

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 ☐ special extension (enter description)	☐ automatic extension ☐ the DFVC program

Part II	Basic Plan Information —enter all requested information		
1a	Name of plan <u>HUDSON PRODUCTS CORPORATION RETIREMENT SAVINGS PLAN</u>	1b	Three-digit plan number (PN) ► <u>001</u>
		1c	Effective date of plan <u>07/11/2002</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>HUDSON PRODUCTS CORPORATION</u> <u>9660 GRUNWALD ROAD</u> <u>BEASLEY, TX 77417</u>	2b	Employer Identification Number (EIN) <u>74-1586257</u>
		2c	Plan Sponsor's telephone number <u>281-396-8100</u>
		2d	Business code (see instructions) <u>339900</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	VENESSA VAUGHT
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/16/2017	VENESSA VAUGHT
	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

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

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 815
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year..... a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	<div style="background-color: #cccccc; height: 20px; width: 100%;"></div> 6a(1) 450 6a(2) 413 6b 0 6c 133 6d 546 6e 11 6f 557 6g 540 6h 23
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 2S 2T 3D 3F 3H b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	

9a Plan funding arrangement (check all that apply) (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 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 HUDSON PRODUCTS CORPORATION RETIREMENT SAVINGS PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 HUDSON PRODUCTS CORPORATION	D Employer Identification Number (EIN) 74-1586257

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
ARTISAN

39-1811840

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

94-1441976

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

48-1069845

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

52-2206685

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

FIDELITY INVESTMENTS

06-1194217

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

HARBOR

04-2679462

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

AMG

06-1298481

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

PIMCO FUNDS

95-2632339

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

T. ROWE PRICE

52-2264646

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

VANGUARD

23-1945930

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

OPPENHEIMER FUNDS

13-2527171

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

CAMBIAR FUNDS

84-0643524

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

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

WELLS FARGO BANK, N.A.

94-1347393

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 21 37 50 62 64	SERVICE PROVIDER	94147	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

AON INVESTMENT CONSULTING

36-3109431

(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?
17 50	SERVICE PROVIDER	26850	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2016
		This Form is Open to Public Inspection.

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

A Name of plan <u>HUDSON PRODUCTS CORPORATION RETIREMENT SAVINGS 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>HUDSON PRODUCTS CORPORATION</u>		D Employer Identification Number (EIN) <u>74-1586257</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>WELLS FARGO STABLE RETURN FUND N15</u>		
b Name of sponsor of entity listed in (a): <u>WELLS FARGO BANK, N.A.</u>		
c EIN-PN <u>80-6052573-001</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>5040862</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>IRIDIAN VALUE OPPORTUNITY CIT</u>		
b Name of sponsor of entity listed in (a): <u>SEI TRUST COMPANY</u>		
c EIN-PN <u>46-3983572-001</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>626824</u>
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
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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
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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
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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
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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) <small>Internal Revenue Service</small> <small>Department of Labor</small> <small>Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 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>HUDSON PRODUCTS CORPORATION RETIREMENT SAVINGS 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>HUDSON PRODUCTS CORPORATION</u>	D Employer Identification Number (EIN) <u>74-1586257</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		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	3421	
(2) Participant contributions	1b(2)	9185	
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)	523629	560220
(9) Value of interest in common/collective trusts	1c(9)	5650455	5667686
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	15426009	15139135
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	21612699	21367041

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	45713	25250
i Acquisition indebtedness	1i		
j Other liabilities	1j	15913	
k Total liabilities (add all amounts in lines 1g through 1j)	1k	61626	25250

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	21551073	21341791
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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)	572529	
(B) Participants	2a(1)(B)	1528965	
(C) Others (including rollovers)	2a(1)(C)	217682	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		2319176
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	23647	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		23647
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	218842	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		218842
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		121480
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		1078064
c Other income.....	2c		2
d Total income. Add all income amounts in column (b) and enter total.....	2d		3761211

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	3833040	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		3833040
f Corrective distributions (see instructions)	2f		15913
g Certain deemed distributions of participant loans (see instructions)	2g		543
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)		
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)		
(4) Other	2i(4)	120997	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		120997
j Total expenses. Add all expense amounts in column (b) and enter total	2j		3970493

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-209282
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

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

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

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

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

☒ Yes ☐ No

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

(1) Name: **BKD, LLP**

(2) EIN: **44-0160260**

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		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			
o Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service?	4o			

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

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

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

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

Part V Trust Information

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

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2016 This Form is Open to Public Inspection.
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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>HUDSON PRODUCTS CORPORATION RETIREMENT SAVINGS 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>HUDSON PRODUCTS CORPORATION</u>	D Employer Identification Number (EIN) <u>74-1586257</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	

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.)
----------------	---

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes	☐ No	☐ N/A

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

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

Schedule R (Form 5500) 2016
v. 160205

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

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

Part VII	IRS Compliance Questions
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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 / / .	

Hudson Products Corporation
Retirement Savings Plan

EIN 74-1586257 PN 001

Independent Auditor's Report and Financial Statements
December 31, 2016 and 2015



Hudson Products Corporation
Retirement Savings Plan
December 31, 2016 and 2015

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Independent Auditor's Report

Plan Administrator
Hudson Products Corporation
Retirement Savings Plan
Beasley, Texas

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Hudson Products Corporation Retirement Savings Plan (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.

Auditor's Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the *Employee Retirement Income Security Act of 1974*, the Plan administrator instructed us not to perform, and we did not perform, 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 and supplemental schedule. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and notes receivable from participants and executes transactions related to these assets. The Plan administrator has obtained certifications from the trustee as of and for the years ended December 31, 2016 and 2015, that the information provided to the Plan administrator 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 listed in the table of contents is required by the Department of Labor's 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 the Department of Labor's 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*.

BKD, LLP

Evansville, Indiana
October 4, 2017

Federal Employer Identification Number: 44-0160260

Hudson Products Corporation
Retirement Savings Plan
Statements of Net Assets Available for Benefits
December 31, 2016 and 2015

Assets

	<u>2016</u>	<u>2015</u>
Investments, at Fair Value	<u>\$ 20,806,821</u>	<u>\$ 21,076,464</u>
Receivables		
Participants' contributions	-	9,185
Employer contributions	-	3,421
Notes receivable from participants	<u>560,220</u>	<u>523,629</u>
Total receivables	<u>560,220</u>	<u>536,235</u>
Total assets	<u>21,367,041</u>	<u>21,612,699</u>

Liabilities

Administrative fees payable	25,250	45,713
Excess contributions payable	<u>-</u>	<u>15,913</u>
Total liabilities	<u>25,250</u>	<u>61,626</u>
Net Assets Available for Benefits	<u><u>\$ 21,341,791</u></u>	<u><u>\$ 21,551,073</u></u>

Hudson Products Corporation
Retirement Savings Plan
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Investment Income (Loss)		
Net appreciation (depreciation) in fair value of investments	\$ 1,199,546	\$ (299,641)
Interest and dividends	<u>218,842</u>	<u>218,536</u>
Net investment income (loss)	<u>1,418,388</u>	<u>(81,105)</u>
Interest Income on Notes Receivable From Participants	<u>23,647</u>	<u>21,819</u>
Contributions		
Participants	1,528,965	1,570,170
Employer	572,529	626,257
Rollovers	<u>217,682</u>	<u>5,435</u>
	<u>2,319,176</u>	<u>2,201,862</u>
Total additions	<u>3,761,211</u>	<u>2,142,576</u>
Deductions		
Benefits paid to participants	3,849,496	2,252,027
Administrative expenses	<u>120,997</u>	<u>159,270</u>
Total deductions	<u>3,970,493</u>	<u>2,411,297</u>
Net Decrease	(209,282)	(268,721)
Net Assets Available for Benefits, Beginning of Year	<u>21,551,073</u>	<u>21,819,794</u>
Net Assets Available for Benefits, End of Year	<u><u>\$ 21,341,791</u></u>	<u><u>\$ 21,551,073</u></u>

Hudson Products Corporation Retirement Savings Plan

Notes to Financial Statements

December 31, 2016 and 2015

Note 1: Description of the Plan

The following description of the Hudson Products Corporation Retirement Savings Plan (Plan) provides only general information. Participants should refer to the Plan Document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan sponsored by Hudson Products Corporation (Company) for the benefit of its nonunion employees who are age 18 or older. Related employers which also participate in the Plan include Cofimco USA, Inc., Smithco Engineering, Inc. and Metal Services, Inc. The Plan is subject to the provisions of the *Employee Retirement Income Security Act of 1974* (ERISA). Wells Fargo Bank, N.A. is the trustee of the Plan and serves as Plan custodian.

Contributions

The Plan permits eligible employees through a salary deferral election to have the Company make annual contributions of up to 100% of eligible compensation. Employee rollover contributions are also permitted. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Company matching and profit-sharing contributions are discretionary, as determined by the Company's board of directors. The Company authorized discretionary matching contributions to be made to the Plan at 50% of employees' salary deferral amounts on the first 6% of employees' compensation for the years ended December 31, 2016 and 2015. No discretionary profit-sharing contributions were made to the Plan for the years ended December 31, 2016 and 2015. Contributions are subject to certain limitations.

Participant Investment Account Options

Each participant has the option of directing his or her contributions into any of the separate investment accounts and may change the allocation daily.

The Plan Document also includes an automatic deferral feature whereby a participant is treated as electing to defer a certain percentage of eligible compensation unless the participant made an affirmative election otherwise. The automatic deferral feature also provides for an annual increase in the percentage deferred and is ultimately capped at 10%.

Participant Accounts

Each participant's account is credited with the participant's contribution, the Company's contribution and Plan earnings and is charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Hudson Products Corporation Retirement Savings Plan

Notes to Financial Statements

December 31, 2016 and 2015

Vesting

Participants are immediately vested in their voluntary contributions, plus earnings thereon. Vesting in the Company's contribution portion of their accounts, plus earnings thereon, is based on years of continuous service. A participant is fully vested after three years of continuous service. Benefits accrued in the Smithco Engineering, Inc. 401(k) Profit Sharing Plan, which was merged with and into the Plan during the year ended December 31, 2009, shall be vested after five years of service. The nonvested balance is forfeited upon termination of service.

Notes Receivable From Participants

Participants may borrow from their fund accounts a minimum of \$1,000, up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. The loans are secured by the balance in the participant's account. The loan interest rate is set at 1.0% above the prime rate, as defined. Principal and interest is paid ratably through payroll deductions.

Excess Contributions Payable

Amounts payable to participants for contributions in excess of amounts allowed by the Internal Revenue Service are recorded as a liability with a corresponding reduction to contributions.

Payment of Benefits

Upon termination of service, an employee may elect to receive either a lump-sum amount equal to the value of his or her account, installment payments or a joint and survivor annuity.

Forfeited Accounts

At December 31, 2016 and 2015, forfeited nonvested accounts totaled \$75,918 and \$38,322, respectively. These accounts will be used to reduce future employer contributions or to pay administrative expenses of the Plan. Also, during the years ended December 31, 2016 and 2015, the Plan paid administrative expenses of \$41,386 and \$633, respectively, from forfeited nonvested accounts.

Hudson Products Corporation Retirement Savings Plan

Notes to Financial Statements

December 31, 2016 and 2015

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

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

Use of Estimates

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

Investment Valuation and Income Recognition

Investments are reported at fair value. Quoted market prices, if available, are used to value investments. Mutual funds are valued at quoted market prices, which represent the net asset value (NAV) of shares held by the Plan at year-end. The Plan's interests in the collective trusts are valued at the NAV of units of the collective trust. The NAV is used as a practical expedient to estimate fair value of the collective trust investments.

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

Notes Receivable From Participants

Notes receivable from participants are measured at their unpaid principal balance, plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan Document.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Administrative Expenses

Administrative expenses may be paid by the Company or the Plan, at the Company's discretion.

Hudson Products Corporation Retirement Savings Plan

Notes to Financial Statements

December 31, 2016 and 2015

Note 3: Certification of Plan Trustee

The Plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Wells Fargo Bank, N.A., the trustee of the Plan, has certified the following information for the years ended December 31, 2016 and 2015, included in the accompanying financial statements and supplemental schedule is complete and accurate:

- Investments and notes receivable from participants as shown in the statements of net assets available for benefits and related disclosures as of December 31, 2016 and 2015
- Investment income and interest income from notes receivable from participants as shown in the statements of changes in net assets available for benefits for the years ended December 31, 2016 and 2015
- Investment information included in the accompanying schedule of assets (held at end of year) as of December 31, 2016

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

Note 4: Related-Party and Party-in-Interest Transactions

Party-in-interest transactions include those with fiduciaries or employees of the Plan, any person who provides services to the Plan, an employer whose employees are covered by the Plan and an employee organization the members of which are covered by the Plan, a person who owns 50% or more of such an employer or employee association or relatives of such persons.

The Plan invests in certain funds of the Plan trustee. The Plan recorded \$94,147 and \$108,770 of administrative fees to Wells Fargo Bank, N.A. during 2016 and 2015, respectively. The Company also recorded \$26,850 and \$50,550 of fees to the third-party investment advisor during 2016 and 2015, respectively. The Company provides certain administrative services at no cost to the Plan.

Hudson Products Corporation Retirement Savings Plan

Notes to Financial Statements

December 31, 2016 and 2015

Note 5: Plan Amendments

Effective January 1, 2016, the Plan was amended and restated to incorporate certain regulatory changes into the Plan. All significant provisions of the Plan remained unchanged as a result of this amendment and restatement.

Effective October 1, 2015, the Plan was amended to allow Roth contributions to the Plan and to allow participants to transfer part or all of their vested balance of a non-Roth account to a Roth account balance.

Note 6: Disclosure About Fair Value of Plan Assets and Liabilities

Fair value is the price that would be received by the Plan for an asset or paid by the Plan to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date in the Plan's principal or most advantageous market for the asset or liability. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities

In some cases, a valuation technique used to measure fair value may include inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value in the hierarchy.

Hudson Products Corporation Retirement Savings Plan

Notes to Financial Statements

December 31, 2016 and 2015

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying statements of net assets available for benefit measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2016 and 2015:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Total			
December 31, 2016				
Mutual funds	\$ 15,139,135	<u>\$ 15,139,135</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at net asset value (A)				
Collective trust funds	<u>5,667,686</u>			
	<u>\$ 20,806,821</u>			
December 31, 2015				
Mutual funds	\$ 15,426,009	<u>\$ 15,426,009</u>	<u>\$ -</u>	<u>\$ -</u>
Investment measured at net asset value (A)				
Collective trust fund	<u>5,650,455</u>			
	<u>\$ 21,076,464</u>			

(A) In accordance with Subtopic 820-10, certain investments that were measured at the NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefits.

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of net assets available for benefits, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2016. The Plan had no liabilities measured at fair value on a recurring basis. In addition, the Plan had no assets or liabilities measured at fair value on a nonrecurring basis.

Hudson Products Corporation Retirement Savings Plan

Notes to Financial Statements

December 31, 2016 and 2015

Investments

Where quoted market prices are available in an active market, investments are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such investments are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, investments are classified within Level 3 of the hierarchy.

Investment Measured Using the Net Asset Value per Share Practical Expedient

The following tables summarize the investments for which fair value is measured using the NAV per share practical expedient as of December 31, 2016 and 2015. There are no participant redemption restrictions for these investments; the redemption notice period is applicable only to the Plan.

		December 31, 2016		
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Wells Fargo Stable Return Fund	\$5,040,862	N/A	Daily	12 months
Iridian Value Opportunity Collective Investment Trust	\$ 626,824	N/A	Daily	12 months
		December 31, 2015		
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Wells Fargo Stable Return Fund	\$5,650,455	N/A	Daily	12 months

Note 7: Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of the net decrease in net assets available for benefits per the financial statements to Form 5500 for the years ended December 31, 2016 and 2015:

	2016	2015
Net decrease in net assets available for benefits per the financial statements	\$ (209,282)	\$ (268,721)
Change in adjustment to investment in collective trust related to benefit-responsive investment contracts	-	(84,931)
Net decrease in net assets available for benefits per Form 5500	<u>\$ (209,282)</u>	<u>\$ (353,652)</u>

Hudson Products Corporation Retirement Savings Plan

Notes to Financial Statements

December 31, 2016 and 2015

Note 8: Risks and Uncertainties

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

Note 9: Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their employer contributions. The Company experienced a partial Plan termination during 2016 and 2015, and all affected participants became 100% vested in their employer contributions.

Note 10: Tax Status

The Plan operates under a defined contribution volume submitter plan and trust document sponsored by Wells Fargo Bank, N.A. This volume submitter plan document has been filed with the appropriate agency. The Plan has not obtained or requested a determination letter. However, the Plan administrator believes the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code and was qualified and the related trust was tax exempt as of the financial statement date.

Note 11: Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

Supplemental Schedule

Hudson Products Corporation Retirement Savings Plan

EIN 74-1586257 PN 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year) December 31, 2016

Identity of Issuer	Description of Investment	Current Value
Mutual Funds		
PIMCO Total Return Fund Institutional	148,812 shares	\$ 1,492,590
Cambiar Small Cap Institutional Fund	8,576 shares	168,259
Dodge & Cox Stock Fund	4,791 shares	882,972
Fidelity 500 Index Fund	18,630 shares	1,459,469
AMG Frontier Small Gap Growth Fund	101,860 shares	1,170,371
Harbor International Fund	9,584 shares	559,800
Mainstay Large Cap Growth Fund	118,253 shares	1,009,881
AMG TimesSquare Mid Cap Growth Fund	28,327 shares	498,831
Oppenheimer International Growth Fund	7,622 shares	264,342
T. Rowe Price Retirement Balanced Fund	15,312 shares	224,474
T. Rowe Price Retirement Fund 2010	1,493 shares	25,903
T. Rowe Price Retirement Fund 2015	48,715 shares	690,774
T. Rowe Price Retirement Fund 2020	10,850 shares	221,458
T. Rowe Price Retirement Fund 2025	77,976 shares	1,208,628
T. Rowe Price Retirement Fund 2030	44,054 shares	992,533
T. Rowe Price Retirement Fund 2035	53,244 shares	867,340
T. Rowe Price Retirement Fund 2040	39,502 shares	916,836
T. Rowe Price Retirement Fund 2045	33,375 shares	521,323
T. Rowe Price Retirement Fund 2050	32,313 shares	424,587
T. Rowe Price Retirement Fund 2055	18,338 shares	241,506
Vanguard Extended Market Index Fund	17,839 shares	1,297,258
		<u>15,139,135</u>
Collective Trust Funds		
*Wells Fargo Stable Return Fund	484,564 shares	5,040,862
Iridian Value Opportunity Collective Investment Trust	605,790 shares	626,824
		<u>5,667,686</u>
*Participant Loans		
	Participant Plan notes	
	Lowest interest rate – 4.25%	
	Highest interest rate – 4.75%	
	Through December 2021	560,220
		<u>\$ 21,367,041</u>

*Party-in-interest

Hudson Products Corporation
Retirement Savings Plan

EIN 74-1586257 PN 001

Independent Auditor's Report and Financial Statements
December 31, 2016 and 2015



Hudson Products Corporation
Retirement Savings Plan
December 31, 2016 and 2015

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Independent Auditor's Report

Plan Administrator
Hudson Products Corporation
Retirement Savings Plan
Beasley, Texas

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Hudson Products Corporation Retirement Savings Plan (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.

Auditor's Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the *Employee Retirement Income Security Act of 1974*, the Plan administrator instructed us not to perform, and we did not perform, 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 and supplemental schedule. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and notes receivable from participants and executes transactions related to these assets. The Plan administrator has obtained certifications from the trustee as of and for the years ended December 31, 2016 and 2015, that the information provided to the Plan administrator 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 listed in the table of contents is required by the Department of Labor's 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 the Department of Labor's 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*.

BKD, LLP

Evansville, Indiana
October 4, 2017

Federal Employer Identification Number: 44-0160260

Hudson Products Corporation
Retirement Savings Plan
Statements of Net Assets Available for Benefits
December 31, 2016 and 2015

Assets

	<u>2016</u>	<u>2015</u>
Investments, at Fair Value	<u>\$ 20,806,821</u>	<u>\$ 21,076,464</u>
Receivables		
Participants' contributions	-	9,185
Employer contributions	-	3,421
Notes receivable from participants	<u>560,220</u>	<u>523,629</u>
Total receivables	<u>560,220</u>	<u>536,235</u>
Total assets	<u>21,367,041</u>	<u>21,612,699</u>

Liabilities

Administrative fees payable	25,250	45,713
Excess contributions payable	<u>-</u>	<u>15,913</u>
Total liabilities	<u>25,250</u>	<u>61,626</u>
Net Assets Available for Benefits	<u><u>\$ 21,341,791</u></u>	<u><u>\$ 21,551,073</u></u>

Hudson Products Corporation
Retirement Savings Plan
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Investment Income (Loss)		
Net appreciation (depreciation) in fair value of investments	\$ 1,199,546	\$ (299,641)
Interest and dividends	<u>218,842</u>	<u>218,536</u>
Net investment income (loss)	<u>1,418,388</u>	<u>(81,105)</u>
Interest Income on Notes Receivable From Participants	<u>23,647</u>	<u>21,819</u>
Contributions		
Participants	1,528,965	1,570,170
Employer	572,529	626,257
Rollovers	<u>217,682</u>	<u>5,435</u>
	<u>2,319,176</u>	<u>2,201,862</u>
Total additions	<u>3,761,211</u>	<u>2,142,576</u>
Deductions		
Benefits paid to participants	3,849,496	2,252,027
Administrative expenses	<u>120,997</u>	<u>159,270</u>
Total deductions	<u>3,970,493</u>	<u>2,411,297</u>
Net Decrease	(209,282)	(268,721)
Net Assets Available for Benefits, Beginning of Year	<u>21,551,073</u>	<u>21,819,794</u>
Net Assets Available for Benefits, End of Year	<u><u>\$ 21,341,791</u></u>	<u><u>\$ 21,551,073</u></u>

Hudson Products Corporation Retirement Savings Plan

Notes to Financial Statements

December 31, 2016 and 2015

Note 1: Description of the Plan

The following description of the Hudson Products Corporation Retirement Savings Plan (Plan) provides only general information. Participants should refer to the Plan Document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan sponsored by Hudson Products Corporation (Company) for the benefit of its nonunion employees who are age 18 or older. Related employers which also participate in the Plan include Cofimco USA, Inc., Smithco Engineering, Inc. and Metal Services, Inc. The Plan is subject to the provisions of the *Employee Retirement Income Security Act of 1974* (ERISA). Wells Fargo Bank, N.A. is the trustee of the Plan and serves as Plan custodian.

Contributions

The Plan permits eligible employees through a salary deferral election to have the Company make annual contributions of up to 100% of eligible compensation. Employee rollover contributions are also permitted. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Company matching and profit-sharing contributions are discretionary, as determined by the Company's board of directors. The Company authorized discretionary matching contributions to be made to the Plan at 50% of employees' salary deferral amounts on the first 6% of employees' compensation for the years ended December 31, 2016 and 2015. No discretionary profit-sharing contributions were made to the Plan for the years ended December 31, 2016 and 2015. Contributions are subject to certain limitations.

Participant Investment Account Options

Each participant has the option of directing his or her contributions into any of the separate investment accounts and may change the allocation daily.

The Plan Document also includes an automatic deferral feature whereby a participant is treated as electing to defer a certain percentage of eligible compensation unless the participant made an affirmative election otherwise. The automatic deferral feature also provides for an annual increase in the percentage deferred and is ultimately capped at 10%.

Participant Accounts

Each participant's account is credited with the participant's contribution, the Company's contribution and Plan earnings and is charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Hudson Products Corporation Retirement Savings Plan

Notes to Financial Statements

December 31, 2016 and 2015

Vesting

Participants are immediately vested in their voluntary contributions, plus earnings thereon. Vesting in the Company's contribution portion of their accounts, plus earnings thereon, is based on years of continuous service. A participant is fully vested after three years of continuous service. Benefits accrued in the Smithco Engineering, Inc. 401(k) Profit Sharing Plan, which was merged with and into the Plan during the year ended December 31, 2009, shall be vested after five years of service. The nonvested balance is forfeited upon termination of service.

Notes Receivable From Participants

Participants may borrow from their fund accounts a minimum of \$1,000, up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. The loans are secured by the balance in the participant's account. The loan interest rate is set at 1.0% above the prime rate, as defined. Principal and interest is paid ratably through payroll deductions.

Excess Contributions Payable

Amounts payable to participants for contributions in excess of amounts allowed by the Internal Revenue Service are recorded as a liability with a corresponding reduction to contributions.

Payment of Benefits

Upon termination of service, an employee may elect to receive either a lump-sum amount equal to the value of his or her account, installment payments or a joint and survivor annuity.

Forfeited Accounts

At December 31, 2016 and 2015, forfeited nonvested accounts totaled \$75,918 and \$38,322, respectively. These accounts will be used to reduce future employer contributions or to pay administrative expenses of the Plan. Also, during the years ended December 31, 2016 and 2015, the Plan paid administrative expenses of \$41,386 and \$633, respectively, from forfeited nonvested accounts.

Hudson Products Corporation Retirement Savings Plan

Notes to Financial Statements

December 31, 2016 and 2015

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

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

Use of Estimates

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

Investment Valuation and Income Recognition

Investments are reported at fair value. Quoted market prices, if available, are used to value investments. Mutual funds are valued at quoted market prices, which represent the net asset value (NAV) of shares held by the Plan at year-end. The Plan's interests in the collective trusts are valued at the NAV of units of the collective trust. The NAV is used as a practical expedient to estimate fair value of the collective trust investments.

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

Notes Receivable From Participants

Notes receivable from participants are measured at their unpaid principal balance, plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan Document.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Administrative Expenses

Administrative expenses may be paid by the Company or the Plan, at the Company's discretion.

Hudson Products Corporation Retirement Savings Plan

Notes to Financial Statements

December 31, 2016 and 2015

Note 3: Certification of Plan Trustee

The Plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Wells Fargo Bank, N.A., the trustee of the Plan, has certified the following information for the years ended December 31, 2016 and 2015, included in the accompanying financial statements and supplemental schedule is complete and accurate:

- Investments and notes receivable from participants as shown in the statements of net assets available for benefits and related disclosures as of December 31, 2016 and 2015
- Investment income and interest income from notes receivable from participants as shown in the statements of changes in net assets available for benefits for the years ended December 31, 2016 and 2015
- Investment information included in the accompanying schedule of assets (held at end of year) as of December 31, 2016

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

Note 4: Related-Party and Party-in-Interest Transactions

Party-in-interest transactions include those with fiduciaries or employees of the Plan, any person who provides services to the Plan, an employer whose employees are covered by the Plan and an employee organization the members of which are covered by the Plan, a person who owns 50% or more of such an employer or employee association or relatives of such persons.

The Plan invests in certain funds of the Plan trustee. The Plan recorded \$94,147 and \$108,770 of administrative fees to Wells Fargo Bank, N.A. during 2016 and 2015, respectively. The Company also recorded \$26,850 and \$50,550 of fees to the third-party investment advisor during 2016 and 2015, respectively. The Company provides certain administrative services at no cost to the Plan.

Hudson Products Corporation Retirement Savings Plan

Notes to Financial Statements

December 31, 2016 and 2015

Note 5: Plan Amendments

Effective January 1, 2016, the Plan was amended and restated to incorporate certain regulatory changes into the Plan. All significant provisions of the Plan remained unchanged as a result of this amendment and restatement.

Effective October 1, 2015, the Plan was amended to allow Roth contributions to the Plan and to allow participants to transfer part or all of their vested balance of a non-Roth account to a Roth account balance.

Note 6: Disclosure About Fair Value of Plan Assets and Liabilities

Fair value is the price that would be received by the Plan for an asset or paid by the Plan to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date in the Plan's principal or most advantageous market for the asset or liability. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities

In some cases, a valuation technique used to measure fair value may include inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value in the hierarchy.

Hudson Products Corporation Retirement Savings Plan

Notes to Financial Statements

December 31, 2016 and 2015

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying statements of net assets available for benefit measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2016 and 2015:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Total			
December 31, 2016				
Mutual funds	\$ 15,139,135	<u>\$ 15,139,135</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at net asset value (A)				
Collective trust funds	<u>5,667,686</u>			
	<u>\$ 20,806,821</u>			
December 31, 2015				
Mutual funds	\$ 15,426,009	<u>\$ 15,426,009</u>	<u>\$ -</u>	<u>\$ -</u>
Investment measured at net asset value (A)				
Collective trust fund	<u>5,650,455</u>			
	<u>\$ 21,076,464</u>			

(A) In accordance with Subtopic 820-10, certain investments that were measured at the NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefits.

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of net assets available for benefits, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2016. The Plan had no liabilities measured at fair value on a recurring basis. In addition, the Plan had no assets or liabilities measured at fair value on a nonrecurring basis.

Hudson Products Corporation Retirement Savings Plan

Notes to Financial Statements

December 31, 2016 and 2015

Investments

Where quoted market prices are available in an active market, investments are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such investments are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, investments are classified within Level 3 of the hierarchy.

Investment Measured Using the Net Asset Value per Share Practical Expedient

The following tables summarize the investments for which fair value is measured using the NAV per share practical expedient as of December 31, 2016 and 2015. There are no participant redemption restrictions for these investments; the redemption notice period is applicable only to the Plan.

		December 31, 2016		
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Wells Fargo Stable Return Fund	\$5,040,862	N/A	Daily	12 months
Iridian Value Opportunity Collective Investment Trust	\$ 626,824	N/A	Daily	12 months
		December 31, 2015		
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Wells Fargo Stable Return Fund	\$5,650,455	N/A	Daily	12 months

Note 7: Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of the net decrease in net assets available for benefits per the financial statements to Form 5500 for the years ended December 31, 2016 and 2015:

	2016	2015
Net decrease in net assets available for benefits per the financial statements	\$ (209,282)	\$ (268,721)
Change in adjustment to investment in collective trust related to benefit-responsive investment contracts	-	(84,931)
Net decrease in net assets available for benefits per Form 5500	<u>\$ (209,282)</u>	<u>\$ (353,652)</u>

Hudson Products Corporation Retirement Savings Plan

Notes to Financial Statements

December 31, 2016 and 2015

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

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Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their employer contributions. The Company experienced a partial Plan termination during 2016 and 2015, and all affected participants became 100% vested in their employer contributions.

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The Plan operates under a defined contribution volume submitter plan and trust document sponsored by Wells Fargo Bank, N.A. This volume submitter plan document has been filed with the appropriate agency. The Plan has not obtained or requested a determination letter. However, the Plan administrator believes the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code and was qualified and the related trust was tax exempt as of the financial statement date.

Note 11: Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

Supplemental Schedule

Hudson Products Corporation Retirement Savings Plan

EIN 74-1586257 PN 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year) December 31, 2016

Identity of Issuer	Description of Investment	Current Value
Mutual Funds		
PIMCO Total Return Fund Institutional	148,812 shares	\$ 1,492,590
Cambiar Small Cap Institutional Fund	8,576 shares	168,259
Dodge & Cox Stock Fund	4,791 shares	882,972
Fidelity 500 Index Fund	18,630 shares	1,459,469
AMG Frontier Small Cap Growth Fund	101,860 shares	1,170,371
Harbor International Fund	9,584 shares	559,800
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AMG TimesSquare Mid Cap Growth Fund	28,327 shares	498,831
Oppenheimer International Growth Fund	7,622 shares	264,342
T. Rowe Price Retirement Balanced Fund	15,312 shares	224,474
T. Rowe Price Retirement Fund 2010	1,493 shares	25,903
T. Rowe Price Retirement Fund 2015	48,715 shares	690,774
T. Rowe Price Retirement Fund 2020	10,850 shares	221,458
T. Rowe Price Retirement Fund 2025	77,976 shares	1,208,628
T. Rowe Price Retirement Fund 2030	44,054 shares	992,533
T. Rowe Price Retirement Fund 2035	53,244 shares	867,340
T. Rowe Price Retirement Fund 2040	39,502 shares	916,836
T. Rowe Price Retirement Fund 2045	33,375 shares	521,323
T. Rowe Price Retirement Fund 2050	32,313 shares	424,587
T. Rowe Price Retirement Fund 2055	18,338 shares	241,506
Vanguard Extended Market Index Fund	17,839 shares	1,297,258
		<u>15,139,135</u>
Collective Trust Funds		
*Wells Fargo Stable Return Fund	484,564 shares	5,040,862
Iridian Value Opportunity Collective Investment Trust	605,790 shares	626,824
		<u>5,667,686</u>
*Participant Loans		
	Participant Plan notes	
	Lowest interest rate – 4.25%	
	Highest interest rate – 4.75%	
	Through December 2021	560,220
		<u>\$ 21,367,041</u>

*Party-in-interest

Hudson Products Corporation
Retirement Savings Plan

EIN 74-1586257 PN 001

Independent Auditor's Report and Financial Statements
December 31, 2016 and 2015



Hudson Products Corporation
Retirement Savings Plan
December 31, 2016 and 2015

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Independent Auditor's Report

Plan Administrator
Hudson Products Corporation
Retirement Savings Plan
Beasley, Texas

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Hudson Products Corporation Retirement Savings Plan (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.

Auditor's Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the *Employee Retirement Income Security Act of 1974*, the Plan administrator instructed us not to perform, and we did not perform, 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 and supplemental schedule. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and notes receivable from participants and executes transactions related to these assets. The Plan administrator has obtained certifications from the trustee as of and for the years ended December 31, 2016 and 2015, that the information provided to the Plan administrator 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 listed in the table of contents is required by the Department of Labor's 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 the Department of Labor's 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*.

BKD, LLP

Evansville, Indiana
October 4, 2017

Federal Employer Identification Number: 44-0160260

Hudson Products Corporation
Retirement Savings Plan
Statements of Net Assets Available for Benefits
December 31, 2016 and 2015

Assets

	<u>2016</u>	<u>2015</u>
Investments, at Fair Value	<u>\$ 20,806,821</u>	<u>\$ 21,076,464</u>
Receivables		
Participants' contributions	-	9,185
Employer contributions	-	3,421
Notes receivable from participants	<u>560,220</u>	<u>523,629</u>
Total receivables	<u>560,220</u>	<u>536,235</u>
Total assets	<u>21,367,041</u>	<u>21,612,699</u>

Liabilities

Administrative fees payable	25,250	45,713
Excess contributions payable	<u>-</u>	<u>15,913</u>
Total liabilities	<u>25,250</u>	<u>61,626</u>
Net Assets Available for Benefits	<u><u>\$ 21,341,791</u></u>	<u><u>\$ 21,551,073</u></u>

Hudson Products Corporation
Retirement Savings Plan
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Investment Income (Loss)		
Net appreciation (depreciation) in fair value of investments	\$ 1,199,546	\$ (299,641)
Interest and dividends	<u>218,842</u>	<u>218,536</u>
Net investment income (loss)	<u>1,418,388</u>	<u>(81,105)</u>
Interest Income on Notes Receivable From Participants	<u>23,647</u>	<u>21,819</u>
Contributions		
Participants	1,528,965	1,570,170
Employer	572,529	626,257
Rollovers	<u>217,682</u>	<u>5,435</u>
	<u>2,319,176</u>	<u>2,201,862</u>
Total additions	<u>3,761,211</u>	<u>2,142,576</u>
Deductions		
Benefits paid to participants	3,849,496	2,252,027
Administrative expenses	<u>120,997</u>	<u>159,270</u>
Total deductions	<u>3,970,493</u>	<u>2,411,297</u>
Net Decrease	(209,282)	(268,721)
Net Assets Available for Benefits, Beginning of Year	<u>21,551,073</u>	<u>21,819,794</u>
Net Assets Available for Benefits, End of Year	<u><u>\$ 21,341,791</u></u>	<u><u>\$ 21,551,073</u></u>

Hudson Products Corporation Retirement Savings Plan

Notes to Financial Statements

December 31, 2016 and 2015

Note 1: Description of the Plan

The following description of the Hudson Products Corporation Retirement Savings Plan (Plan) provides only general information. Participants should refer to the Plan Document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan sponsored by Hudson Products Corporation (Company) for the benefit of its nonunion employees who are age 18 or older. Related employers which also participate in the Plan include Cofimco USA, Inc., Smithco Engineering, Inc. and Metal Services, Inc. The Plan is subject to the provisions of the *Employee Retirement Income Security Act of 1974* (ERISA). Wells Fargo Bank, N.A. is the trustee of the Plan and serves as Plan custodian.

Contributions

The Plan permits eligible employees through a salary deferral election to have the Company make annual contributions of up to 100% of eligible compensation. Employee rollover contributions are also permitted. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Company matching and profit-sharing contributions are discretionary, as determined by the Company's board of directors. The Company authorized discretionary matching contributions to be made to the Plan at 50% of employees' salary deferral amounts on the first 6% of employees' compensation for the years ended December 31, 2016 and 2015. No discretionary profit-sharing contributions were made to the Plan for the years ended December 31, 2016 and 2015. Contributions are subject to certain limitations.

Participant Investment Account Options

Each participant has the option of directing his or her contributions into any of the separate investment accounts and may change the allocation daily.

The Plan Document also includes an automatic deferral feature whereby a participant is treated as electing to defer a certain percentage of eligible compensation unless the participant made an affirmative election otherwise. The automatic deferral feature also provides for an annual increase in the percentage deferred and is ultimately capped at 10%.

Participant Accounts

Each participant's account is credited with the participant's contribution, the Company's contribution and Plan earnings and is charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Hudson Products Corporation Retirement Savings Plan

Notes to Financial Statements

December 31, 2016 and 2015

Vesting

Participants are immediately vested in their voluntary contributions, plus earnings thereon. Vesting in the Company's contribution portion of their accounts, plus earnings thereon, is based on years of continuous service. A participant is fully vested after three years of continuous service. Benefits accrued in the Smithco Engineering, Inc. 401(k) Profit Sharing Plan, which was merged with and into the Plan during the year ended December 31, 2009, shall be vested after five years of service. The nonvested balance is forfeited upon termination of service.

Notes Receivable From Participants

Participants may borrow from their fund accounts a minimum of \$1,000, up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. The loans are secured by the balance in the participant's account. The loan interest rate is set at 1.0% above the prime rate, as defined. Principal and interest is paid ratably through payroll deductions.

Excess Contributions Payable

Amounts payable to participants for contributions in excess of amounts allowed by the Internal Revenue Service are recorded as a liability with a corresponding reduction to contributions.

Payment of Benefits

Upon termination of service, an employee may elect to receive either a lump-sum amount equal to the value of his or her account, installment payments or a joint and survivor annuity.

Forfeited Accounts

At December 31, 2016 and 2015, forfeited nonvested accounts totaled \$75,918 and \$38,322, respectively. These accounts will be used to reduce future employer contributions or to pay administrative expenses of the Plan. Also, during the years ended December 31, 2016 and 2015, the Plan paid administrative expenses of \$41,386 and \$633, respectively, from forfeited nonvested accounts.

Hudson Products Corporation Retirement Savings Plan

Notes to Financial Statements

December 31, 2016 and 2015

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

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

Use of Estimates

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

Investment Valuation and Income Recognition

Investments are reported at fair value. Quoted market prices, if available, are used to value investments. Mutual funds are valued at quoted market prices, which represent the net asset value (NAV) of shares held by the Plan at year-end. The Plan's interests in the collective trusts are valued at the NAV of units of the collective trust. The NAV is used as a practical expedient to estimate fair value of the collective trust investments.

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

Notes Receivable From Participants

Notes receivable from participants are measured at their unpaid principal balance, plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan Document.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Administrative Expenses

Administrative expenses may be paid by the Company or the Plan, at the Company's discretion.

Hudson Products Corporation Retirement Savings Plan

Notes to Financial Statements

December 31, 2016 and 2015

Note 3: Certification of Plan Trustee

The Plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Wells Fargo Bank, N.A., the trustee of the Plan, has certified the following information for the years ended December 31, 2016 and 2015, included in the accompanying financial statements and supplemental schedule is complete and accurate:

- Investments and notes receivable from participants as shown in the statements of net assets available for benefits and related disclosures as of December 31, 2016 and 2015
- Investment income and interest income from notes receivable from participants as shown in the statements of changes in net assets available for benefits for the years ended December 31, 2016 and 2015
- Investment information included in the accompanying schedule of assets (held at end of year) as of December 31, 2016

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

Note 4: Related-Party and Party-in-Interest Transactions

Party-in-interest transactions include those with fiduciaries or employees of the Plan, any person who provides services to the Plan, an employer whose employees are covered by the Plan and an employee organization the members of which are covered by the Plan, a person who owns 50% or more of such an employer or employee association or relatives of such persons.

The Plan invests in certain funds of the Plan trustee. The Plan recorded \$94,147 and \$108,770 of administrative fees to Wells Fargo Bank, N.A. during 2016 and 2015, respectively. The Company also recorded \$26,850 and \$50,550 of fees to the third-party investment advisor during 2016 and 2015, respectively. The Company provides certain administrative services at no cost to the Plan.

Hudson Products Corporation Retirement Savings Plan

Notes to Financial Statements

December 31, 2016 and 2015

Note 5: Plan Amendments

Effective January 1, 2016, the Plan was amended and restated to incorporate certain regulatory changes into the Plan. All significant provisions of the Plan remained unchanged as a result of this amendment and restatement.

Effective October 1, 2015, the Plan was amended to allow Roth contributions to the Plan and to allow participants to transfer part or all of their vested balance of a non-Roth account to a Roth account balance.

Note 6: Disclosure About Fair Value of Plan Assets and Liabilities

Fair value is the price that would be received by the Plan for an asset or paid by the Plan to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date in the Plan's principal or most advantageous market for the asset or liability. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities

In some cases, a valuation technique used to measure fair value may include inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value in the hierarchy.

Hudson Products Corporation Retirement Savings Plan

Notes to Financial Statements

December 31, 2016 and 2015

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying statements of net assets available for benefit measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2016 and 2015:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Total			
December 31, 2016				
Mutual funds	\$ 15,139,135	<u>\$ 15,139,135</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at net asset value (A)				
Collective trust funds	<u>5,667,686</u>			
	<u>\$ 20,806,821</u>			
December 31, 2015				
Mutual funds	\$ 15,426,009	<u>\$ 15,426,009</u>	<u>\$ -</u>	<u>\$ -</u>
Investment measured at net asset value (A)				
Collective trust fund	<u>5,650,455</u>			
	<u>\$ 21,076,464</u>			

(A) In accordance with Subtopic 820-10, certain investments that were measured at the NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefits.

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of net assets available for benefits, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2016. The Plan had no liabilities measured at fair value on a recurring basis. In addition, the Plan had no assets or liabilities measured at fair value on a nonrecurring basis.

Hudson Products Corporation Retirement Savings Plan

Notes to Financial Statements

December 31, 2016 and 2015

Investments

Where quoted market prices are available in an active market, investments are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such investments are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, investments are classified within Level 3 of the hierarchy.

Investment Measured Using the Net Asset Value per Share Practical Expedient

The following tables summarize the investments for which fair value is measured using the NAV per share practical expedient as of December 31, 2016 and 2015. There are no participant redemption restrictions for these investments; the redemption notice period is applicable only to the Plan.

		December 31, 2016		
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Wells Fargo Stable Return Fund	\$5,040,862	N/A	Daily	12 months
Iridian Value Opportunity Collective Investment Trust	\$ 626,824	N/A	Daily	12 months
		December 31, 2015		
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Wells Fargo Stable Return Fund	\$5,650,455	N/A	Daily	12 months

Note 7: Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of the net decrease in net assets available for benefits per the financial statements to Form 5500 for the years ended December 31, 2016 and 2015:

	2016	2015
Net decrease in net assets available for benefits per the financial statements	\$ (209,282)	\$ (268,721)
Change in adjustment to investment in collective trust related to benefit-responsive investment contracts	-	(84,931)
Net decrease in net assets available for benefits per Form 5500	<u>\$ (209,282)</u>	<u>\$ (353,652)</u>

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December 31, 2016 and 2015

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Hudson Products Corporation Retirement Savings Plan

EIN 74-1586257 PN 001

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