The Valspar Corporation Employees' Pension Plan
EIN / PN:	36-2443580 / 001
Plan Sponsor:	Valspar Corporation

SCHEDULE SB ATTACHMENTS

Source of Prescribed Methods

Funding methods

The methods used for funding purposes as described in Appendix A, including the method of determining plan assets, are “prescribed methods set by law”, as defined in the actuarial standards of practice (ASOPs). These methods are required by IRC §430, or were selected by the plan sponsor from a range of methods permitted by IRC §430.

Changes in Assumptions

Changes in assumptions since prior valuation

- The segment interest rates used to calculate the funding target and target normal cost were updated to the current valuation date as required by IRC 430 and interest rate corridors of MAP-21 as extended by HATFA were applied.
- The mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvement, as required by IRC 430.

Plan Name:	The Valspar Corporation Employees' Pension Plan
EIN / PN:	36-2443580 / 001
Plan Sponsor:	Valspar Corporation

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Appendix B: Summary of Plan Provisions as of January 1, 2016

Plan Sponsor

The Valspar Corporation

Plan

The Valspar Corporation Employees' Pension Plan

Effective Date and Most Recent Amendment

The plan was originally consolidated effective December 31, 1994, restated as of January 1, 2011, and most recently amended:

- Effective November 30, 2012; reflecting the merger of the former Lilly Employees' Pension Plan
- Effective December 31, 2015; reflecting the merger of the former Quest Specialty Coating Employees' Pension Plan

Plan Year

January 1 through December 31 of each year.

The Level Benefit Program (former Valspar Corporation Employees' Pension Plan)

Participation

Each employee who was a participant in the plan prior to restatement of the plan shall continue to be a participant until the employee terminates.

Credited Service

Varies by location.

Vesting Service

Varies by location. Vesting earned for a prior employer may be different as described in the plan document.

Plan Name:	The Valspar Corporation Employees' Pension Plan
EIN / PN:	36-2443580 / 001
Plan Sponsor:	Valspar Corporation

SCHEDULE SB ATTACHMENTS

Changes in Plan Provisions since Last Actuarial Valuation

- Benefit levels increased for participants at Hagerstown, Rochester, and Bowling Green.
- Benefits for former participants in the Quest Specialty Coating Employees' Pension Plan have been included in the valuation as a result of the former plan merging into The Valspar Corporation Employees' Pension Plan.

Plan Name:	The Valspar Corporation Employees' Pension Plan
EIN / PN:	36-2443580 / 001
Plan Sponsor:	Valspar Corporation

Location Bargaining/Non-Bargaining Business	Employees' Plan						
	Minneapolis Bargaining Industrial	East Moline Bargaining Industrial	Fort Wayne Bargaining Industrial	Baltimore Non-Barg Maintenance	Houston Non-Barg Consumer	Azusa Bargaining Packaging	Beaumont Bargaining Maint & Man
Benefit Level	\$22.50	\$15.00	\$18.00	\$13.50	\$13.50	\$21.00	\$25.00
Effective Date	12/01/1993					02/01/1993	10/01/1993
	\$23.00		\$19.00	\$23.50	\$23.50	\$24.00	\$26.00
	12/01/1994		08/16/1994	01/01/1997		02/01/1994	10/01/1994
			\$20.00	\$28.00		\$27.00	\$27.00
			08/16/1995	01/01/1999		02/01/1996	10/01/1995
			\$21.00			\$28.00	\$29.00
			08/16/1996			02/01/1997	10/01/1996
			\$22.00			\$31.00	\$30.00
			08/16/1997			02/01/1998	10/01/1997
			\$23.00			\$33.00	\$31.00
			08/16/1998			02/01/1999	10/01/1998
			\$25.00			\$35.00	
			01/01/2000			07/05/1999	
			\$28.00				
			08/16/2001				
			\$32.00				
Credited Service (Max)	Unlimited	40	Unlimited	Unlimited	Unlimited	Unlimited	35
Normal Retirement Age	62	65	62	65	65	65	60
Early Retirement Age (age/years)	55/10	60/10	60/10	55/10	60/10	55/10	55/15
Early Reduction	3% from 55 to 62 Unreduced at 62	Actuarial Reduction	Actuarial reduction	Actuarial reduction	Actuarial reduction	Unreduced	2% from 55 to 60 Unreduced at 60
Vested Term Reduction	same	Same	same	same	same	same	Same
Disability (Age/Years)	10 years	10 years	10 years	10 years	10 years	5 years	5 years
Distribution Options	Life only	Life only	Life only	Life only	Life only	Life only	Life only
	Jt & 50	Jt & 50	Jt & 50	Jt & 50	Jt & 50	Jt & 50	Jt & 50
	Jt & 75	Jt & 75	Jt & 75	Jt & 75	Jt & 75	Jt & 75	Jt & 75
	Jt & 100	Jt & 100	Jt & 100	Jt & 100	Jt & 100	Jt & 100	Jt & 100
	10 yr C&C	10 yr C&C	10 yr C&C	10 yr C&C	10 yr C&C	Jt & 50 popup Jt & 100 popup 10 yr C & C	10 yr C&C

Note: All benefit levels without effective dates are assumed to be effective for participants who terminate on or after 1/1/2005.

Plan Name: The Valspar Corporation Employees' Pension Plan
 EIN / PN: 36-2443580 / 001
 Plan Sponsor: Valspar Corporation

Location Bargaining/Non-Bargaining Business	High Point Bargaining Industrial	Kankakee Bargaining Industrial ¹	Louisville Bargaining Industrial	Rochester Bargaining Packaging ²	Tampa Non-Barg Consumer	Wheeling Non-Barg Consumer	Los Angeles Non-Barg Consumer
<u>Benefit Level</u>	\$19.00	\$19.50	\$14.50	\$26.00	\$9.00	\$10.50	\$35.00
<u>Effective Date</u>	10/22/1993	05/09/1993		see below			08/01/1998
	\$20.00	\$25.00		\$30.00	\$18.00	\$15.00	\$37.00
	10/22/1996	05/09/1994		02/28/1999	06/01/1996	01/01/1995	01/01/2007
	\$21.00	\$26.00		see below	\$21.00	\$22.00	\$39.00
	10/22/1997	05/09/1995			01/01/1999	01/01/1999	01/01/2010
	\$22.00	\$27.00		\$31.00	\$23.00	\$30.00	\$40.00
	10/22/1998	05/09/1996		02/28/2003	01/01/2000	01/01/2000	01/01/2011
	\$25.00	\$28.00		\$32.00	\$24.00	\$32.00	\$41.00
	01/01/2000	05/09/1997		02/28/2004		01/01/2001	01/01/2012
	\$26.00	\$30.00		\$33.00		\$34.00	\$42.00
	8/16/2000	05/05/2001		02/28/2006		01/01/2007	01/01/2013
	\$27.00	\$33.00		\$63.00		\$35.00	\$43.00
	10/18/2001	05/08/2004		02/28/2009		01/01/2012	01/01/2014
	\$29.00	\$34.00		\$64.00		\$36.00	\$44.00
	01/01/2003	05/08/2007		02/28/2015		01/01/2013	01/01/2015
	\$31.00	\$35.00				\$37.00	
	10/31/2003	05/08/2008				01/01/2015	
	\$34.00	\$36.00					
	10/18/2005	05/08/2009					
	\$35.00	\$57.00					
	10/18/2006	05/08/2009					
	\$36.00	\$58.00					
	10/18/2007	05/08/2010					
	\$37.00						
	10/18/2009						
	\$38.00						
Credited Service (Max)	50	50	40	Unlimited	Unlimited	Unlimited	Unlimited
Normal Retirement Age	60	65	65	65	65	65	65
Early Retirement Age (age/years)	50/15	55/10	55/15	55/15	55/15	55/10	55/10
Early Reduction	1% from 50 to 60 Unreduced at 60	Separate reduction scale applies ¹	2% from 55 to 65	Separate reduction scale applies ²	6% from 60 to 65 4% from 55 to 60	6% from 60 to 65 4% from 55 to 60	6% from 60 to 65 4% from 55 to 60
Vested Term Reduction	same	same	same	same	same	same	Same
Disability (Age/Years)	5 years	10 years	10 years	10 years	N/A	N/A	N/A
Distribution Options	Life only	Life only	Life only	Life only	Life only	Life only	Life only
	Jt & 50	Jt & 25	Jt & 50	Jt & 25	Jt & 50	Jt & 50	Jt & 50
	Jt & 75	Jt & 50	Jt & 75	Jt & 50	Jt & 75	Jt & 75	Jt & 75
		Jt & 75		Jt & 75	Jt & 100	Jt & 100	Jt & 100
		Jt & 100		Jt & 100	10 yr C&C	10 yr C&C	10 yr C&C

¹ Early retirement benefits are unreduced for employees under the Kankakee contract who have met the rule of 80 (age+svc >= 80). Anyone hired after 05/07/2007 will not be eligible for the rule of 80.

² Early retirement benefits are unreduced for employees under the Rochester contract who have attained at least age 60, age+svc >= 80, and employees retiring under the disability provision.

Plan Name: The Valspar Corporation Employees' Pension Plan
 EIN / PN: 36-2443580 / 001
 Plan Sponsor: Valspar Corporation

Location Bargaining/Non-Bargaining Business	Plasti-Kote Bargaining Consumer	Louisville CC Bargaining Consumer	Statesville Non-Barg Consumer	Marengo Non-Barg Consumer	Picayune Non-Barg Consumer	Ashland Non-Barg Consumer	Greensboro Non-Barg Consumer	Sacramento Non-Barg Consumer
<u>Benefit Level</u> Effective Date	\$12.00	\$25.00 01/01/1995	\$20.00 01/01/1995	\$25.00 01/01/1996	\$14.00 01/01/1997	\$20.00	\$22.00 01/01/2000	\$25.00 01/01/2000
	\$13.00 01/01/2000	\$32.00 01/01/1999	\$25.00 01/01/1999	\$31.00 01/01/1999	\$17.00 01/01/1999	\$25.00 01/01/2000		\$29.00 01/01/2001
	\$14.00 11/23/2000	\$33.00 01/01/2000	\$30.00 01/01/2000	\$34.00 01/01/2007	\$20.00 01/01/2000	\$31.00 01/01/2001		\$32.00 01/01/2007
	\$15.00 01/01/2002	\$34.00 01/01/2001	\$31.00 01/01/2001	\$35.00 01/01/2008	\$22.00 01/01/2001	\$36.00		\$33.00 01/01/2008
	\$16.00 11/01/2002	\$35.00 10/18/2001	\$33.00 01/01/2007	\$36.00 01/01/2011	\$25.00 01/01/2007			\$35.00 01/01/2009
	\$17.00 11/24/2003	\$36.00 10/01/2002	\$34.00 01/01/2009	\$37.00 01/01/2012	\$26.00 01/01/2008			\$36.00 01/01/2010
	\$17.00 11/24/2003	\$37.00 10/13/2003	\$35.00 01/01/2010	\$39.00 01/01/2015	\$27.00 01/01/2012			\$37.00 01/01/2011
	\$18.00 11/29/2004	\$38.00 10/18/2005	\$36.00 01/01/2011					\$38.00 01/01/2012
	\$18.50 11/29/2005	\$40.00 10/18/2006	\$37.00 01/01/2013					\$40.00 01/01/2015
	\$19.00 11/29/2006	\$41.00 10/18/2007	\$38.00 01/01/2015					
	\$21.00 11/22/2007							
	\$22.00 11/22/2008							
	\$23.00 11/22/2009							
	\$24.50 11/22/2010							
	\$26.00 11/22/2011							
	\$27.50 11/22/2012							
	\$29.00 01/25/2013							
	\$30.50 11/25/2014							
	\$32.00 11/22/2015							
Credited Service (Max)	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Normal Retirement Age	65	65	65	65	65	65	65	65
Early Retirement (Age/Years)	55/10	55/10	55/10	55/10	55/10	55/10	55/10	55/10
Early Reduction	2% from 62 to 65 4% from 55 to 62	2% from 55 to 65	6% from 60 to 65 4% from 55 to 60	6% from 60 to 65 4% from 55 to 60	6% from 60 to 65 4% from 55 to 60	6% from 60 to 65 4% from 55 to 60	6% from 60 to 65 4% from 55 to 60	6% from 60 to 65 4% from 55 to 60
Vested Term Reduction	Same	same	same	Same	same	same	Same	Same
Disability (Age/Years)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Distribution Options	Life only Jt & 50 Jt & 75 Jt & 100 10 yr & C&C	Life only Jt & 50 Jt & 75 Jt & 100 10 yr C&C	Life only Jt & 50 Jt & 75 Jt & 100 10 yr C&C	Life only Jt & 50 Jt & 75 Jt & 100 10 yr C&C	Life only Jt & 50 Jt & 75 Jt & 100 10 yr C&C	Life only Jt & 50 Jt & 75 Jt & 100 10 yr C&C	Life only Jt & 50 Jt & 75 Jt & 100 10 yr & C&C	Life only Jt & 50 Jt & 75 Jt & 100 10 yr & C&C

Plan Name: The Valspar Corporation Employees' Pension Plan
 EIN / PN: 36-2443580 / 001
 Plan Sponsor: Valspar Corporation

Location Bargaining/Non-Bargaining Business	High Point 1717	Bowling Green Bargaining	Orangeburg	Newburyport Bargaining	Hagerstown	Lebanon	Philadelphia	Quest
<u>Benefit Level</u>	\$31.00	\$20.00	\$26.00	\$36.00	\$27.00	\$30.00	\$30.00	\$23.00
<u>Effective Date</u>	01/01/2002	05/01/2001	08/02/2004	11/01/2006	12/14/2007	01/01/2008		6/18/2013
	\$33.00	\$24.00	\$29.00	\$37.00	\$28.00	\$31.00		
	01/01/2004	05/24/2004	01/01/2007	11/01/2007	12/14/2008	01/01/2010		
	\$36.00	\$27.00	\$30.00	\$38.00	\$29.00	\$32.00		
	01/01/2007	05/24/2006	01/01/2009	11/01/2008	12/14/2009	01/01/2012		
	\$37.00	\$28.00	\$31.00	\$39.00	\$30.00			
	01/01/2008	05/24/2007	01/01/2011	11/1/2009	12/14/2010			
	\$38.00	\$29.00		\$40.00	\$31.00			
	01/01/2009	05/24/2008		11/1/2010	12/15/2012			
	\$39.00	\$30.00		\$41.00	\$32.00			
	01/01/2012			11/1/2011	12/15/2013			
	\$40.00	\$31.00		\$42.00	\$33.00			
	01/01/2013	05/24/2011		11/1/2012	12/15/2014			
	\$41.00	\$32.00		\$43.00	\$35.00			
	01/01/2015	05/24/2012		11/1/2013	12/1/2015			
		\$33.00		\$44.00				
		05/24/2013		11/1/2014				
		\$34.00						
		05/24/2014						
		\$34.75						
		5/23/2015						
		\$35.50						
		5/23/2016						
Credited Service (Max)	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Normal Retirement Age	65	65	65	65	65	65	65	65
Early Retirement Age (age/years)	55/10	55/10	55/10	55/10	55/10	55/10	55/10	58/15
Early Reduction	6% from 60 to 65 4% from 55 to 60	6% from 60 to 65 4% from 55 to 60	6% from 60 to 65 4% from 55 to 60	Actuarial reduction	6% from 60 to 65 4% from 55 to 60	6% from 60 to 65 4% from 55 to 60	6% from 60 to 65 4% from 55 to 60	6.67% from 60 to 65 3.33% from 58 to 60
Vested Term Reduction	same	same	same	Same	same	same	same	same
Disability (Age/Years)	N/A	N/A	N/A	15 years	N/A	N/A	N/A	N/A
Distribution Options	Life only	Life only	Life only	Life only	Life only	Life only	Life only	Life only
	Jt & 50	Jt & 50	Jt & 50	Jt & 50	Jt & 50	Jt & 50	Jt & 50	Jt & 50
	Jt & 75	Jt & 75	Jt & 75	Jt & 66 2/3	Jt & 75	Jt & 66 2/3	Jt & 75	Jt & 75
	Jt & 100	Jt & 100	Jt & 100	Jt & 75	Jt & 100	Jt & 75	Jt & 100	Jt & 100
	10 yr C&C	10 yr C&C	10 yr C&C	Jt & 100	10 yr C&C	Jt & 100	10 yr C&C	

Plan Name: The Valspar Corporation Employees' Pension Plan
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 Plan Sponsor: Valspar Corporation

SCHEDULE SB ATTACHMENTS

The Final Average Pay Program (former Lilly Employees' Pension Plan)

Participation

Employee as of November 30, 1994

December 31, 1996 for former Guardsman or Moline Plan

December 31, 1997 for former Lilly Bargaining Plan

March 31, 1999 for former Guardsman High Point Plan

December 31, 2005 for former Cabot Plan

Basic benefit provisions

Non-Cabot Participants

The standard retirement benefit for all participants except those age 55 or older with 10 years of vesting service as of December 1, 1994 or participants in the Gardena Bargaining Unit is a monthly pension payable for life equal to the greater of (1) or (2) as follows:

- (1) 1.25% of monthly plan compensation multiplied by benefit service as of November 30, 1994,
or
- (2) \$29.00 multiplied by benefit service as of November 30, 1994.

Participants in the Gardena Bargaining Unit continue to accrue benefit service to November 30, 1996.

Participants age 55 or older with 10 years of vesting service as of November 30, 1994 receive the greater of (1) or (2) above plus:

.5% of monthly plan compensation multiplied by benefit service after December 1, 1994 to normal retirement date.

Former Glidden participants are eligible for a special minimum benefit based on the plan provisions.

Former Guardsman Products or Moline participants except those who are age 55 or older with 10 years of vesting service as of December 31, 1996 is a monthly pension payable for life equal to the greater of (1) or (2) as follows:

- (1) 1.25% of monthly plan compensation multiplied by benefit service as of December 31, 1996,
or

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SCHEDULE SB ATTACHMENTS

- (2) \$29.00 multiplied by benefit service as of December 31, 1996.

Participants age 55 or older with 10 years of vesting service as of December 31, 1996 receive the greater of (1) or (2) above plus:

.5% of monthly plan compensation multiplied by benefit service after December 31, 1996 to normal retirement date.

Former Lilly Bargaining Unit Participants except those who are age 55 or with 10 years vesting service as of November 30, 1994 is a monthly pension payable for life equal to the greater of (1) or (2) as follows:

- (1) 1.25% of monthly plan compensation multiplied by benefit service as of November 30, 1994, or
- (2) \$33.00 multiplied by benefit service as of December 31, 1995 for Laboratory Participants or December 31, 1997 for Plant Participants.

Participants age 55 or older with 10 years of vesting service as of November 30, 1994 receive the greater of (1) or (2) above plus:

.5% of monthly plan compensation multiplied by benefit service after November 30, 1994 to normal retirement date. Former Guardsman High Point Unit Participants is a monthly pension payable for life equal to \$18.50 multiplied by benefit service as of March 13, 1999.

Cabot Participants

Participants age 45 or older with 5 years of vesting service as of November 30, 2005 receive the greater of (1) or (2):

- (1) 36% of average compensation not in excess of the covered compensation plus 51% of average compensation in excess of covered compensation, reduced by 1/25 for each year of benefit service less than 25 at normal retirement date, multiplied by the ratio, the value of which cannot exceed one, of benefit service as of November 30, 2005 to benefit service at normal retirement date.
- (2) The sum of (i) and (ii) multiplied by the ratio, the value of which cannot exceed one, of benefit service as of November 30, 2005 to benefit service at normal retirement date.
- (i) 50% of average compensation reduced by 1/20 for each year of benefit service less than 20, less
- (ii) 50% of Primary social security benefit reduced by 1/20 for each year of benefit service less than 20.

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SCHEDULE SB ATTACHMENTS

Participants under age 45, or with less than 5 years of vesting service as of November 30, 2005, have a frozen accrued benefit as of November 30, 2005, based on the formula above.

Credited service

Non-Cabot Participants

No limit.

Cabot Participants

Frozen as of November 31, 2005.

Normal retirement age

Later of age 65 and five years vesting service.

Early retirement age

Non-Cabot Participants

Age 55 with five years of service.

Cabot Participants

Age 55 with 10 years of service or age 60.

Early retirement benefit reduction

Non-Cabot Participants

Less than 20 years service: 6.67% per year from 65 to 60; 3.33% per year from 60 to 55.

20 or more years of service: 8.33% per year from 62 to 60; 4.17% per year from 60 to 55; unreduced upon commencement age 62 or later.

Cabot Participants

6.67% per year from 65 to 60; 3.33% per year from 60 to 55.

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SCHEDULE SB ATTACHMENTS

Vested Termination Benefit Reduction

Same as Early Retirement Reduction.

Disability benefit reduction

Non-Cabot Participants

Eligible after five years of service. Payable immediately after disability, receive greater of accrued benefit earned and 4% of accrued benefit calculation per year of vesting service using final average earnings at disability and benefit service projected to normal retirement date.

Cabot Participants

None.

Distribution options

Non-Cabot Participants

Single Life Annuity.

50%/75%/100% Joint and Survivor

10-Year/15-Year/20-Year Certain and Life

Cabot Participants

Single Life Annuity.

50%/75%/100% Joint and Survivor

10-Year Certain and Life

Changes in principal plan provisions since last actuarial valuation

None

Plan Name: The Valspar Corporation Employees' Pension Plan
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Plan Sponsor: Valspar Corporation

SCHEDULE SB ATTACHMENTS

Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	The Valspar Corporation
EIN/PN	36-2443580/001
Plan Name	The Valspar Corporation Employees' Pension Plan
Valuation Date	January 1, 2016
Enrolled Actuary	Steven M. Schatt
Enrollment Number	17-06183

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

Plan Name:	The Valspar Corporation Employees' Pension Plan
EIN / PN:	36-2443580 / 001
Plan Sponsor:	Valspar Corporation

SCHEDULE SB ATTACHMENTS

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

Attained Age	Years of Credited Service																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	5		23		0		0		0		0		0		0		0		0	
25 - 29	8		51		7		2		0		0		0		0		0		0	
30 - 34	1		36		19		8		0		0		0		0		0		0	
35 - 39	6		26		21		20		9		0		0		0		0		0	
40 - 44	1		21		15		30		14		7		0		0		0		0	
45 - 49	0		27		19		23		24		19		4		0		0		0	
50 - 54	2		20		31		29		27		24		18		0		0		0	
55 - 59	1		9		23		26		19		8		15		8		12		0	
60 - 64	0		9		11		12		16		10		7		5		4		6	
65 - 69	1		3		0		2		0		3		1		2		0		0	
70 & Over	0				0		0		0		0		1		0		0		0	

Plan Name: The Valspar Corporation Employees' Pension Plan
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 Plan Sponsor: Valspar Corporation

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Appendix B: Summary of Plan Provisions as of January 1, 2016

Plan Sponsor

The Valspar Corporation

Plan

The Valspar Corporation Employees' Pension Plan

Effective Date and Most Recent Amendment

The plan was originally consolidated effective December 31, 1994, restated as of January 1, 2011, and most recently amended:

- Effective November 30, 2012; reflecting the merger of the former Lilly Employees' Pension Plan
- Effective December 31, 2015; reflecting the merger of the former Quest Specialty Coating Employees' Pension Plan

Plan Year

January 1 through December 31 of each year.

The Level Benefit Program (former Valspar Corporation Employees' Pension Plan)

Participation

Each employee who was a participant in the plan prior to restatement of the plan shall continue to be a participant until the employee terminates.

Credited Service

Varies by location.

Vesting Service

Varies by location. Vesting earned for a prior employer may be different as described in the plan document.

Plan Name:	The Valspar Corporation Employees' Pension Plan
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Plan Sponsor:	Valspar Corporation

SCHEDULE SB ATTACHMENTS

Changes in Plan Provisions since Last Actuarial Valuation

- Benefit levels increased for participants at Hagerstown, Rochester, and Bowling Green.
- Benefits for former participants in the Quest Specialty Coating Employees' Pension Plan have been included in the valuation as a result of the former plan merging into The Valspar Corporation Employees' Pension Plan.

Plan Name:	The Valspar Corporation Employees' Pension Plan
EIN / PN:	36-2443580 / 001
Plan Sponsor:	Valspar Corporation

Location Bargaining/Non-Bargaining Business	Employees' Plan						
	Minneapolis Bargaining Industrial	East Moline Bargaining Industrial	Fort Wayne Bargaining Industrial	Baltimore Non-Barg Maintenance	Houston Non-Barg Consumer	Azusa Bargaining Packaging	Beaumont Bargaining Maint & Man
Benefit Level	\$22.50	\$15.00	\$18.00	\$13.50	\$13.50	\$21.00	\$25.00
Effective Date	12/01/1993					02/01/1993	10/01/1993
	\$23.00		\$19.00	\$23.50	\$23.50	\$24.00	\$26.00
	12/01/1994		08/16/1994	01/01/1997		02/01/1994	10/01/1994
			\$20.00	\$28.00		\$27.00	\$27.00
			08/16/1995	01/01/1999		02/01/1996	10/01/1995
			\$21.00			\$28.00	\$29.00
			08/16/1996			02/01/1997	10/01/1996
			\$22.00			\$31.00	\$30.00
			08/16/1997			02/01/1998	10/01/1997
			\$23.00			\$33.00	\$31.00
			08/16/1998			02/01/1999	10/01/1998
			\$25.00			\$35.00	
			01/01/2000			07/05/1999	
			\$28.00				
			08/16/2001				
			\$32.00				
Credited Service (Max)	Unlimited	40	Unlimited	Unlimited	Unlimited	Unlimited	35
Normal Retirement Age	62	65	62	65	65	65	60
Early Retirement Age (age/years)	55/10	60/10	60/10	55/10	60/10	55/10	55/15
Early Reduction	3% from 55 to 62 Unreduced at 62	Actuarial Reduction	Actuarial reduction	Actuarial reduction	Actuarial reduction	Unreduced	2% from 55 to 60 Unreduced at 60
Vested Term Reduction	same	Same	same	same	same	same	Same
Disability (Age/Years)	10 years	10 years	10 years	10 years	10 years	5 years	5 years
Distribution Options	Life only	Life only	Life only	Life only	Life only	Life only	Life only
	Jt & 50	Jt & 50	Jt & 50	Jt & 50	Jt & 50	Jt & 50	Jt & 50
	Jt & 75	Jt & 75	Jt & 75	Jt & 75	Jt & 75	Jt & 75	Jt & 75
	Jt & 100	Jt & 100	Jt & 100	Jt & 100	Jt & 100	Jt & 100	Jt & 100
	10 yr C&C	10 yr C&C	10 yr C&C	10 yr C&C	10 yr C&C	Jt & 50 popup Jt & 100 popup 10 yr C & C	10 yr C&C

Note: All benefit levels without effective dates are assumed to be effective for participants who terminate on or after 1/1/2005.

Plan Name: The Valspar Corporation Employees' Pension Plan
 EIN / PN: 36-2443580 / 001
 Plan Sponsor: Valspar Corporation

Location Bargaining/Non-Bargaining Business	High Point Bargaining Industrial	Kankakee Bargaining Industrial ¹	Louisville Bargaining Industrial	Rochester Bargaining Packaging ²	Tampa Non-Barg Consumer	Wheeling Non-Barg Consumer	Los Angeles Non-Barg Consumer
<u>Benefit Level</u>	\$19.00	\$19.50	\$14.50	\$26.00	\$9.00	\$10.50	\$35.00
<u>Effective Date</u>	10/22/1993	05/09/1993		see below			08/01/1998
	\$20.00	\$25.00		\$30.00	\$18.00	\$15.00	\$37.00
	10/22/1996	05/09/1994		02/28/1999	06/01/1996	01/01/1995	01/01/2007
	\$21.00	\$26.00		see below	\$21.00	\$22.00	\$39.00
	10/22/1997	05/09/1995			01/01/1999	01/01/1999	01/01/2010
	\$22.00	\$27.00		\$31.00	\$23.00	\$30.00	\$40.00
	10/22/1998	05/09/1996		02/28/2003	01/01/2000	01/01/2000	01/01/2011
	\$25.00	\$28.00		\$32.00	\$24.00	\$32.00	\$41.00
	01/01/2000	05/09/1997		02/28/2004		01/01/2001	01/01/2012
	\$26.00	\$30.00		\$33.00		\$34.00	\$42.00
	8/16/2000	05/05/2001		02/28/2006		01/01/2007	01/01/2013
	\$27.00	\$33.00		\$63.00		\$35.00	\$43.00
	10/18/2001	05/08/2004		02/28/2009		01/01/2012	01/01/2014
	\$29.00	\$34.00		\$64.00		\$36.00	\$44.00
	01/01/2003	05/08/2007		02/28/2015		01/01/2013	01/01/2015
	\$31.00	\$35.00				\$37.00	
	10/31/2003	05/08/2008				01/01/2015	
	\$34.00	\$36.00					
	10/18/2005	05/08/2009					
	\$35.00	\$57.00					
	10/18/2006	05/08/2009					
	\$36.00	\$58.00					
	10/18/2007	05/08/2010					
	\$37.00						
	10/18/2009						
	\$38.00						
Credited Service (Max)	50	50	40	Unlimited	Unlimited	Unlimited	Unlimited
Normal Retirement Age	60	65	65	65	65	65	65
Early Retirement Age (age/years)	50/15	55/10	55/15	55/15	55/15	55/10	55/10
Early Reduction	1% from 50 to 60 Unreduced at 60	Separate reduction scale applies ¹	2% from 55 to 65	Separate reduction scale applies ²	6% from 60 to 65 4% from 55 to 60	6% from 60 to 65 4% from 55 to 60	6% from 60 to 65 4% from 55 to 60
Vested Term Reduction	same	same	same	same	same	same	Same
Disability (Age/Years)	5 years	10 years	10 years	10 years	N/A	N/A	N/A
Distribution Options	Life only	Life only	Life only	Life only	Life only	Life only	Life only
	Jt & 50	Jt & 25	Jt & 50	Jt & 25	Jt & 50	Jt & 50	Jt & 50
	Jt & 75	Jt & 50	Jt & 75	Jt & 50	Jt & 75	Jt & 75	Jt & 75
		Jt & 75		Jt & 75	Jt & 100	Jt & 100	Jt & 100
		Jt & 100		Jt & 100	10 yr C&C	10 yr C&C	10 yr C&C

¹ Early retirement benefits are unreduced for employees under the Kankakee contract who have met the rule of 80 (age+svc >= 80). Anyone hired after 05/07/2007 will not be eligible for the rule of 80.

² Early retirement benefits are unreduced for employees under the Rochester contract who have attained at least age 60, age+svc >= 80, and employees retiring under the disability provision.

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Location Bargaining/Non-Bargaining Business	Plasti-Kote Bargaining Consumer	Louisville CC Bargaining Consumer	Statesville Non-Barg Consumer	Marengo Non-Barg Consumer	Picayune Non-Barg Consumer	Ashland Non-Barg Consumer	Greensboro Non-Barg Consumer	Sacramento Non-Barg Consumer
Benefit Level Effective Date	\$12.00	\$25.00 01/01/1995	\$20.00 01/01/1995	\$25.00 01/01/1996	\$14.00 01/01/1997	\$20.00	\$22.00 01/01/2000	\$25.00 01/01/2000
	\$13.00 01/01/2000	\$32.00 01/01/1999	\$25.00 01/01/1999	\$31.00 01/01/1999	\$17.00 01/01/1999	\$25.00 01/01/2000		\$29.00 01/01/2001
	\$14.00 11/23/2000	\$33.00 01/01/2000	\$30.00 01/01/2000	\$34.00 01/01/2007	\$20.00 01/01/2000	\$31.00 01/01/2001		\$32.00 01/01/2007
	\$15.00 01/01/2002	\$34.00 01/01/2001	\$31.00 01/01/2001	\$35.00 01/01/2008	\$22.00 01/01/2001	\$36.00		\$33.00 01/01/2008
	\$16.00 11/01/2002	\$35.00 10/18/2001	\$33.00 01/01/2007	\$36.00 01/01/2011	\$25.00 01/01/2007			\$35.00 01/01/2009
	\$17.00 11/24/2003	\$36.00 10/01/2002	\$34.00 01/01/2009	\$37.00 01/01/2012	\$26.00 01/01/2008			\$36.00 01/01/2010
	\$17.00 11/24/2003	\$37.00 10/13/2003	\$35.00 01/01/2010	\$39.00 01/01/2015	\$27.00 01/01/2012			\$37.00 01/01/2011
	\$18.00 11/29/2004	\$38.00 10/18/2005	\$36.00 01/01/2011					\$38.00 01/01/2012
	\$18.50 11/29/2005	\$40.00 10/18/2006	\$37.00 01/01/2013					\$40.00 01/01/2015
	\$19.00 11/29/2006	\$41.00 10/18/2007	\$38.00 01/01/2015					
	\$21.00 11/22/2007							
	\$22.00 11/22/2008							
	\$23.00 11/22/2009							
	\$24.50 11/22/2010							
	\$26.00 11/22/2011							
	\$27.50 11/22/2012							
	\$29.00 01/25/2013							
	\$30.50 11/25/2014							
	\$32.00 11/22/2015							
Credited Service (Max)	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Normal Retirement Age	65	65	65	65	65	65	65	65
Early Retirement (Age/Years)	55/10	55/10	55/10	55/10	55/10	55/10	55/10	55/10
Early Reduction	2% from 62 to 65 4% from 55 to 62	2% from 55 to 65	6% from 60 to 65 4% from 55 to 60	6% from 60 to 65 4% from 55 to 60	6% from 60 to 65 4% from 55 to 60	6% from 60 to 65 4% from 55 to 60	6% from 60 to 65 4% from 55 to 60	6% from 60 to 65 4% from 55 to 60
Vested Term Reduction	Same	same	same	Same	same	same	Same	Same
Disability (Age/Years)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Distribution Options	Life only Jt & 50 Jt & 75 Jt & 100 10 yr & C&C	Life only Jt & 50 Jt & 75 Jt & 100 10 yr C&C	Life only Jt & 50 Jt & 75 Jt & 100 10 yr C&C	Life only Jt & 50 Jt & 75 Jt & 100 10 yr C&C	Life only Jt & 50 Jt & 75 Jt & 100 10 yr C&C	Life only Jt & 50 Jt & 75 Jt & 100 10 yr C&C	Life only Jt & 50 Jt & 75 Jt & 100 10 yr & C&C	Life only Jt & 50 Jt & 75 Jt & 100 10 yr & C&C

Plan Name: The Valspar Corporation Employees' Pension Plan
 EIN / PN: 36-2443580 / 001
 Plan Sponsor: Valspar Corporation

Location Bargaining/Non-Bargaining Business	High Point 1717	Bowling Green Bargaining	Orangeburg	Newburyport Bargaining	Hagerstown	Lebanon	Philadelphia	Quest
<u>Benefit Level</u>	\$31.00	\$20.00	\$26.00	\$36.00	\$27.00	\$30.00	\$30.00	\$23.00
<u>Effective Date</u>	01/01/2002	05/01/2001	08/02/2004	11/01/2006	12/14/2007	01/01/2008		6/18/2013
	\$33.00	\$24.00	\$29.00	\$37.00	\$28.00	\$31.00		
	01/01/2004	05/24/2004	01/01/2007	11/01/2007	12/14/2008	01/01/2010		
	\$36.00	\$27.00	\$30.00	\$38.00	\$29.00	\$32.00		
	01/01/2007	05/24/2006	01/01/2009	11/01/2008	12/14/2009	01/01/2012		
	\$37.00	\$28.00	\$31.00	\$39.00	\$30.00			
	01/01/2008	05/24/2007	01/01/2011	11/1/2009	12/14/2010			
	\$38.00	\$29.00		\$40.00	\$31.00			
	01/01/2009	05/24/2008		11/1/2010	12/15/2012			
	\$39.00	\$30.00		\$41.00	\$32.00			
	01/01/2012			11/1/2011	12/15/2013			
	\$40.00	\$31.00		\$42.00	\$33.00			
	01/01/2013	05/24/2011		11/1/2012	12/15/2014			
	\$41.00	\$32.00		\$43.00	\$35.00			
	01/01/2015	05/24/2012		11/1/2013	12/1/2015			
		\$33.00		\$44.00				
		05/24/2013		11/1/2014				
		\$34.00						
		05/24/2014						
		\$34.75						
		5/23/2015						
		\$35.50						
		5/23/2016						
Credited Service (Max)	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Normal Retirement Age	65	65	65	65	65	65	65	65
Early Retirement Age (age/years)	55/10	55/10	55/10	55/10	55/10	55/10	55/10	58/15
Early Reduction	6% from 60 to 65 4% from 55 to 60	6% from 60 to 65 4% from 55 to 60	6% from 60 to 65 4% from 55 to 60	Actuarial reduction	6% from 60 to 65 4% from 55 to 60	6% from 60 to 65 4% from 55 to 60	6% from 60 to 65 4% from 55 to 60	6.67% from 60 to 65 3.33% from 58 to 60
Vested Term Reduction	same	same	same	Same	same	same	same	same
Disability (Age/Years)	N/A	N/A	N/A	15 years	N/A	N/A	N/A	N/A
Distribution Options	Life only Jt & 50 Jt & 75 Jt & 100 10 yr C&C	Life only Jt & 50 Jt & 75 Jt & 100 10 yr C&C	Life only Jt & 50 Jt & 75 Jt & 100 10 yr C&C	Life only Jt & 50 Jt & 66 2/3 Jt & 75 Jt & 100	Life only Jt & 50 Jt & 75 Jt & 100 10 yr C&C	Life only Jt & 50 Jt & 66 2/3 Jt & 75 Jt & 100	Life only Jt & 50 Jt & 75 Jt & 100 10 yr C&C	Life only Jt & 50 Jt & 75 Jt & 100

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The Final Average Pay Program (former Lilly Employees' Pension Plan)

Participation

Employee as of November 30, 1994

December 31, 1996 for former Guardsman or Moline Plan

December 31, 1997 for former Lilly Bargaining Plan

March 31, 1999 for former Guardsman High Point Plan

December 31, 2005 for former Cabot Plan

Basic benefit provisions

Non-Cabot Participants

The standard retirement benefit for all participants except those age 55 or older with 10 years of vesting service as of December 1, 1994 or participants in the Gardena Bargaining Unit is a monthly pension payable for life equal to the greater of (1) or (2) as follows:

- (1) 1.25% of monthly plan compensation multiplied by benefit service as of November 30, 1994,
or
- (2) \$29.00 multiplied by benefit service as of November 30, 1994.

Participants in the Gardena Bargaining Unit continue to accrue benefit service to November 30, 1996.

Participants age 55 or older with 10 years of vesting service as of November 30, 1994 receive the greater of (1) or (2) above plus:

.5% of monthly plan compensation multiplied by benefit service after December 1, 1994 to normal retirement date.

Former Glidden participants are eligible for a special minimum benefit based on the plan provisions.

Former Guardsman Products or Moline participants except those who are age 55 or older with 10 years of vesting service as of December 31, 1996 is a monthly pension payable for life equal to the greater of (1) or (2) as follows:

- (1) 1.25% of monthly plan compensation multiplied by benefit service as of December 31, 1996,
or

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- (2) \$29.00 multiplied by benefit service as of December 31, 1996.

Participants age 55 or older with 10 years of vesting service as of December 31, 1996 receive the greater of (1) or (2) above plus:

.5% of monthly plan compensation multiplied by benefit service after December 31, 1996 to normal retirement date.

Former Lilly Bargaining Unit Participants except those who are age 55 or with 10 years vesting service as of November 30, 1994 is a monthly pension payable for life equal to the greater of (1) or (2) as follows:

- (1) 1.25% of monthly plan compensation multiplied by benefit service as of November 30, 1994, or
- (2) \$33.00 multiplied by benefit service as of December 31, 1995 for Laboratory Participants or December 31, 1997 for Plant Participants.

Participants age 55 or older with 10 years of vesting service as of November 30, 1994 receive the greater of (1) or (2) above plus:

.5% of monthly plan compensation multiplied by benefit service after November 30, 1994 to normal retirement date. Former Guardsman High Point Unit Participants is a monthly pension payable for life equal to \$18.50 multiplied by benefit service as of March 13, 1999.

Cabot Participants

Participants age 45 or older with 5 years of vesting service as of November 30, 2005 receive the greater of (1) or (2):

- (1) 36% of average compensation not in excess of the covered compensation plus 51% of average compensation in excess of covered compensation, reduced by 1/25 for each year of benefit service less than 25 at normal retirement date, multiplied by the ratio, the value of which cannot exceed one, of benefit service as of November 30, 2005 to benefit service at normal retirement date.
- (2) The sum of (i) and (ii) multiplied by the ratio, the value of which cannot exceed one, of benefit service as of November 30, 2005 to benefit service at normal retirement date.
- (i) 50% of average compensation reduced by 1/20 for each year of benefit service less than 20, less
- (ii) 50% of Primary social security benefit reduced by 1/20 for each year of benefit service less than 20.

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Participants under age 45, or with less than 5 years of vesting service as of November 30, 2005, have a frozen accrued benefit as of November 30, 2005, based on the formula above.

Credited service

Non-Cabot Participants

No limit.

Cabot Participants

Frozen as of November 31, 2005.

Normal retirement age

Later of age 65 and five years vesting service.

Early retirement age

Non-Cabot Participants

Age 55 with five years of service.

Cabot Participants

Age 55 with 10 years of service or age 60.

Early retirement benefit reduction

Non-Cabot Participants

Less than 20 years service: 6.67% per year from 65 to 60; 3.33% per year from 60 to 55.

20 or more years of service: 8.33% per year from 62 to 60; 4.17% per year from 60 to 55; unreduced upon commencement age 62 or later.

Cabot Participants

6.67% per year from 65 to 60; 3.33% per year from 60 to 55.

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Vested Termination Benefit Reduction

Same as Early Retirement Reduction.

Disability benefit reduction

Non-Cabot Participants

Eligible after five years of service. Payable immediately after disability, receive greater of accrued benefit earned and 4% of accrued benefit calculation per year of vesting service using final average earnings at disability and benefit service projected to normal retirement date.

Cabot Participants

None.

Distribution options

Non-Cabot Participants

Single Life Annuity.

50%/75%/100% Joint and Survivor

10-Year/15-Year/20-Year Certain and Life

Cabot Participants

Single Life Annuity.

50%/75%/100% Joint and Survivor

10-Year Certain and Life

Changes in principal plan provisions since last actuarial valuation

None

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SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22
Description of Weighted Average Retirement Age
as of January 1, 2016

Plan Sponsor: The Valspar Corporation

EIN: 36-2443580

Plan Number: 001

Plan Name: The Valspar Corporation Employees' Pension Plan

Retirement Rate Group	Count	Weighted Average Retirement Age	Weight	Overall Weighted Average Retirement Age
Rochester and Kankakee	128	62.07	0.1517	9.42
Other Valspar Locations	549	61.82	0.6504	40.21
Former Lilly Participants	167	60.90	0.1979	12.05

Average Age at Retirement 61.68

Rounded for Schedule B line 22 62

Plan Name: The Valspar Corporation Employees' Pension Plan
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Plan Sponsor: Valspar Corporation

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22 Description of Weighted Average Retirement Age as of January 1, 2016

Rochester and Kankakee Rates

x	q_x^r	l_x	${}_{x-55}p_{55} = l_x / l_{55}$	$q_x^r * l_x / l_{55}$	$x * q_x^r * l_x / l_{55}$
55	0.000	1,000,000	1.000000	0.000000	0.000000
56	0.000	1,000,000	1.000000	0.000000	0.000000
57	0.000	1,000,000	1.000000	0.000000	0.000000
58	0.000	1,000,000	1.000000	0.000000	0.000000
59	0.000	1,000,000	1.000000	0.000000	0.000000
60	0.250	1,000,000	1.000000	0.250000	15.000000
61	0.250	750,000	0.750000	0.187500	11.437500
62	0.350	562,500	0.562500	0.196875	12.206250
63	0.350	365,625	0.365625	0.127969	8.062031
64	0.350	237,656	0.237656	0.083180	5.323500
65	1.000	154,477	0.154477	0.154477	10.040977
66	1.000	0	0.000000	0.000000	0.000000
67	1.000	0	0.000000	0.000000	0.000000

Average age at retirement

62.070258

The average retirement age for Line 22 was calculated by creating a hypothetical life table with retirement as the only decrement, and then computing the average retirement age for the table.

Plan Name: The Valspar Corporation Employees' Pension Plan
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 Plan Sponsor: Valspar Corporation

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22 Description of Weighted Average Retirement Age as of January 1, 2016

Other Valspar Location Rates

x	q_x^r	l_x	${}_{x-55}p_{55} = l_x / l_{55}$	$q_x^r * l_x / l_{55}$	$x * q_x^r * l_x / l_{55}$
55	0.050	1,000,000	1.000000	0.050000	2.750000
56	0.050	950,000	0.950000	0.047500	2.660000
57	0.050	902,500	0.902500	0.045125	2.572125
58	0.050	857,375	0.857375	0.042869	2.486388
59	0.100	814,506	0.814506	0.081451	4.805587
60	0.100	733,056	0.733056	0.073306	4.398334
61	0.200	659,750	0.659750	0.131950	8.048951
62	0.250	527,800	0.527800	0.131950	8.180901
63	0.050	395,850	0.395850	0.019793	1.246928
64	0.150	376,058	0.376058	0.056409	3.610152
65	0.400	319,649	0.319649	0.127860	8.310872
66	0.500	191,789	0.191789	0.095895	6.329048
67	1.000	95,895	0.095895	0.095895	6.424943

Average age at retirement

61.824227

The average retirement age for Line 22 was calculated by creating a hypothetical life table with retirement as the only decrement, and then computing the average retirement age for the table.

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Schedule SB, Line 22 Description of Weighted Average Retirement Age as of January 1, 2016

Former Lilly Participant Rates

x	q_x^r	l_x	${}_{x-55}p_{55} = l_x / l_{55}$	$q_x^r * l_x / l_{55}$	$x * q_x^r * l_x / l_{55}$
55	0.100	1,000,000	1.000000	0.100000	5.500000
56	0.100	900,000	0.900000	0.090000	5.040000
57	0.100	810,000	0.810000	0.081000	4.617000
58	0.100	729,000	0.729000	0.072900	4.228200
59	0.100	656,100	0.656100	0.065610	3.870990
60	0.100	590,490	0.590490	0.059049	3.542940
61	0.100	531,441	0.531441	0.053144	3.241790
62	0.250	478,297	0.478297	0.119574	7.413602
63	0.300	358,723	0.358723	0.107617	6.779859
64	0.050	251,106	0.251106	0.012555	0.803539
65	0.150	238,551	0.238551	0.035783	2.325868
66	0.250	202,768	0.202768	0.050692	3.345672
67	1.000	152,076	0.152076	0.152076	10.189092

Average age at retirement

60.898551

The average retirement age for Line 22 was calculated by creating a hypothetical life table with retirement as the only decrement, and then computing the average retirement age for the table.

Plan Name: The Valspar Corporation Employees' Pension Plan
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 Plan Sponsor: Valspar Corporation

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Appendix A: Statement of Actuarial Assumptions as of January 1, 2016

Economic Assumptions

Interest rate basis:

■ Applicable month	September
■ Yield curve basis	3-Segment Rates
■ MAP-21 extended under HATFA applied for funding	Yes
■ MAP-21 extended under HATFA applied for benefit restrictions	Yes

Interest rates:

	Reflecting Corridors	Not Reflecting Corridors
■ First segment rate	4.43%	1.34%
■ Second segment rate	5.91%	4.03%
■ Third segment rate	6.65%	5.06%
■ Effective interest rate	6.06%	4.29%

Administrative Expenses

\$349,870; expenses are assumed to be \$325,000 plus PBGC variable rate premium, if any.

Compensation increases

Future compensation for former Lilly Employees' Pension Plan participants will increase at the rate of 3.00% per year, compounded annually.

Future increases in social security

Social security benefits are assumed to increase in the future due to increases in the national average wage index of 3.00% per year, compounded annually, and due to increases in the cost of living of 3.00% per year, compounded annually.

Assumed cost-of-living adjustments

None.

Future Increases in Maximum Benefits and Plan Compensation Limitations

It is assumed that maximum benefit and plan compensation limitations under the Internal Revenue Code will not increase in the future.

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Demographic Assumptions

Mortality

Funding

For all participants, the prescribed mortality assumption under IRC §430(h)(3)(A) using static tables with separate mortality rates for annuitants and non-annuitants was used.

Retirement

The rates at which participants are assumed to retire by age and location are shown below.

Age (in Years)	Rochester and Kankakee	Other Valspar Locations	Former Lilly Participants
55 – 58	0%	5%	10%
59	0%	10%	10%
60	25%	10%	10%
61	25%	20%	10%
62	35%	25%	25%
63	35%	5%	30%
64	35%	15%	5%
65	100%	40%	15%
66	100%	50%	25%
67+	100%	100%	100%

Vested terminated participants are assumed to commence at age 62 if eligible for early retirement and at the earlier of age 65 and Normal Retirement Date if not eligible for early retirement.

Disability Rates

Lilly Non-Cabot Participants

75% of 1964 OASDI rates.

Other Participants

None.

Disabled mortality

The 1983 Group Annuity Mortality Tables for males and females.

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Representative Termination Rates not Due to Disability, Retirement or Mortality

The rates at which participants are assumed to terminate employment are shown below:

Percentage leaving during the year

Attained Age	All Employees
<25	23.4%
25 – 29	8.6%
30 – 34	4.7%
35 – 39	3.4%
40 – 44	2.9%
45 – 49	2.6%
50 – 54	1.7%
55+	0.7%

Form of Payment

50% of participants are assumed to elect a single life annuity and 50% are assumed to elect the 50% joint and survivor annuity.

Percent married and spouse age

Former Lilly Participants

For purposes of valuing pre-retirement surviving spouse's benefit, 80% of eligible participants are assumed to be married and male spouses are assumed to be 3 years older than female spouses.

Valspar Participants

For purposes of valuing pre-retirement surviving spouse's benefit, 60% of eligible participants are assumed to be married and male spouses are assumed to be 3 years older than female spouses.

Additional Assumptions

Employees

It was assumed there will be no new or rehired employees.

Compensation for former Lilly Plan participants

Compensation assumed paid in the current year beginning on the valuation date is the pay received in the prior year adjusted one-half year using the assumed salary scale.

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Methods

Valuation date

First day of plan year.

Funding target

Present value of accrued benefits as required by regulations under IRC §430.

Target normal cost

Present value of benefits expected to accrue during the plan year plus plan-related expenses expected to be paid from plan assets during the plan year as required by regulations under IRC §430.

Actuarial value of assets

Under this method, the valuation assets are equal to the average of three values (all determined without regard to receivable contributions), the result increased by the discounted present value of contributions expected to be made after the valuation date based on the prior plan year PPA effective interest rate. This amount is then subject to a 10% corridor around the market value of assets (including the discounted present value of receivable contributions) as of the valuation date. The three values used to develop the average value are: the market value of assets as of the current valuation date, the adjusted market value of assets as of the prior valuation date and the adjusted market value of assets as of the second prior valuation date. The adjusted market value as of a relevant valuation date is equal to the market value of assets as of the prior valuation date increased by actual plan contributions and assumed return on plan assets and decreased by actual plan disbursements after that date until the current valuation date. The algebraically equivalent development of this method (pursuant to IRS Notice 2009-22) is shown in Section 2.3. Because expected investment returns under this method are limited under WRERA, over time it is more likely to produce an actuarial value that is expected to be less than the market value of assets.

Benefits not valued

All benefits described in the plan provisions section of this report were valued.

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Data Sources

The Valspar Corporation furnished participant data as of January 1, 2016. Data was reviewed for reasonableness and consistency, but no audit was performed.

Assumptions Rationale - Significant Economic Assumptions

Funding Interest Rate

The basis chosen was selected by the plan sponsor from among choices prescribed by law, all of which are based on observed market data over certain periods of time.

Compensation Increases

Assumed compensation increases were based on an experience study conducted in 2015.

Assumptions Rationale – Significant Demographic Assumptions

Mortality

Assumptions used for funding purposes are as prescribed by IRC §430(h). Assumptions used for ASC 960 purposes were selected by the plan sponsor and, as required by U.S. GAAP, represent a best estimate of future experience.

Termination

Termination rates were based on an experience study conducted in 2015.

Retirement

Retirement rates were based on an experience study conducted in 2015. Assumed retirement rates differ by location and age because of observed differences in retirement rates.

Form of Payment

The form of payment assumption was based on an experience study conducted in 2015.

Percent married and spouse age

The percent married and spouse age assumptions were based on an experience study conducted in 2015.

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Source of Prescribed Methods

Funding methods

The methods used for funding purposes as described in Appendix A, including the method of determining plan assets, are “prescribed methods set by law”, as defined in the actuarial standards of practice (ASOPs). These methods are required by IRC §430, or were selected by the plan sponsor from a range of methods permitted by IRC §430.

Changes in Assumptions

Changes in assumptions since prior valuation

- The segment interest rates used to calculate the funding target and target normal cost were updated to the current valuation date as required by IRC 430 and interest rate corridors of MAP-21 as extended by HATFA were applied.
- The mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvement, as required by IRC 430.

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