

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		
B This return/report is:	☐ the first return/report	☐ a DFE (specify) _____	
	☐ an amended return/report	☐ the final return/report	
C If the plan is a collectively-bargained plan, check here.	☐ a short plan year return/report (less than 12 months)		
D Check box if filing under:	☒ Form 5558	☐ automatic extension	☐ the DFVC program
	☐ special extension (enter description)		

Part II	Basic Plan Information —enter all requested information		
1a Name of plan	<u>PENSION PLAN FOR EMPLOYEES OF SKF USA INC.</u>	1b Three-digit plan number (PN) ▶	<u>001</u>
		1c Effective date of plan	<u>12/10/1950</u>
2a Plan sponsor's name (employer, if for a single-employer plan)	2b Employer Identification Number (EIN)		
Mailing address (include room, apt., suite no. and street, or P.O. Box)	<u>23-1043740</u>		
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)	2c Plan Sponsor's telephone number		
<u>SKF USA INC.</u>	<u>267-436-6875</u>		
<u>890 FORTY FOOT ROAD</u>	2d Business code (see instructions)		
<u>LANSDALE, PA 19446-0352</u>	<u>336300</u>		

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2017	RAYMOND EAMES, DIRECTOR BENEFITS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number)			Preparer's telephone number

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN	
		3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name		4b EIN	
		4c PN	
5 Total number of participants at the beginning of the plan year		5	8035
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).			
a(1) Total number of active participants at the beginning of the plan year.....		6a(1)	2186
a(2) Total number of active participants at the end of the plan year		6a(2)	1980
b Retired or separated participants receiving benefits.....		6b	4021
c Other retired or separated participants entitled to future benefits		6c	798
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	6799
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	884
f Total. Add lines 6d and 6e		6f	7683
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	21
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....		7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

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

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

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

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

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

Receipt Confirmation Code _____

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

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

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

A Name of plan <u>PENSION PLAN FOR EMPLOYEES OF SKF USA INC.</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>SKF USA INC.</u>	D Employer Identification Number (EIN) <u>23-1043740</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2016</u>	
2 Assets:	
a Market value	2a <u>704467246</u>
b Actuarial value	2b <u>713747130</u>
3 Funding target/participant count breakdown	(1) Number of participants (2) Vested Funding Target (3) Total Funding Target
a For retired participants and beneficiaries receiving payment.....	<u>4968</u> <u>417234963</u> <u>417234963</u>
b For terminated vested participants.....	<u>881</u> <u>44838320</u> <u>44838320</u>
c For active participants.....	<u>2186</u> <u>197965385</u> <u>210555119</u>
d Total.....	<u>8035</u> <u>660038668</u> <u>672628402</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>6.07 %</u>
6 Target normal cost.....	6 <u>18323951</u>

Statement by Enrolled Actuary

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

SIGN HERE		<u>10/05/2017</u>
	Signature of actuary	Date
<u>GERALD E. HOPPER</u>	Type or print name of actuary	<u>17-03618</u>
		Most recent enrollment number
<u>CONDUENT HR CONSULTING LLC</u>	Firm name	<u>610-647-6400</u>
<u>200 BERWYN PARK, SUITE 110</u> <u>BERWYN, PA 19312-1178</u>	Address of the firm	Telephone number (including area code)

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

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

Schedule SB (Form 5500) 2016
v. 160205

Part II		Beginning of Year Carryover and Prefunding Balances	
		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)		
10	Interest on line 9 using prior year's actual return of 0.22%		
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		95504993
b(1)	Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.26%		5978613
b(2)	Interest on line 38b from prior year Schedule SB, using prior year's actual return		
c	Total available at beginning of current plan year to add to prefunding balance		101483606
d	Portion of (c) to be added to prefunding balance		
12	Other reductions in balances due to elections or deemed elections		
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III		Funding Percentages	
14	Funding target attainment percentage	14	106.11%
15	Adjusted funding target attainment percentage	15	106.11%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	99.76%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV		Contributions and Liquidity Shortfalls	
18 Contributions made to the plan for the plan year by employer(s) and employees:			
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	
10/14/2016	10900000	0	
09/07/2017	84848000	0	
		Totals ►	18(b) 95748000
		18(c)	

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contributions from prior years	19a
b Contributions made to avoid restrictions adjusted to valuation date	19b
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c 87256686
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If line 20a is "Yes," see instructions and complete the following table as applicable:	
Liquidity shortfall as of end of quarter of this plan year	
(1) 1st	(2) 2nd
(3) 3rd	(4) 4th

Part V	Assumptions Used to Determine Funding Target and Target Normal Cost					
21	Discount rate:					
a	Segment rates:	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">1st segment: 4.43%</td> <td style="width: 33%;">2nd segment: 5.91%</td> <td style="width: 33%;">3rd segment: 6.65%</td> </tr> </table>	1st segment: 4.43%	2nd segment: 5.91%	3rd segment: 6.65%	☐ N/A, full yield curve used
1st segment: 4.43%	2nd segment: 5.91%	3rd segment: 6.65%				
b	Applicable month (enter code)	21b	4			
22	Weighted average retirement age	22	63			
23	Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute					
Part VI	Miscellaneous Items					
24	Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No					
25	Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No					
26	Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No					
27	If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.	27				
Part VII	Reconciliation of Unpaid Minimum Required Contributions For Prior Years					
28	Unpaid minimum required contributions for all prior years	28				
29	Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29				
30	Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0			
Part VIII	Minimum Required Contribution For Current Year					
31	Target normal cost and excess assets (see instructions):					
a	Target normal cost (line 6)	31a	18323951			
b	Excess assets, if applicable, but not greater than line 31a	31b	18323951			
32	Amortization installments:	Outstanding Balance	Installment			
a	Net shortfall amortization installment	0	0			
b	Waiver amortization installment	0	0			
33	If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33				
34	Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34				
		Carryover balance	Prefunding balance			
35	Balances elected for use to offset funding requirement		Total balance			
36	Additional cash requirement (line 34 minus line 35)	36				
37	Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	87256686			
38	Present value of excess contributions for current year (see instructions)					
a	Total (excess, if any, of line 37 over line 36)	38a	87256686			
b	Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b				
39	Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0			
40	Unpaid minimum required contributions for all years	40				
Part IX	Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)					
41	If an election was made to use PRA 2010 funding relief for this plan:					
a	Schedule elected	☐ 2 plus 7 years ☐ 15 years				
b	Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011				
42	Amount of acceleration adjustment	42				
43	Excess installment acceleration amount to be carried over to future plan years	43				

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2016
		This Form is Open to Public Inspection.
For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016		
A Name of plan PENSION PLAN FOR EMPLOYEES OF SKF USA INC.	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 SKF USA INC.	D Employer Identification Number (EIN) 23-1043740	

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
THE BANK OF NEW YORK MELLON
13-5160382

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

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

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

(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 ☐

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:

<div>SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration</div>		<div>DFE/Participating Plan Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>		<div>OMB No. 1210-0110</div> <div>2016</div> <div>This Form is Open to Public Inspection.</div>	
For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016					
A Name of plan PENSION PLAN FOR EMPLOYEES OF SKF USA INC.				B Three-digit plan number (PN) ▶ 001	
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 SKF USA INC.				D Employer Identification Number (EIN) 23-1043740	
Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)					
a Name of MTIA, CCT, PSA, or 103-12 IE: SKF USA INC. MASTER TRUST					
b Name of sponsor of entity listed in (a): SKF USA INC.					
c EIN-PN 23-1043740-016		d Entity code M		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 678493309	
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)	

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Schedule D (Form 5500) 2016 v.160205

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

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

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

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2016
		This Form is Open to Public Inspection

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016		
A Name of plan PENSION PLAN FOR EMPLOYEES OF SKF USA INC.	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 SKF USA INC.	D Employer Identification Number (EIN) 23-1043740	

Part I	Asset and Liability Statement
---------------	--------------------------------------

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is 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)	115813000	84848000
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	592820536	678493309
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)	152000	142069

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	708785536	763483378

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	708785536	763483378
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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)	95748000	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		95748000
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)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		
(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)		
(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)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		37530057
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		2867
d Total income. Add all income amounts in column (b) and enter total.....	2d		133280924

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	74666182	
(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)		74666182
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)	3916900	
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		3916900
j Total expenses. Add all expense amounts in column (b) and enter total	2j		78583082

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		54697842
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: **BAKER TILLY VIRCHOW KRAUSE, LLP**

(2) EIN: **39-0859910**

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

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

Part IV Compliance Questions

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

During the plan year:

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		X	
o Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service?	4o			

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

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

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

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>PENSION PLAN FOR EMPLOYEES OF SKF USA INC.</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>SKF USA INC.</u>	D Employer Identification Number (EIN) <u>23-1043740</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>25-1926855</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	<u>137</u>

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

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

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

Schedule R (Form 5500) 2016
v. 160205

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

Part VI	Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans
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18	If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment	☐
19	If the total number of participants is 1,000 or more, complete lines (a) through (c)	
	a Enter the percentage of plan assets held as: Stock: <u>29.0</u> % Investment-Grade Debt: <u>27.0</u> % High-Yield Debt: <u>1.0</u> % Real Estate: <u>5.0</u> % Other: <u>38.0</u> %	
	b Provide the average duration of the combined investment-grade and high-yield debt: ☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more	
	c What duration measure was used to calculate line 19(b)? ☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):	

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

Pension Plan for Employees of SKF USA Inc.

Financial Statements and
Supplementary Information

December 31, 2016 and 2015



Candor. Insight. Results.

Pension Plan for Employees of SKF USA Inc.

Table of Contents

December 31, 2016 and 2015

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statement of Net Assets Available for Benefits	3
Statement of Changes in Net Assets Available for Benefits	4
Statement of Accumulated Plan Benefits	5
Statement of Changes in Accumulated Plan Benefits	6
Notes to Financial Statements	7
Supplementary Information	
Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)	21

Independent Auditors' Report

Participants and Plan Administrator
Pension Plan for Employees of SKF USA Inc.

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Pension Plan for Employees of SKF USA Inc. (the "Plan"), which comprise the statement of net assets available for benefits as of December 31, 2016 and 2015, the related statement of changes in net assets available for benefits for the years then ended, the statement of accumulated plan benefits as of January 1, 2016 and 2015, and the related statement of changes in accumulated plan benefits for the year ended December 31, 2015, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the 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 ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the plan administrator instructed us not to perform and we did not perform, any auditing procedures with respect to the information summarized in Note 9, which was certified by The Bank of New York Mellon/BNY Mellon N.A. and State Street Bank and Trust Company, the trustees of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustees hold the Plan's investment assets and execute investment transactions. The plan administrator has obtained a certification from the trustees as of December 31, 2016 and 2015, and for the years then ended, that the information provided to the plan administrator by the trustees 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, Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) as of December 31, 2016, is required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplemental schedule.

The supplemental Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) as of December 31, 2016 that accompanies the Plan's financial statements does not disclose the historical cost of certain nonparticipant-directed plan assets held by the Plan trustee. Disclosure of this information is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

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

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

Baker Tilly Virchow Krause, LLP

Philadelphia, Pennsylvania
October 12, 2017

Pension Plan for Employees of SKF USA Inc.

Statement of Net Assets Available for Benefits

December 31, 2016 and 2015

	2016	2015
Assets		
Investments at fair value:		
Interest in SKF USA Inc. Master Trust	\$ 678,493,309	\$ 592,820,536
Other	<u>142,069</u>	<u>152,000</u>
Total investments	678,635,378	592,972,536
Employer contribution receivable	<u>84,848,000</u>	<u>115,813,000</u>
Total assets	763,483,378	708,785,536
Liabilities	<u>-</u>	<u>-</u>
Net assets available for benefits	<u><u>\$ 763,483,378</u></u>	<u><u>\$ 708,785,536</u></u>

See notes to financial statements

Pension Plan for Employees of SKF USA Inc.

Statement of Changes in Net Assets Available for Benefits

Years Ended December 31, 2016 and 2015

	2016	2015
Additions		
Investment income:		
Plan interest in SKF USA Inc. Master Trust		
net investment income	\$ 37,530,057	\$ 1,181,729
Net appreciation in other investments	2,867	3,543
Net investment income	37,532,924	1,185,272
Employer contribution	95,748,000	136,013,000
Total additions	133,280,924	137,198,272
Deductions		
Benefits paid to participants	74,666,182	74,929,221
Administrative expenses	3,916,900	4,886,325
Total deductions	78,583,082	79,815,546
Net increase	54,697,842	57,382,726
Net Assets Available for Benefits		
Beginning of year	708,785,536	651,402,810
End of year	<u>\$ 763,483,378</u>	<u>\$ 708,785,536</u>

See notes to financial statements

Pension Plan for Employees of SKF USA Inc.

Statement of Accumulated Plan Benefits

January 1, 2016

Actuarial Present Value of Accumulated Plan Benefits

Vested benefits:

Participants currently receiving payments	\$ 501,205,497
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Other participants	<u>343,724,473</u>
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Total vested benefits	844,929,970
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Nonvested benefits	<u>15,641,136</u>
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Actuarial Present Value of Accumulated Plan Benefits

	<u><u>\$ 860,571,106</u></u>
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See notes to financial statements

Pension Plan for Employees of SKF USA Inc.

Statement of Changes in Accumulated Plan Benefits

Year Ended December 31, 2015

Actuarial Present Value of Accumulated Plan Benefits, Beginning of Year	\$ 909,327,727
Increase (Decrease) During the Year Attributable to	
Increase for interest due to decrease in discount period	34,801,759
Benefits paid	(74,939,357)
Benefits accumulated and losses	38,498,082
Change in other actuarial assumptions	<u>(47,117,105)</u>
Actuarial Present Value of Accumulated Plan Benefits, End of Year	<u><u>\$ 860,571,106</u></u>

See notes to financial statements

Pension Plan for Employees of SKF USA

Notes to Financial Statements
December 31, 2016 and 2015

1. Description of the Plan

The following description of the Pension Plan for Employees of SKF USA Inc. (the "Plan") is provided for general information purposes only. Participants should refer to the plan document for a more complete description of the Plan's provisions.

General

The Plan is a noncontributory defined benefit plan covering hourly and salaried employees of SKF USA Inc. (the "Company") at certain plants and locations as defined in the plan document and amendments thereto.

The assets of the Plan except investments from the former trustee of the Lincoln Industrial Corporation Omnibus Plan, (the "Lincoln Plan") are maintained by The Bank of New York Mellon/BNY Mellon N.A. (the "Trustee") in the SKF USA Inc. Master Trust ("Master Trust"). Independent investment advisors are responsible for investment decisions. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended.

The Master Trust owns property, consisting of two parcels of real property, located in Hanover, PA and Glasgow, KY. The property in Glasgow, KY was sold in 2016 and the Hanover, PA property is pending final sale as of December 31, 2016.

Effective January 1, 2013, the Plan was amended to reflect the provisions applicable to certain salaried employees of Lincoln Industrial Corporation, a wholly-owned subsidiary of SKF, by reason of the merger of the Lincoln Plan into the Plan. Any participant in the Lincoln Plan with a benefit immediately prior to the merger shall have a benefit immediately after the merger which is equal to or greater than the benefit he/she would have been entitled to receive immediately before the merger.

The Plan was amended effective January 1, 2013 to exclude any new employees hired on or after January 1, 2013. A person who was a participant in the Plan on December 31, 2012 shall remain a member of the Plan on and after January 1, 2013 and will be eligible to continue to accrue vesting service and benefit service, the period in which a participant is active and accruing benefits.

The Plan was amended effective January 1, 2014 to provide certain terminated vested participants with a lump-sum distribution of their accumulated benefit, which was closed to participants December 31, 2014.

The Plan was amended effective January 1, 2015 to provide immediate lump sum retirement benefits to participants upon retirement or termination.

Pension Plan for Employees of SKF USA

Notes to Financial Statements
December 31, 2016 and 2015

On September 25, 2013, the Kaydon Corporation entered into an Agreement and Plan of Merger with Atlas Management, Inc. ("Parent") and Dublin Acquisition Sub Inc. ("Merger Sub"), providing for, among other things, the merger of Merger Sub with and into Kaydon Corporation (the "Merger"), with Kaydon Corporation continuing as the surviving corporation and a direct wholly-owned subsidiary of Parent. Parent is a wholly-owned subsidiary of the Company. The Merger became effective on October 16, 2013, pursuant to the Certificate of Merger filed with the Secretary of State and of the State of Delaware. The Pension and Benefits Committee ("Committee") approved on December 1, 2014, the merger of the Kaydon Corporation Master Trust into the SKF USA Inc. Master Trust with the Trustee. The assets were transferred into the Master Trust January 5, 2015. The Committee voted to retain the Northern Trust Company under the Kaydon Corporation Master Trust for the foreseeable future to process benefit payments for retirees, until such time as that benefit disbursement function can be transferred to the Master Trust.

The Plan was restated January 1, 2016 which did not have a significant impact on plan provisions.

The Plan was amended effective January 1, 2017 to freeze earnings and benefit service for all salaried participants.

The Plan is administered by the Committee. The Committee has overall responsibility for the operation and administration of the Plan. The Committee determines the appropriateness of the Plan's investments offerings and monitors investment performance.

Pension Benefits

Participants are entitled to annual pension benefits upon attaining certain age and service requirements as defined in the plan document. A participant's benefits are fully vested after five years of service as defined in the plan document. If a participant terminates before rendering five years of service, all rights to receive benefits from the Plan are forfeited. Benefits are calculated in accordance with plan provisions and are paid by the Trustee.

The Plan permits early retirement at ages 55 to 64 for participants with five or more years of credited service. Participants generally elect to receive the value of their accumulated plan benefits in the form of a life annuity (if single) or 50 percent qualified joint and survivor annuity (if married) upon retirement or termination.

Death and Disability Benefits

If a married participant dies on or after completion of five years of vesting service but before their annuity starting date, their surviving spouse will receive a benefit payable for life, as defined in the plan document. Any such benefit will be in addition to any automatic surviving spouse benefit provided in accordance with the plan document.

Active participants who become permanently disabled after completion of ten years of credited service are entitled to a disability benefit as defined in the plan document.

Pension Plan for Employees of SKF USA

Notes to Financial Statements
December 31, 2016 and 2015

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan 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 assets and liabilities and changes therein, disclosures of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements, and changes therein. Actual results could differ from those estimates.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Committee determines the Plan's valuation policies utilizing information provided by the trustees. See Note 4 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net income from the Plan's interest in the Master Trust and net appreciation in other investments includes gains and losses on investments bought and sold as well as held during the year.

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are based on annual compensation and years of credited service. The accumulated plan benefits for active employees will equal the accumulation, with interest, of the annual benefit accruals as of the benefit information date. Benefits payable under all circumstances such as retirement, death, disability, and termination of employment are included to the extent they are attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits presented below is determined by the Plan's actuary as of January 1, 2016 and 2015. The actuarial present value of accumulated plan benefits is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

Pension Plan for Employees of SKF USA

Notes to Financial Statements
December 31, 2016 and 2015

Significant actuarial assumptions underlying the actuarial computations as of January 1, 2016 are:

a) Life expectancy of participants	RP2014 Mortality table rolled back to 2006 and projected generationally with scale MP-2015
b) Retirement age assumptions	55-65 Early and Normal
c) Investment return	7.50 percent
d) Discount rate	4.29 percent

The assumed rate of interest used to value the present value of accumulated plan benefits changed from 3.99 percent to 4.29 percent and the mortality table changed to RP2014 Mortality table rolled back to 2006 and projected generationally with scale MP-2015 from RP-2014 Healthy Mortality Table projected generationally with Scale MP-2014, resulting in a decrease of \$47,117,105 in actuarial present value of accumulated benefits for the year ended December 31, 2015.

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

Administrative Expenses

The Plan's expenses are paid either by the Plan or the Company, as provided by the plan document. Expenses that are paid directly by the Company are excluded from these financial statements. Certain expenses incurred in connection with the general administration of the Plan that are paid by the Plan are recorded as deductions in the accompanying Statement of Changes in Net Assets Available for Benefits. In addition, certain investment related expenses are included in net appreciation of fair value of investments presented in the accompanying Statement of Changes in Net Assets Available for Benefits. In addition, certain investment related expenses are included in the Plan's interest in SKF USA Inc. Master Trust net investment income and net appreciation of fair value of other investments presented in the accompanying Statement of Changes in Net Assets Available for Benefits.

Subsequent Events

The Plan has evaluated subsequent events for recognition or disclosure through October 12, 2017, the date the financial statements were available to be issued.

Recent Accounting Standards

During February 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2017-06, *Plan Accounting: Defined Benefit Pension Plans (Topic 960); Defined Contribution Pension Plans (Topic 962); Health and Welfare Benefit Plans (Topic 965); Employee Master Trust Reporting*. ASU 2017-06 clarifies presentation requirements for a plan's interest in a master trust. The amendments also eliminate redundancy relating to 401(h) account disclosures. ASU 2017-06 is effective for fiscal years beginning after December 31, 2018. Early adoption is permitted. The amendment should be applied retroactively to each period for which financial statements are presented.

Pension Plan for Employees of SKF USA

Notes to Financial Statements
December 31, 2016 and 2015

3. Interest in Master Trust

The Plan has an 80 percent interest in the Master Trust as of December 31, 2016 and 2015. The Master Trust was established for the investment of assets of the Plan and other Company sponsored plans. The assets of the Master Trust are held by The Bank of New York Mellon/BNY Mellon N.A., the trustee. The value of the Plan's interest is based on the beginning of year value of the Plan's interest in the trust plus actual contributions and allocated investment income less actual distributions and allocated administrative expenses. Investment income and administrative expenses relating to the Master Trust are allocated based on the Plan's interest in the net assets of the Master Trust. The following table presents the assets of the Master Trust at December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Investments, at fair value:		
Short term investments	\$ 20,320,899	\$ 22,959,902
Mutual funds	110,889,162	196,836,987
Common stocks	296,453,137	211,706,638
Preferred stocks	2,120,207	821,019
Corporate debt obligations	119,341,038	87,731,862
U.S. government securities	133,646,703	117,429,925
Common collective trusts	128,041,638	81,690,642
Private equity funds	13,036,007	15,807,176
Real estate	7,422,308	5,771,000
	<u>831,271,099</u>	<u>740,755,151</u>
Investments, at fair value	831,271,099	740,755,151
Pending sales and purchases, net	2,450,217	1,918,219
Cash	<u>2,624,808</u>	<u>525,015</u>
	<u>\$ 836,346,124</u>	<u>\$ 743,198,385</u>
Total net assets	<u>\$ 836,346,124</u>	<u>\$ 743,198,385</u>

During 2016 and 2015, the Master Trust investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

	<u>2016</u>	<u>2015</u>
Mutual funds	\$ (5,155,578)	\$ 2,307,450
Common stocks	30,129,906	(8,583,076)
Corporate debt obligation	1,623,786	(8,325,246)
U.S. government securities	(2,314,866)	(2,277,966)
Common collective trusts	10,403,019	4,350,744
Real estate	3,387,866	(99,000)
Private equity funds and other	<u>(933,989)</u>	<u>1,578,019</u>
	<u>\$ 37,140,144</u>	<u>\$ (11,049,075)</u>
Net appreciation (depreciation) in fair value	<u>\$ 37,140,144</u>	<u>\$ (11,049,075)</u>

Pension Plan for Employees of SKF USA

Notes to Financial Statements
December 31, 2016 and 2015

The following are the changes in net assets for the Master Trust for the years ended December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Net appreciation (depreciation) in fair value of investments	\$ 37,140,144	\$ (11,049,075)
Interest and dividends	<u>13,322,185</u>	<u>14,806,712</u>
Total investment income	50,462,329	3,757,637
Investment expense	<u>(3,116,691)</u>	<u>(2,352,833)</u>
Net investment income in the Master Trust	47,345,638	1,404,804
Transfer in	78,576,276	150,724,697
Transfer out	(88,217,999)	(2,389,451)
Contributions	132,100,000	29,200,000
Benefit payments	(72,044,740)	(72,466,804)
Administrative expenses	<u>(4,611,436)</u>	<u>(5,425,619)</u>
Increase in net assets in the Master Trust	93,147,739	101,047,627
Net assets:		
Beginning of year	<u>743,198,385</u>	<u>642,150,758</u>
End of year	<u>\$ 836,346,124</u>	<u>\$ 743,198,385</u>

Pension Plan for Employees of SKF USA

Notes to Financial Statements
December 31, 2016 and 2015

The following table sets forth by level, within the fair value hierarchy, the Master Trust's fair value measurements at December 31, 2016 and 2015:

Master Trust Assets at Fair Value as of December 31, 2016				
	Level 1	Level 2	Level 3	Total
Short-term investments	\$ 20,320,899	\$ -	\$ -	\$ 20,320,899
Mutual funds	110,889,162	-	-	110,889,162
Common stocks	296,453,137	-	-	296,453,137
Preferred stocks	-	2,120,207	-	2,120,207
Corporate debt obligations	-	119,341,038	-	119,341,038
U.S. government securities	-	133,646,703	-	133,646,703
Private equity funds	-	-	13,036,007	13,036,007
Real estate	-	-	7,422,308	7,422,308
Master Trust investments in the fair value hierarchy	<u>\$ 427,663,198</u>	<u>\$ 255,107,948</u>	<u>\$ 20,458,315</u>	703,229,461
Investments measured at net asset value (a)				<u>128,041,638</u>
Total Master Trust Investments at fair value				<u>\$ 831,271,099</u>
Master Trust Assets at Fair Value as of December 31, 2015				
Short-term investments	\$ 22,959,902	\$ -	\$ -	\$ 22,959,902
Mutual funds:	196,836,987	-	-	196,836,987
Common stocks	211,706,638	-	-	211,706,638
Preferred stocks	-	821,019	-	821,019
Corporate debt obligations	-	87,731,862	-	87,731,862
U.S. government securities	-	117,429,925	-	117,429,925
Private equity funds	-	-	15,807,176	15,807,176
Real estate	-	-	5,771,000	5,771,000
Master Trust investments in the fair value hierarchy	<u>\$ 431,503,527</u>	<u>\$ 205,982,806</u>	<u>\$ 21,578,176</u>	659,064,509
Investments measured at net asset value (a)				<u>81,690,642</u>
Total Master Trust Investments at fair value				<u>\$ 740,755,151</u>

(a) In accordance with Subtopic 820-10, certain investments that were measured at net asset value 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 Statement of Net Assets Available for Benefits.

Pension Plan for Employees of SKF USA

Notes to Financial Statements
December 31, 2016 and 2015

The following table sets forth a summary of changes in the fair value of the Plan's level 3 assets for the years ending December 31, 2016 and 2015:

	Fair Value Measurements at Reporting Date Using Significant Unobservable Inputs (Level 3)		
	Private Equity	Real Estate	Total
Balance, at December 31, 2014	\$ 20,577,037	\$ 5,870,000	\$ 26,447,037
Unrealized gains (losses) relating to instruments still held at the reporting date	1,032,234	(99,000)	933,234
Sales	(4,651,992)	-	(4,651,992)
Purchases	(1,150,103)	-	(1,150,103)
Balance, at December 31, 2015	15,807,176	5,771,000	21,578,176
Unrealized (losses) gains relating to instruments still held at the reporting date	(4,113,433)	2,497,308	(1,666,433)
Realized gains (losses)	1,342,264	(2,129)	1,342,264
Sales	-	(843,871)	(795,692)
Balance, at December 31, 2016	<u>\$ 13,036,007</u>	<u>\$ 7,422,308</u>	<u>\$ 20,458,315</u>

Gains and losses (realized and unrealized) included in changes in net assets for the period above are reported in plan interest in Master Trust net income in the Statement of Changes in Net Assets Available for Benefit.

4. Fair Value Measurements

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

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

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

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

Pension Plan for Employees of SKF USA

Notes to Financial Statements
December 31, 2016 and 2015

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

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

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

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

Short term investments consists of the EB Temporary Investment Fund II, valued at the quoted net asset value ("NAV") of shares held by the Master Trust at year end, and U.S. Treasury securities are valued based on quoted prices on the active market for identical assets.

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

Common stocks are valued based on quoted prices on the active market for identical assets.

Preferred stocks are valued based on other observable inputs principally from and corroborated by observable market data by correlation or other means.

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

U.S. Government securities are valued using pricing models maximizing the use of observable inputs for similar securities.

Common Collective trust funds are valued based on the NAV of unit values of such funds held by the Plan at year end. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of the collective trust, the investment adviser reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

Pension Plan for Employees of SKF USA

Notes to Financial Statements
December 31, 2016 and 2015

The private equity funds' values assigned are based on the current market values of the underlying assets reported by the investment advisor using audited financial statements of the funds at year end using NAV of shares held. Due to redemption restrictions, these funds are classified as Level 3 in the fair value hierarchy.

Real estate is considered a Level 3 fair value measurement due to the use of significant unobservable inputs. The valuation incorporates the discounted cash flow and the comparable sale methodologies. The discounted cash flow methodology utilizes a 10-year model that discounts projected annual debt-free cash flows of the real estate. This methodology reflects the risk adjustments for vacancy rates inherent in the long-term lease agreements based on industry standard guidelines. The sales comparison methodology is intended to estimate a value through comparable improved sales within a competitive geographical area relevant to the specific real estate held by the Plan. This methodology reflects the risk adjustments for timing, location and physical characteristics.

The bond fund is a level 2 investment, valued at a daily calculated unit value, an observable input, but not traded in an active market or exchange.

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

Assets at Fair Value as of December 31, 2016				
	Level 1	Level 2	Level 3	Total
Bond Fund	\$ -	\$ 142,069	\$ -	\$ 142,069
Total assets, excluding plan interest in Master Trust	\$ -	\$ 142,069	\$ -	\$ 142,069
Assets at Fair Value as of December 31, 2015				
Bond Fund	\$ -	\$ 152,000	\$ -	\$ 152,000
Total assets, excluding plan interest in Master Trust	\$ -	\$ 152,000	\$ -	\$ 152,000

Pension Plan for Employees of SKF USA

Notes to Financial Statements
December 31, 2016 and 2015

Quantitative Information about Significant Unobservable Inputs Used in Level 3 Fair Value Measurements

The following table represents the Plan's level 3 investments in real estate, the valuation techniques used to measure the fair value of these investments in real estate, and the significant unobservable inputs and the ranges of values for those inputs.

December 31, 2016				
Instrument	Fair Value	Principal Valuation Techniques	Unobservable Inputs	Ranges
Real estate	\$ 7,422,308	Discounted cash flow (DCF) analysis	Vacancy rate	15%
			Exit capitalization rate	10%
			DCF term (years)	10 years
		Comparable sale method (market)	Location discount rate	
			Time and physical Characteristic discount rates	5 - 30% 5 - 45%
December 31, 2015				
Real estate	\$ 5,771,000	Discounted cash flow (DCF) analysis	Vacancy rate	15%
			Exit capitalization rate	10%
			DCF term (years)	10 years
		Comparable sale method (market)	Location discount rate	
			Time and physical Characteristic discount rates	5 - 30% 5 - 45%

Investments Measured Using NAV per Share Practical Expedient

The following table summarizes investments measured at fair value based on NAV per share as of December 31, 2016 and 2015, respectively.

December 31, 2016					
	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period	
Silchester International Equity Group Trust Fund	\$ 45,892,079	\$ -	Daily	N/A	
JPMCB Strategic Property Fund	56,098,551	-	Quarterly	45 days	
William Blair Emerging Markets Growth Collective Investment Fund	26,051,008	-	Daily	N/A	

Pension Plan for Employees of SKF USA

Notes to Financial Statements
December 31, 2016 and 2015

	December 31, 2015			
	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Silchester International Equity Group Trust Fund	\$ 42,749,998	\$ -	Daily	N/A
JPMCB Strategic Property Fund	38,940,644	-	Quarterly	45 days

5. Funding Policy

The Company's contributions are determined by an independent actuary. The Company's contribution is actuarially computed annually based on the Projected Unit Credit Actuarial Cost Method. The present policy of the Company is to fund current service costs on a current basis and to amortize prior service costs over the remaining service life of the active participants. The Company met the minimum funding requirements of ERISA in 2016 and 2015.

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

6. Plan Termination

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

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

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

Pension Plan for Employees of SKF USA

Notes to Financial Statements
December 31, 2016 and 2015

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

7. Related-Party and Party In Interest Transactions

The Master Trust owns property, consisting of two parcels of real property that is leased by one of the Company's subsidiaries. The properties are or have been used in the manufacturing of bearings.

The market value of the properties directly owned by the Master Trust have been determined by periodic independent appraisals as disclosed in Note 3.

The Hanover property was sold in March 2017 for an amount comparable to the fair value determined as of December 31, 2016. The Glasgow property was sold in January 2016 for an amount comparable to the fair value determined as of December 31, 2015.

The investments have been determined to be qualifying employer real property as defined by the regulations of ERISA.

The Plan's investments are administered under a contract with The Bank of New York Mellon/BNY Mellon N.A. and State Street Bank and Trust Company, the trustees of the Plan. Contributions are held and managed by The Bank of New York Mellon/BNY Mellon N.A. and State Street Bank and Trust Company, who invests cash received, interest, and dividend income and makes distributions to participants. These transactions qualify as party in interest transactions which are exempt from the prohibited transactions rules of ERISA.

Certain expenses of The Bank of New York Mellon/BNY Mellon N.A. and State Street Bank and Trust Company are paid by the Plan related to plan operations and investment activity described in Note 2. Additionally, certain administrative functions of the Plan are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan.

8. Tax Status

The Internal Revenue Service ("IRS") has determined and informed the Company by a letter, dated June 20, 2012, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). Although the Plan has been amended since receiving the determination letter, the plan administrator believes that the Plan is designed and is currently being operated in accordance with the applicable requirements of the IRC.

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

Pension Plan for Employees of SKF USA

Notes to Financial Statements
December 31, 2016 and 2015

9. Information Certified by Trustees

The plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA for 2016 and 2015. Accordingly, The Bank of New York Mellon/BNY Mellon N.A. and State Street Bank and Trust Company, the trustees of the Plan, have certified to the completeness and accuracy of all investments, excluding the Plan's real estate investments, reported in the accompanying Statement of Net Assets Available for Benefits as of December 31, 2016 and 2015 and the supplemental Schedule of Assets (Held at End of Year) as of December 31, 2016, and the related investment activity, reported on the Statement of Changes in Net Assets Available for Benefits for the years ended December 31, 2016 and 2015.

10. Risks and Uncertainties

The Plan invests in the Master Trust which holds 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 amounts reported in the Statement of Net Assets Available for Benefits.

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

As of December 31, 2016 and 2015, the Master Trust had investments of \$98,942,033 and \$90,457,327 respectively, that were concentrated in one fund.

Pension Plan for Employees of SKF USA Inc.

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

EIN: 23-1043740 Plan Number: 001

December 31, 2016

(a)	Identity of Issue (b)	Description of Investment (c)	Cost (d)	Current Value (e)
	Diversified Investment Advisors Core Bond Fund	Bond Fund	**	\$ 142,069

** Cost information is not available from the trustee. This information is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, as amended.

Pension Plan for Employees of SKF USA Inc.
EIN/PN: 23-1043740 / 001

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

The following assumptions and methods are prescribed by ERISA.

Funding rates

For 2016 Plan Year: Segment Rates with four-month lookback, constrained in accordance with relevant legislation as follows:

	Unconstrained Rates*	Rates Reflecting Corridor**
First Segment Rate	1.34%	4.43%
Second Segment Rate	4.03%	5.91%
Third Segment Rate	5.06%	6.65%

Effective Interest Rate 6.07%
Based on constrained rates

For 2015 Plan Year: Segment Rates with four-month lookback, constrained in accordance with relevant legislation as follows:

	Unconstrained Rates*	Rates Reflecting Corridor**
First Segment Rate	1.15%	4.72%
Second Segment Rate	4.06%	6.11%
Third Segment Rate	5.15%	6.81%

Effective Interest Rate 6.26%
Based on constrained rates

* Used for maximum tax-deduction

** Used for minimum funding and benefit restriction purposes. See Appendix D under Segment Rate

Mortality

Mortality tables mandated by PPA as specified in IRS Regulation 1,430(h)(3)-1, applied on a fully generational basis.

Actuarial cost method

The funding Target is the present value of accrued benefits based on compensation and service to date. The Target Normal cost is the present value of benefits expected to be accrued during the current plan year, reflecting the effect of expected compensation increases during the year and including expected plan related expenses to be paid from plan assets during the year.

Pension Plan for Employees of SKF USA Inc.
EIN/PN: 23-1043740 / 001

Schedule SB, Part V - Statement of Actuarial Assumptions/Methods (continued)

Non-Prescribed Funding Assumptions and Methods

Based on the results of an experience study completed during 2013, the following assumptions were selected by the plan's enrolled actuary. The asset valuation method was selected by the plan sponsor with the actuary's advice and is an acceptable method under PPA.

Salary increases

- SKF

Age	Increase
20-24	4.50%
25-29	4.25
30-34	4.25
35-39	4.00
40-44	3.75
45-49	3.50
50-54	3.50
55-59	3.25
60+	3.00

The salary increase assumption is based on prior and anticipated compensation practice of the plan sponsor.

- Lincoln

N/A

Frequency of optional payment forms

For SKF participants, 50% of active participants are assumed to elect a full lump sum form of payment, 30% are assumed to elect a single life annuity and 20% are assumed to elect a 75% J&S annuity. 40% of deferred vested participants are assumed to elect a 75% J&S annuity, and 60% are assumed to elect a single life annuity.

For Lincoln participants, 60% are assumed to elect a single life annuity, 20% are assumed to elect a 66.67% J&S annuity, and 20% are assumed to elect a 100% J&S annuity. 60% are assumed to elect a single life annuity, 20% are assumed to elect a 100% J&S annuity, and 20% are assumed to elect a 66.67% J&S annuity.

Pension Plan for Employees of SKF USA Inc.
EIN/PN: 23-1043740 / 001

Schedule SB, Part V - Statement of Actuarial Assumptions/Methods (continued)

Marital percentage

- SKF

80% of male participants and 50% of female participants are assumed to be married with husbands assumed to be 3 years older than their wives.

- Lincoln

85% of male participants and 85% of female participants are assumed to be married with husbands assumed to be 3 years older than their wives.

Lump Sum conversion

Lump sums are converted by applying annuity substitution principles using the funding interest rates and the 2016 Applicable Mortality Table prescribed under Section 417(e)(3)(B) of the Code.

Expenses

Expected plan related expenses of \$4,189,000 were added to the Target Normal Cost¹.

Retirement rates

- SKF

Age	Salaried	Hourly
	Retirement in 2014+	Retirement in 2014+
<55 ²	5.00%	5.00%
55	4.00	5.00
56-58	4.00	7.00
59	5.00	7.00
60	5.00	10.00
61	10.00	15.00
62	20.00	30.00
63	15.00	20.00
64-65	25.00	20.00
66-68	30.00	20.00
69	30.00	40.00
70+	100.00	100.00

- Lincoln

Same as the Salaried rates above, except that for IAM and UAW, 75% of participants are assumed to retire when first eligible for unreduced benefits at age 62 and 10 years of service.

¹ The expense load is calculated as the prior year actual expenses minus the PBGC premium paid in the prior year plus the expected PBGC premium to be paid in the current year.

² Participants are assumed to retire prior to attaining age 55 only upon attainment of 30 years of service.

Pension Plan for Employees of SKF USA Inc.
EIN/PN: 23-1043740 / 001

Schedule SB, Part V - Statement of Actuarial Assumptions/Methods (continued)

Assumed commencement age for future terminated vested participants

The later of current age or age 62.

Withdrawal rates for active participants not eligible for retirement

- SKF Hourly

Service	Select rates
<1	22.00%
1-2 years	18.00
2-3 years	10.00
3-4 years	8.00
4-5 years	6.00

Age	Ultimate rates (5+ years of service)
25	10.00%
30	6.00
35	4.00
40	3.00
45	3.00
50	3.00
55+	3.00

- SKF Salaried & Lincoln participants

Age	Rate
25	7.00%
30	6.00
35	4.00
40	4.00
45	4.00
50	4.00
55+	3.00

Pension Plan for Employees of SKF USA Inc.

EIN/PN: 23-1043740 / 001

Schedule SB, Part V - Statement of Actuarial Assumptions/Methods (continued)

Disability rates

- SKF

Age	Salaried		Hourly	
	Male	Female	Male	Female
25	0.03%	0.07%	0.03%	0.07%
30	0.03	0.07	0.03	0.07
35	0.03	0.07	0.03	0.07
40	0.09	0.18	0.09	0.18
45	0.24	0.49	0.24	0.49
50	0.47	0.93	0.47	0.93
55	0.81	1.63	0.81	1.63
56	0.90	1.81	0.90	1.81
57	0.99	1.99	0.99	1.99
58	1.08	2.17	1.08	2.17
59	1.17	2.34	1.17	2.34
60	1.26	2.51	1.26	2.51
61	1.34	2.69	1.34	2.69
62	1.43	2.86	1.43	2.86
63	1.52	3.03	1.52	3.03
64	1.60	3.21	1.60	3.21
65+	0.00	0.00	0.00	0.00

- Lincoln

Age	Males	Females
25	0.10%	0.20%
30	0.11	0.22
35	0.11	0.22
40	0.17	0.33
45	0.17	0.33
50	0.34	0.68
55	0.34	0.68
60	1.08	2.16
65	1.08	2.16

Pension Plan for Employees of SKF USA Inc.
EIN/PN: 23-1043740 / 001

Schedule SB, Part V - Statement of Actuarial Assumptions/Methods (continued)

Asset valuation method

The Actuarial Value of Assets is Market Value as of the valuation date, including discounted receivable contributions, reduced by 2/3 and 1/3 of the gain/(loss) in the prior two quarters, respectively. The gain/(loss) for each period is determined as the actual return on Market Value during the period less the expected return on Market Value based on an assumed earnings rate chosen by the plan administrator but required by PPA to be not greater than the applicable third segment rate. The resulting value is constrained to be within a corridor of 90% to 110% of Market Value, including discounted receivable contributions.

	EA's Expected Return	Third Segment Rate	Reflecting PPA Limit
2016 Expected Return	7.50%	6.65%	6.65%
2015 Expected Return	7.50%	6.81%	6.81%

The EA's Expected Return is based on the plan's asset allocation and forward-looking expected rates of return by asset category provided by the plan's investment consultant.

Future actuarial measurements

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, changes expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions, applicable law or regulations. An analysis of the potential range of such future differences is beyond the scope of this report.

Summary of Changes from the January 1, 2015 Valuation

- The interest rate basis was updated to the current rates as specified in IRS Regulations 1.430(h)(2)-1. These rates are constrained in accordance with HATFA. This change increased the Funding Target by approximately \$23.2M.
- The administrative expenses added to the Target Normal cost changed from \$5,250,000 to \$4,189,000 to better reflect anticipated plan experience.

Pension Plan for Employees of SKF USA Inc.

EIN/PN: 23-1043740 / 001

Schedule SB, Part V - Summary of Plan Provisions

Effective Date

The Original Pension Plan for Employees of SKF USA, Inc. became effective December 1, 1950. The restated plan became effective as of January 1, 2011.

Most Recent Amendment Effective Date

Effective January 1, 2015, the plan was amended to allow benefit payments in the form of full lump sums to eligible SKF participants.

Participation Date

Immediate.

Definitions

Covered Employees

All salaried employees (regardless of location), all hourly employees from the Hanover and MRC locations (within SKF's bearings division), all hourly employees from the Warehouse and Seneca locations (within SKF's Chicago Rawhide division) and Hourly employees from the Chicago Rawhide division's Elgin location who were hired on or before November 16, 1985.

	Date Closed to New Hires	Date Accruals Frozen
All salaried employees (regardless of location)	January 1, 2013	December 31, 2016
Hourly employees from the Hanover and MRC locations	N/A	N/A
Hourly employees from the Seneca location	May 1, 2013	Nonunion employees: December 31, 2013
Hourly employees from the Warehouse locations	January 1, 2014	Hebron employees: December 31, 2013
Hourly employees from the Chicago Rawhide division's Elgin location	N/A	N/A

Plan Year

The twelve-month period commencing on any January 1 and ending on December 31.

Employee contributions

None.



Pension Plan for Employees of SKF USA Inc.
EIN/PN: 23-1043740 / 001

Schedule SB, Part V - Summary of Plan Provisions (Continued)

Credited Service

Vesting Service

For (1) salaried employees, (2) hourly employees from the Hanover location within SKF's bearings division, and (3) hourly employees from the Warehouse and Seneca locations within SKF's Chicago Rawhide division, all periods of time from the date on which a person first performs an Hour of Service to such person's Severance from Service Date, measured in years and completed months. Non-successive periods of Vesting Service and less than whole year periods of Vesting Service shall be aggregated on the basis that 365 days of Vesting Service equals one whole year of Vesting Service, 30 days of Vesting Service equals one month of Vesting Service, and any remaining period of 15 to 30 days of Vesting Service equals one month of Vesting Service (any remaining period of less than 15 days shall be disregarded). If a person quits, is discharged, or retires and then performs an Hour of Service within 12 months after his Severance from Service Date (or if earlier, his or her date of first absence), the Period of Severance shall be included in Vesting Service. Also, Vesting Service shall not be considered interrupted by, and shall include (1) any period of US armed-forces military service (provided he or she returns to employment within the time and under the conditions which entitle him or her to re-employment rights), (2) any period covered by an Authorized Leave of Absence (limited to one year for hourly employees from Seneca), and (3) any period of temporary layoff, provided he or she returns when recalled (limited to three years for hourly employees from Hanover, limited to one year for hourly employees from Seneca, and limited to zero years for hourly employees from Warehouse).

For hourly employees from the MRC location within SKF's bearings division, Vesting Service shall not be determined under the elapsed-time method described above, but instead shall be determined in accordance with the hours-of-service method set forth in the prior MRC pension plan.

For covered hourly employees from the Elgin location within SKF's Chicago Rawhide division, the number of Plan Years credited with 1,000 or more Hours of Service, including (1) any period of US armed-forces military service (provided he or she returns to employment within the time and under the conditions which entitle him or her to re-employment rights), (2) any period covered by an Authorized Leave of Absence, provided he or she returns to employment at the end of such absence, and (3) any period of temporary layoff, provided he or she returns when recalled or during the time period authorized.

There are special historical provisions for certain specific groups of former employees which we have not summarized.



Pension Plan for Employees of SKF USA Inc.

EIN/PN: 23-1043740 / 001

Schedule SB, Part V - Summary of Plan Provisions (Continued)

Benefit Service

For (1) salaried employees, (2) hourly employees from the Hanover location within SKF's bearings division, and (3) hourly employees from the Warehouse and Seneca locations within SKF's Chicago Rawhide division, all periods of time from the date on which a person first performs an Hour of Service (or, in the case of salaried employees from the MRC location within SKF's bearings division, no earlier than July 25, 1986) to such person's Severance from Service Date, measured in years and completed months. Non-successive periods of Benefit Service and less than whole year periods of Benefit Service shall be aggregated on the basis that 365 days of Benefit Service equals one whole year of Benefit Service, 30 days of Benefit Service equals one month of Benefit Service, and any remaining period of 15 to 30 days of Benefit Service equals one month of Benefit Service (any remaining period of less than 15 days shall be disregarded). Benefit Service shall not be considered interrupted by, and shall include (1) any period of US armed-forces military service (provided he or she returns to employment within the time and under the conditions which entitle him or her to re-employment rights), (2) any period covered by an Authorized Leave of Absence (limited to one year for hourly employees from Seneca), and (3) any period of temporary layoff, provided he or she returns when recalled (limited to three years for hourly employees from Hanover, limited to one year for hourly employees from Seneca, and limited to zero years for hourly employees from Warehouse). Also, Benefit Service shall exclude (1) periods of service with respect to which a lump sum distribution of the entire present value was received, and (2) periods of service as a common law employee for an Affiliated Employer or for an Employer as other than an Employee (if not retiring from current location).

For hourly employees from the MRC location within SKF's bearings division, Benefit Service shall not be determined under the elapsed-time method described above, but instead shall be determined in accordance with the hours-of-service method set forth in the prior MRC pension plan. Also, the accrued benefit formula for these employees is based on two different types of service: (1) all service (including service earned before July 25, 1986), and (2) service earned before July 25, 1986.

For covered hourly employees from the Elgin location within SKF's Chicago Rawhide division, the number of Plan Years credited with 1,000 or more Hours of Service, including (1) any period of US armed-forces military service (provided he or she returns to employment within the time and under the conditions which entitle him or her to re-employment rights), (2) any period covered by an Authorized Leave of Absence, provided he or she returns to employment at the end of such absence, and (3) any period of temporary layoff, provided he or she returns when recalled or during the time period authorized.

There are special historical provisions for certain specific groups of former employees which we have not summarized.

Effective December 31, 2013, benefit accruals were frozen for the Hebron (Warehouse) group and for nonunion employees within the Seneca group.

Pension Plan for Employees of SKF USA Inc.
EIN/PN: 23-1043740 / 001

Schedule SB, Part V - Summary of Plan Provisions (Continued)

Pensionable Earnings

For salaried employees, total cash compensation (including base salary, commissions, overtime & night shift premiums, and bonuses), plus elective 401(k)/125 contributions and 132(f)(4) fringe benefits, minus all of the following:

- (a) Expense allowances and reimbursements (e.g., auto),
- (b) Reimbursements and allowances for relocation,
- (c) Taxable fringe benefits (e.g., life insurance premiums),
- (d) Cash compensation paid in lieu of specific fringe benefits,
- (e) Payments under LTI or deferred compensation plans, and
- (f) Any other extraordinary payments to HCEs.

For covered hourly employees from the Elgin location within Chicago Rawhide, annual rate of compensation in effect two months prior to an employee's anniversary (January 1 if benefit service began between July 2 and January 1, otherwise July 1).

Final Average Earnings

For salaried employees, average of pensionable earnings received during the five calendar years out of the ten calendar years immediately preceding or ending with termination during which total pensionable earnings were the greatest. If a participant has not completed five or ten calendar years, his or her actual period of employment shall be substituted for such period.

For covered hourly employees from the Elgin location within SKF's Chicago Rawhide division, average of pensionable earnings for the five consecutive anniversaries out of the ten anniversaries immediately preceding or ending with termination during which total pensionable earnings were the greatest. If a participant has not completed five or ten anniversaries, his or her actual period of employment shall be substituted for such period.

Also, after an employee reaches age 55, his or her final average earnings shall not be less than the applicable pensionable earnings for the anniversary immediately preceding his or her 55th birthday.

Pension Plan for Employees of SKF USA Inc.
EIN/PN: 23-1043740 / 001

Schedule SB, Part V - Summary of Plan Provisions (Continued)

Accrued Benefit

For salaried employees from the Chicago Rawhide division who were hired before April 1, 2007:

- (a) 1.64% of final average earnings multiplied by projected service at normal retirement date (≤ 30), multiplied by
- (b) a fraction (≤ 1), the numerator of which is service at termination and the denominator of which is projected service at normal retirement date, the result reduced by
- (c) the actuarially equivalent benefit payable from Colt Industries for service from January 1, 1982 to November 1, 1983, the overall result of which cannot be less than
- (d) the December 31, 1990 prior-formula accrued benefit.

For all other salaried employees, the greater of 1.25% of final average earnings or \$210 multiplied by benefit service.

For hourly employees from Hanover within SKF's bearings division, \$564 multiplied by benefit service. For hourly employees from MRC within SKF's bearings division, the sum of (1) \$414 multiplied by benefit service, and (2) \$240 multiplied by benefit service earned before July 25, 1986.

For Warehouse hourly employees with Chicago Rawhide whose status of last employment was Warehouse, \$120 multiplied by benefit service.

For Seneca hourly employees within SKF's Chicago Rawhide division, \$276 (\$288 for retirements or terminations on or after January 1, 2015) multiplied by benefit service.

For covered Elgin hourly employees within Chicago Rawhide:

- (a) 40% of final average earnings, minus \$360, plus
- (b) \$24 multiplied by benefit service in excess of 30 years, disregarding any fraction of a year, the sum multiplied by
- (c) a fraction, the numerator of which is projected benefit service at normal retirement date (≤ 15 years) and the denominator of which is 15, the result then multiplied by
- (d) another fraction, the numerator of which is benefit service at termination and the denominator of which is projected benefit service at normal retirement date.

Pension Plan for Employees of SKF USA Inc.
EIN/PN: 23-1043740 / 001

Schedule SB, Part V - Summary of Plan Provisions (Continued)

BENEFITS

Normal Retirement

Eligibility

Generally, the later of (1) the last day of the month in which a participant attains age 65, or (2) the last day of the month in which a participant celebrates his or her fifth anniversary of plan participation.

For covered Elgin hourly employees within Chicago Rawhide, the later of (1) the participant's 65th birthday, or (2) the fifth anniversary of the date he became a participant. A fractional payment is made for the month in which the pension commences. Subsequent payments are made monthly thereafter on the first day of each month.

Amount of Benefit

Accrued benefit based on benefit service and pensionable earnings through normal retirement date.

Early Retirement

Eligibility

Salaried employees from Chicago Rawhide hired before April 1, 2007 become eligible for early retirement upon attaining age 55 and completing five years of vesting service. All other salaried employees become eligible for voluntary early retirement upon the earlier of (1) attainment of age 55 and completion of five years of benefit service, or (2) if hired prior to May 14, 2001 completion of 30 years of benefit service that included benefit service completed prior to May 14, 2001. All other salaried employees are eligible for an involuntary early retirement benefit if their employment ceases by reason of involuntary termination and they had attained age 45 as of the termination date and completed 20 years of benefit service that includes benefit service completed prior to May 14, 2001.

Hourly Hanover employees become early-retirement eligible upon the earlier of (1) age 55 & ten years of benefit service or (2) 30 years of benefit service.

Hourly MRC employees become early-retirement eligible upon the earliest of (1) age 55 & ten years of benefit service, (2) age 62 & ten years of benefit service, (3) age 60 & 90 age-plus-benefit-service points (unreduced benefit), or (4) 86 age-plus-benefit-service points. There are also special shutdown eligibility provisions which we have not summarized.

Hourly Warehouse employees become early-retirement eligible upon attaining age 55 and completing ten years of vesting service. Hourly Seneca employees become early-retirement eligible upon attaining age 60 and completing ten years of vesting service.

Covered hourly Elgin employees become early-retirement eligible upon the earliest of (1) the later of age 55 or ten years of vesting service, (2) 30 years of benefit service, or (3) attained age (in full years) plus benefit service (in full years) totals 90 or more.

There are special historical provisions for certain specific groups of former employees which we have not summarized.

Pension Plan for Employees of SKF USA Inc.

EIN/PN: 23-1043740 / 001

Schedule SB, Part V - Summary of Plan Provisions (Continued)

Salaried employees from Chicago Rawhide hired before April 1, 2007 receive their accrued benefit reduced by (1/180)th for each month that commencement precedes 65 (to 60) and by another (1/300)th for each month that commencement precedes 60, unless they retire on or after having attained age 62, in which case the accrued benefit is only reduced by (1/300)th for each month that commencement precedes age 65.

All other salaried employees receive their accrued benefit without reduction if they satisfy either the involuntary or "30 and out" voluntary eligibility requirements. Otherwise, they receive their accrued benefit reduced by (1/180)th for each month that commencement precedes 65 (to 60) and by another (1/360)th for each month that commencement precedes 60.

In addition, upon retirement (early, late or normal), all salaried employees are eligible for a special lump sum benefit based on attained age (in full years) at retirement:

Age	Amount	Age	Amount	Age	Amount	Age	Amount
<55	\$500	57	\$850	60	\$1,050	63	\$1,300
55	750	58	900	61	1,125	64	1,400
56	800	59	975	62	1,200	65+	1,500

Amount of Benefit

Hourly Hanover employees receive their accrued benefit without reduction if they've satisfied "30 and out" requirements. Otherwise, their accrued benefit is reduced similarly to salaried employees who aren't CR salaried employees hired before April 1, 2007.

Hourly MRC employees receive their accrued benefit without reduction if they've satisfied the "62/10", "Rule of 90" or "Rule of 86" eligibility requirements. Such employees are also eligible for an additional temporary monthly benefit payable until age 62 such that the total monthly benefit until age 62 (or until the participant is qualified to receive social security benefits, whichever is earlier) including both the unreduced lifetime benefit payable from the SKF plan and the benefit payable from the TRW pension plan equals \$2,400. Other eligible MRC hourly employees receive their accrued benefit reduced for commencement prior to age 62 as follows:

Age	Reduction Factor
61	0.921
60	0.851
59	0.788
58	0.731
57	0.681
56	0.635
55	0.593

Pension Plan for Employees of SKF USA Inc.
EIN/PN: 23-1043740 / 001

Schedule SB, Part V - Summary of Plan Provisions (Continued)

Hourly Warehouse employees receive their accrued benefit reduced by $(1/180)^{\text{th}}$ for each month commencement precedes 65 (to 60) and by another $(1/300)^{\text{th}}$ for each month commencement precedes 60 (unless they retire on or after having attained age 62, in which case the accrued benefit is only reduced by $(1/300)^{\text{th}}$ for each month that commencement precedes age 65. Hourly Seneca employees receive their accrued benefit reduced by $(1/180)^{\text{th}}$ for each month that benefit commencement precedes 65.

Covered hourly Elgin employees receive their accrued benefit without reduction if they've satisfied either the "30 and out" or "rule of 90" eligibility requirements. Otherwise, they receive their accrued benefit reduced similarly to hourly Warehouse employees.

Late Retirement

Eligibility

Any time after normal retirement.

Amount of Benefit

Accrued benefit based on benefit service and pensionable earnings through late retirement.

Deferred Vested

Eligibility

Completion of five years of vesting service.

Amount of Benefit

Accrued benefit based on benefit service and pensionable earnings through termination date. Participants who satisfy the service conditions for early retirement are eligible to retire early with the same reduction factors as for early retirements from active status.

Disability

Eligibility

Total and permanent disability that happened while employed and has continued for six consecutive months. Differing exclusions apply depending on location. In addition, disabled participants at all divisions/locations except for Elgin hourly must have completed ten years of benefit service (vesting service for non-Elgin Chicago Rawhide employees).

Pension Plan for Employees of SKF USA Inc.
EIN/PN: 23-1043740 / 001

Schedule SB, Part V - Summary of Plan Provisions (Continued)

Amount of Benefit

For salaried employees from SKF's Chicago Rawhide division hired before April 1, 2007, the accrued benefit based on benefit service to retirement date (reduced if early retirement elected). Benefit commences at retirement date & ceases upon earliest of (1) death, (2) recovery from total/permanent disability, or (3) attainment of normal retirement eligibility (at which time the normal retirement benefit (based on benefit service to retirement date) commences).

For all other salaried employees, and for Hanover hourly employees, the greater of the accrued benefit based on benefit service to retirement date (without reduction) or a minimum annual amount (\$2,100 for all other salaried employees and \$1,800 for Hanover hourly employees). Benefit commences at the participant's retirement date and ceases upon the earliest of (1) recovery from total/permanent disability, (2) attainment of normal retirement eligibility (at which time the normal retirement benefit (based on benefit service to retirement date) commences), or (3) death.

For MRC hourly employees, an annual amount equal to \$2,700, reduced by any comparable benefits provided under the TRW pension plan. Benefit commences after 13th week of disability or, if later, after group sickness or accident insurance or similar governmental plan coverage ends. Benefit ceases upon the earliest of (1) recovery from total/permanent disability, (2) attainment of normal retirement eligibility (at which time the greater of \$2,700 or the normal retirement benefit (based on benefit service to retirement date and the benefit formula in effect six months after such date) commences), or (3) death.

For Elgin and Warehouse hourly employees, the accrued benefit based on benefit service to retirement date (reduced for early retirement). For Seneca hourly employees, the accrued benefit based on benefit service to retirement date (without reduction). In either case, the benefit commences at the participant's retirement date and ceases upon the earliest of (1) recovery from total/permanent disability, (2) attainment of normal retirement eligibility (at which time the normal retirement benefit (based on benefit service to retirement date) commences), or (3) death.

Death

Eligibility

Generally, death after having completed five years of vesting service, and after having been married throughout the preceding one-year period. Elgin hourly and Seneca hourly employees do not have to have been married throughout the preceding one-year period. Elgin hourly employees also do not have to have completed five years of vesting service. And salaried employees (other than salaried employees from SKF's Chicago Rawhide division hired before April 1, 2007) who have completed 15 years of benefit service are eligible for a more generous pre-retirement death benefit.

Plan Name	Pension Plan for Employees of SKF USA Inc.	EIN:	23-1043740
Plan Sponsor's Name	SKF USA Inc.	PN:	001

[illegible]

Pension Plan for Employees of SKF USA Inc.
 EIN/PN: 23-1043740 / 001



Schedule SB, Line 26 - Schedule of Active Participant Data

Attained Age	Years of Credited Service																Total					
	Under 1		1 - 4		5 - 9		10 - 14		15 - 19		20 - 24		25 - 29		30 - 34			35 - 39		40 & up		
	Avg.	No.	Avg.	No.	Avg.	No.	Avg.	No.	Avg.	No.	Avg.	No.	Avg.	No.	Avg.	No.		Avg.	No.	Avg.	No.	
Under 25		3																		3		
25 - 29				34	59,671	16														50		
30 - 34				33	65,343	41	68,567	17		2										93		
35 - 39				30	77,981	51	74,611	39	88,811	31	65,709									151		
40 - 44	1			19		41	77,866	37	95,139	78	80,997	39	73,966	1						216		
45 - 49				26	90,701	63	83,100	51	114,871	88	100,445	72	80,726	49	91,595					349		
50 - 54	2			27	86,812	67	82,745	53	123,447	95	94,700	75	93,817	96	102,972	34	114,553	9		458		
55 - 59				28	88,642	63	91,711	64	139,186	71	104,943	49	88,473	77	96,283	35	101,228	89	93,994	3	479	
60 - 64				11		28	74,421	30	149,212	47	82,542	23	90,776	40	78,550	20	95,475	50	80,042	44	142,795	293
65 - 69				2		8		6		12		7		8		3		15	26	141,887	87	7
70 & up				1				1		2				1						2		7
Total	3	214			378		298		426		265		272		92		163		75		2,186	

Pension Plan for Employees of SKF USA Inc.
EIN/PN: 23-1043740 / 001

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

The following assumptions and methods are prescribed by ERISA.

Funding rates

For 2016 Plan Year: Segment Rates with four-month lookback, constrained in accordance with relevant legislation as follows:

	Unconstrained Rates*	Rates Reflecting Corridor**
First Segment Rate	1.34%	4.43%
Second Segment Rate	4.03%	5.91%
Third Segment Rate	5.06%	6.65%

Effective Interest Rate 6.07%
Based on constrained rates

For 2015 Plan Year: Segment Rates with four-month lookback, constrained in accordance with relevant legislation as follows:

	Unconstrained Rates*	Rates Reflecting Corridor**
First Segment Rate	1.15%	4.72%
Second Segment Rate	4.06%	6.11%
Third Segment Rate	5.15%	6.81%

Effective Interest Rate 6.26%
Based on constrained rates

* Used for maximum tax-deduction

** Used for minimum funding and benefit restriction purposes. See Appendix D under Segment Rate

Mortality

Mortality tables mandated by PPA as specified in IRS Regulation 1,430(h)(3)-1, applied on a fully generational basis.

Actuarial cost method

The funding Target is the present value of accrued benefits based on compensation and service to date. The Target Normal cost is the present value of benefits expected to be accrued during the current plan year, reflecting the effect of expected compensation increases during the year and including expected plan related expenses to be paid from plan assets during the year.

Pension Plan for Employees of SKF USA Inc.
EIN/PN: 23-1043740 / 001

Schedule SB, Part V - Statement of Actuarial Assumptions/Methods (continued)

Non-Prescribed Funding Assumptions and Methods

Based on the results of an experience study completed during 2013, the following assumptions were selected by the plan's enrolled actuary. The asset valuation method was selected by the plan sponsor with the actuary's advice and is an acceptable method under PPA.

Salary increases

- SKF

Age	Increase
20-24	4.50%
25-29	4.25
30-34	4.25
35-39	4.00
40-44	3.75
45-49	3.50
50-54	3.50
55-59	3.25
60+	3.00

The salary increase assumption is based on prior and anticipated compensation practice of the plan sponsor.

- Lincoln

N/A

Frequency of optional payment forms

For SKF participants, 50% of active participants are assumed to elect a full lump sum form of payment, 30% are assumed to elect a single life annuity and 20% are assumed to elect a 75% J&S annuity. 40% of deferred vested participants are assumed to elect a 75% J&S annuity, and 60% are assumed to elect a single life annuity.

For Lincoln participants, 60% are assumed to elect a single life annuity, 20% are assumed to elect a 66.67% J&S annuity, and 20% are assumed to elect a 100% J&S annuity. 60% are assumed to elect a single life annuity, 20% are assumed to elect a 100% J&S annuity, and 20% are assumed to elect a 66.67% J&S annuity.

Pension Plan for Employees of SKF USA Inc.
EIN/PN: 23-1043740 / 001

Schedule SB, Part V - Statement of Actuarial Assumptions/Methods (continued)

Marital percentage

- SKF

80% of male participants and 50% of female participants are assumed to be married with husbands assumed to be 3 years older than their wives.

- Lincoln

85% of male participants and 85% of female participants are assumed to be married with husbands assumed to be 3 years older than their wives.

Lump Sum conversion

Lump sums are converted by applying annuity substitution principles using the funding interest rates and the 2016 Applicable Mortality Table prescribed under Section 417(e)(3)(B) of the Code.

Expenses

Expected plan related expenses of \$4,189,000 were added to the Target Normal Cost¹.

Retirement rates

- SKF

Age	Salaried	Hourly
	Retirement in 2014+	Retirement in 2014+
<55 ²	5.00%	5.00%
55	4.00	5.00
56-58	4.00	7.00
59	5.00	7.00
60	5.00	10.00
61	10.00	15.00
62	20.00	30.00
63	15.00	20.00
64-65	25.00	20.00
66-68	30.00	20.00
69	30.00	40.00
70+	100.00	100.00

- Lincoln

Same as the Salaried rates above, except that for IAM and UAW, 75% of participants are assumed to retire when first eligible for unreduced benefits at age 62 and 10 years of service.

¹ The expense load is calculated as the prior year actual expenses minus the PBGC premium paid in the prior year plus the expected PBGC premium to be paid in the current year.

² Participants are assumed to retire prior to attaining age 55 only upon attainment of 30 years of service.

Pension Plan for Employees of SKF USA Inc.
EIN/PN: 23-1043740 / 001

Schedule SB, Part V - Statement of Actuarial Assumptions/Methods (continued)

Assumed commencement age for future terminated vested participants

The later of current age or age 62.

Withdrawal rates for active participants not eligible for retirement

- SKF Hourly

Service	Select rates
<1	22.00%
1-2 years	18.00
2-3 years	10.00
3-4 years	8.00
4-5 years	6.00

Age	Ultimate rates (5+ years of service)
25	10.00%
30	6.00
35	4.00
40	3.00
45	3.00
50	3.00
55+	3.00

- SKF Salaried & Lincoln participants

Age	Rate
25	7.00%
30	6.00
35	4.00
40	4.00
45	4.00
50	4.00
55+	3.00

Pension Plan for Employees of SKF USA Inc.

EIN/PN: 23-1043740 / 001

Schedule SB, Part V - Statement of Actuarial Assumptions/Methods (continued)

Disability rates

- SKF

Age	Salaried		Hourly	
	Male	Female	Male	Female
25	0.03%	0.07%	0.03%	0.07%
30	0.03	0.07	0.03	0.07
35	0.03	0.07	0.03	0.07
40	0.09	0.18	0.09	0.18
45	0.24	0.49	0.24	0.49
50	0.47	0.93	0.47	0.93
55	0.81	1.63	0.81	1.63
56	0.90	1.81	0.90	1.81
57	0.99	1.99	0.99	1.99
58	1.08	2.17	1.08	2.17
59	1.17	2.34	1.17	2.34
60	1.26	2.51	1.26	2.51
61	1.34	2.69	1.34	2.69
62	1.43	2.86	1.43	2.86
63	1.52	3.03	1.52	3.03
64	1.60	3.21	1.60	3.21
65+	0.00	0.00	0.00	0.00

- Lincoln

Age	Males	Females
25	0.10%	0.20%
30	0.11	0.22
35	0.11	0.22
40	0.17	0.33
45	0.17	0.33
50	0.34	0.68
55	0.34	0.68
60	1.08	2.16
65	1.08	2.16

Pension Plan for Employees of SKF USA Inc.
EIN/PN: 23-1043740 / 001

Schedule SB, Part V - Statement of Actuarial Assumptions/Methods (continued)

Asset valuation method

The Actuarial Value of Assets is Market Value as of the valuation date, including discounted receivable contributions, reduced by 2/3 and 1/3 of the gain/(loss) in the prior two quarters, respectively. The gain/(loss) for each period is determined as the actual return on Market Value during the period less the expected return on Market Value based on an assumed earnings rate chosen by the plan administrator but required by PPA to be not greater than the applicable third segment rate. The resulting value is constrained to be within a corridor of 90% to 110% of Market Value, including discounted receivable contributions.

	EA's Expected Return	Third Segment Rate	Reflecting PPA Limit
2016 Expected Return	7.50%	6.65%	6.65%
2015 Expected Return	7.50%	6.81%	6.81%

The EA's Expected Return is based on the plan's asset allocation and forward-looking expected rates of return by asset category provided by the plan's investment consultant.

Future actuarial measurements

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, changes expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions, applicable law or regulations. An analysis of the potential range of such future differences is beyond the scope of this report.

Summary of Changes from the January 1, 2015 Valuation

- The interest rate basis was updated to the current rates as specified in IRS Regulations 1.430(h)(2)-1. These rates are constrained in accordance with HATFA. This change increased the Funding Target by approximately \$23.2M.
- The administrative expenses added to the Target Normal cost changed from \$5,250,000 to \$4,189,000 to better reflect anticipated plan experience.



Pension Plan for Employees of SKF USA Inc.
EIN/PN: 23-1043740 / 001

Schedule SB, Line 24 - Change in Actuarial Assumptions

The administrative expenses added to the Target Normal cost changed from \$5,250,000 to \$4,189,000 to better reflect anticipated plan experience.

Pension Plan for Employees of SKF USA Inc.
EIN/PN: 23-1043740 / 001

Schedule SB, Line 22 - Description of Weighted Average Retirement Age

This table calculates the weighted average retirement age for all active persons in the plan

(1) Age	(2) Expected Active Headcount	(3) Retirement Rate	(4) Expected Retirements (2)*(3)	(5) Weighted Age (1)*(4)
48	569.1414	0.0002	0.1330	6.3843
49	610.1472	0.0007	0.4447	21.7921
50	661.8959	0.0013	0.8563	42.8159
51	718.7999	0.0020	1.4626	74.5936
52	786.6694	0.0034	2.6457	137.5753
53	836.5567	0.0055	4.5768	242.5695
54	897.7936	0.0073	6.5663	354.5791
55	946.5312	0.0387	36.6588	2,016.2336
56	972.3886	0.0448	43.5972	2,441.4451
57	1,003.0888	0.0446	44.6939	2,547.5517
58	1,034.7700	0.0444	45.9712	2,666.3269
59	1,090.3792	0.0510	55.5991	3,280.3459
60	1,096.3632	0.0650	71.2877	4,277.2623
61	1,076.7853	0.1143	123.1059	7,509.4591
62	992.4349	0.2581	256.1131	15,879.0138
63	769.3957	0.1630	125.4180	7,901.3361
64	683.0284	0.2315	158.1118	10,119.1559
65	542.1458	0.2321	125.8452	8,179.9401
66	433.9338	0.2638	114.4596	7,554.3306
67	335.5384	0.2614	87.6970	5,875.7019
68	260.4431	0.2582	67.2401	4,572.3263
69	200.3103	0.3447	69.0392	4,763.7024
70	135.7318	1.0000	135.7318	9,501.2257
71	1.0000	1.0000	1.0000	71.0000
72	3.0000	1.0000	3.0000	216.0000
73	0.0000	1.0000	0.0000	0.0000
74	1.0000	1.0000	1.0000	74.0000
Total			1,582.2550	100,326.6671
Weighted Average Retirement Age = 100326.6671 / 1582.255				63.41
Rounded Weighted Average Retirement Age				63

Note to Column 2: The Expected Active Headcount for each age includes persons who are eligible to retire and persons who are not eligible to retire at each age.

Note to Column 3: At each age, these retirement rates are a weighted average of the rates shown in Attachment to Part V for active participants eligible to retire at the age and zero for all other active participants.

General note: The table presents values rounded to fewer significant digits than used in the calculation.

Form 5500Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security
Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

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

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

OMB Nos. 1210 - 0110
1210 - 0089**2016****This Form is Open to
Public Inspection****Part I Annual Report Identification Information**For calendar plan year 2016 or fiscal plan year beginning **01/01/2016** and ending **12/31/2016**

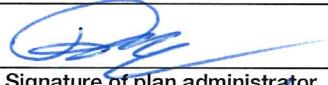
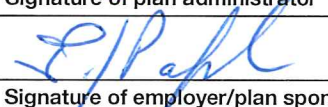
- A** This return/report is for: ☐ a multiemployer plan ☐ a multiple-employer plan (filers checking this box must attach a list of participating employer information in accordance with the form instr.)
- B** This return/report is: ☒ a single-employer plan ☐ a DFE (specify) _____
- ☐ the first return/report ☐ the final return/report
- ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
- C** If the plan is a collectively-bargained plan, check here ► ☐
- D** Check box if filing under: ☒ Form 5558 ☐ automatic extension ☐ the DFVC program
- ☐ special extension (enter description) _____

Part II Basic Plan Information - enter all requested information

1a Name of plan PENSION PLAN FOR EMPLOYEES OF SKF USA INC.	1b Three-digit plan number (PN) ► 001
	1c Effective date of plan 12/10/1950
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) SKF USA INC. 890 FORTY FOOT ROAD LANSDALE PA 19446-0352	2b Employer Identification Number (EIN) 23-1043740 2c Plan Sponsor's telephone number 267-436-6875 2d Business code (see instructions) 336300

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 	10/13/17	RAYMOND EAMES, DIRECTOR BENEFITS
Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE 	10/13/17	Terry J Papincak, Treasurer
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.

Form 5500 (2016)
v. 160205

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

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

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

A Name of plan PENSION PLAN FOR EMPLOYEES OF SKF USA INC.	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF SKF USA INC.	D Employer Identification Number (EIN) 23-1043740	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B		
F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500		

Part I Basic Information			
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2016</u>			
2 Assets:			
a Market value.....	2a	704,467,246	
b Actuarial value.....	2b	713,747,130	
3 Funding target/participant count breakdown			
	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	4,968	417,234,963	417,234,963
b For terminated vested participants	881	44,838,320	44,838,320
c For active participants	2,186	197,965,385	210,555,119
d Total	8,035	660,038,668	672,628,402
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐			
a Funding target disregarding prescribed at-risk assumptions.....	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b		
5 Effective interest rate.....	5	6.07%	
6 Target normal cost.....	6	18,323,951	

Statement by Enrolled Actuary

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

SIGN HERE	 Signature of actuary	<u>10/5/2017</u> Date 1703618
Gerald E. Hopper Type or print name of actuary Conduent HR Consulting LLC Firm name 200 Berwyn Park, Suite 110 Berwyn PA 19312-1178 Address of the firm		Most recent enrollment number 610-647-6400 Telephone number (including area code)

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

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	0	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8).....	0	0
10 Interest on line 9 using prior year's actual return of <u>0.22%</u>	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year).....		95,504,993
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.26%</u>		5,978,613
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance.....		101,483,606
d Portion of (c) to be added to prefunding balance.....		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d - line 12).....	0	0

Part III Funding Percentages

14 Funding target attainment percentage	14	106.11%
15 Adjusted funding target attainment percentage.....	15	106.11%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	99.76%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
10/14/2016	10,900,000	0			
09/07/2017	84,848,000	0			
Totals ▶			18(b)	95,748,000	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contributions from prior years.....	19a 0
b Contributions made to avoid restrictions adjusted to valuation date	19b 0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c 87,256,686
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?.....	☒ Yes ☐ No
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If line 20a is "Yes," see instructions and complete the following table as applicable:	

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

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

21 Discount rate:			
a Segment rates:	1st segment: 4.43 %	2nd segment: 5.91 %	3rd segment: 6.65 %
			☐ N/A, full yield curve used
b Applicable month (enter code).....			21b 4
22 Weighted average retirement age			22 63
23 Mortality table(s) (see instructions)	☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute		

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):												
a Target normal cost (line 6).....	31a	18,323,951										
b Excess assets, if applicable, but not greater than line 31a	31b	18,323,951										
32 Amortization installments:	<table border="1"> <thead> <tr> <th></th> <th>Outstanding Balance</th> <th>Installment</th> </tr> </thead> <tbody> <tr> <td>a Net shortfall amortization installment.....</td> <td>0</td> <td>0</td> </tr> <tr> <td>b Waiver amortization installment</td> <td>0</td> <td>0</td> </tr> </tbody> </table>				Outstanding Balance	Installment	a Net shortfall amortization installment.....	0	0	b Waiver amortization installment	0	0
	Outstanding Balance	Installment										
a Net shortfall amortization installment.....	0	0										
b Waiver amortization installment	0	0										
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33											
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....	34	0										
		Carryover balance	Prefunding balance									
35 Balances elected for use to offset funding requirement.....		0	0									
36 Additional cash requirement (line 34 minus line 35).....	36	0										
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	87,256,686										
38 Present value of excess contributions for current year (see instructions)												
a Total (excess, if any, of line 37 over line 36)	38a	87,256,686										
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0										
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37).....	39	0										
40 Unpaid minimum required contributions for all years	40	0										

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

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