

|                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br><br>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).<br><br><b>▶ Complete all entries in accordance with the instructions to the Form 5500.</b> | OMB Nos. 1210-0110<br>1210-0089<br><br><b>2016</b><br><br><b>This Form is Open to Public Inspection</b> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|

|                                                                                                          |                                                                |                                                                                                                                                                                 |                                           |
|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| <b>Part I</b>                                                                                            | <b>Annual Report Identification Information</b>                |                                                                                                                                                                                 |                                           |
| For calendar plan year 2016 or fiscal plan year beginning <u>01/01/2016</u> and ending <u>12/31/2016</u> |                                                                |                                                                                                                                                                                 |                                           |
| <b>A</b> This return/report is for:                                                                      | <input type="checkbox"/> a multiemployer plan                  | <input type="checkbox"/> a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) |                                           |
|                                                                                                          | <input checked="" type="checkbox"/> a single-employer plan     | <input type="checkbox"/> a DFE (specify) _____                                                                                                                                  |                                           |
| <b>B</b> This return/report is:                                                                          | <input type="checkbox"/> the first return/report               | <input type="checkbox"/> the final return/report                                                                                                                                |                                           |
|                                                                                                          | <input type="checkbox"/> an amended return/report              | <input type="checkbox"/> a short plan year return/report (less than 12 months)                                                                                                  |                                           |
| <b>C</b> If the plan is a collectively-bargained plan, check here. ....                                  | <input type="checkbox"/>                                       |                                                                                                                                                                                 |                                           |
| <b>D</b> Check box if filing under:                                                                      | <input checked="" type="checkbox"/> Form 5558                  | <input type="checkbox"/> automatic extension                                                                                                                                    | <input type="checkbox"/> the DFVC program |
|                                                                                                          | <input type="checkbox"/> special extension (enter description) |                                                                                                                                                                                 |                                           |

|                                                                                                                                                                                                                                                                                                                                                                                    |                                                                     |                   |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------|--|
| <b>Part II</b>                                                                                                                                                                                                                                                                                                                                                                     | <b>Basic Plan Information</b> —enter all requested information      |                   |  |
| <b>1a</b> Name of plan<br><u>KAYDON CORPORATION RETIREMENT PLAN</u>                                                                                                                                                                                                                                                                                                                | <b>1b</b> Three-digit plan number (PN) ▶                            | <u>001</u>        |  |
|                                                                                                                                                                                                                                                                                                                                                                                    | <b>1c</b> Effective date of plan                                    | <u>01/01/1984</u> |  |
| <b>2a</b> Plan sponsor's name (employer, if for a single-employer plan)<br>Mailing address (include room, apt., suite no. and street, or P.O. Box)<br>City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)<br><u>KAYDON CORPORATION</u><br><br><u>2723 SOUTH STATE STREET</u><br><u>SUITE 300</u><br><u>ANN ARBOR, MI 48104</u> | <b>2b</b> Employer Identification Number (EIN)<br><u>13-3186040</u> |                   |  |
|                                                                                                                                                                                                                                                                                                                                                                                    | <b>2c</b> Plan Sponsor's telephone number<br><u>734-680-2000</u>    |                   |  |
|                                                                                                                                                                                                                                                                                                                                                                                    | <b>2d</b> Business code (see instructions)<br><u>332110</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.

|                                                                                                 |                                                          |                   |                                                              |
|-------------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------|--------------------------------------------------------------|
| <b>SIGN HERE</b>                                                                                | <u>Filed with authorized/valid electronic signature.</u> | <u>10/13/2017</u> | <u>RAYMOND EAMES, DIRECTOR BENEFITS</u>                      |
|                                                                                                 | <b>Signature of plan administrator</b>                   | Date              | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b>                                                                                |                                                          |                   |                                                              |
|                                                                                                 | <b>Signature of employer/plan sponsor</b>                | Date              | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b>                                                                                |                                                          |                   |                                                              |
|                                                                                                 | <b>Signature of DFE</b>                                  | 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

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3a</b> Plan administrator's name and address <input type="checkbox"/> Same as Plan Sponsor<br>SKF USA INC.<br><br>890 FORTY FOOT ROAD<br>LANSDALE, PA 19446-0352                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>3b</b> Administrator's EIN<br>23-1043740<br><br><b>3c</b> Administrator's telephone number<br>267-436-6875                                        |
| <b>4</b> 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:<br><b>a</b> Sponsor's name                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>4b</b> EIN<br><br><b>4c</b> PN                                                                                                                    |
| <b>5</b> Total number of participants at the beginning of the plan year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>5</b> 941                                                                                                                                         |
| <b>6</b> Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines <b>6a(1)</b> , <b>6a(2)</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).<br><br><b>a(1)</b> Total number of active participants at the beginning of the plan year.....<br><b>a(2)</b> Total number of active participants at the end of the plan year .....<br><br><b>b</b> Retired or separated participants receiving benefits.....<br><b>c</b> Other retired or separated participants entitled to future benefits .....<br><b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> .....<br><b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. ....<br><b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....<br><br><b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) .....<br><br><b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested ..... | <b>6a(1)</b> 278<br><b>6a(2)</b> 262<br><b>6b</b> 381<br><b>6c</b> 223<br><b>6d</b> 866<br><b>6e</b> 70<br><b>6f</b> 936<br><b>6g</b><br><b>6h</b> 2 |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>7</b>                                                                                                                                             |
| <b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:<br>1A 3H<br><br><b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                      |

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

|                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                 |                                                                                                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| <div>SCHEDULE SB<br/>(Form 5500)<br/><br/>Department of the Treasury<br/>Internal Revenue Service<br/><br/>Department of Labor<br/>Employee Benefits Security Administration<br/><br/>Pension Benefit Guaranty Corporation</div> | <div>Single-Employer Defined Benefit Plan<br/>Actuarial Information</div> <div>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).</div> <div>File as an attachment to Form 5500 or 5500-SF.</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                                         |                                                                                                                                                  |
| 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<br>KAYDON CORPORATION RETIREMENT PLAN                                                                               | B Three-digit plan number (PN) 001                                                                                                               |
| C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF<br>KAYDON CORPORATION                                            | D Employer Identification Number (EIN)<br>13-3186040                                                                                             |
| E Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B | F Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500 |

|        |                                                                                                                                                                                                  |                            |                           |                          |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------|--------------------------|
| Part I | Basic Information                                                                                                                                                                                |                            |                           |                          |
| 1      | Enter the valuation date: Month 01 Day 01 Year 2016                                                                                                                                              |                            |                           |                          |
| 2      | Assets:                                                                                                                                                                                          |                            |                           |                          |
| a      | Market value                                                                                                                                                                                     | 2a                         | 78814392                  |                          |
| b      | Actuarial value                                                                                                                                                                                  | 2b                         | 81562963                  |                          |
| 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                                                                                                                                     | 435                        | 32051533                  | 32051533                 |
| b      | For terminated vested participants                                                                                                                                                               | 228                        | 11594943                  | 11594943                 |
| c      | For active participants                                                                                                                                                                          | 278                        | 23067128                  | 23437214                 |
| d      | Total                                                                                                                                                                                            | 941                        | 66713604                  | 67083690                 |
| 4      | If the plan is in at-risk status, check the box and complete lines (a) and (b) <input type="checkbox"/>                                                                                          |                            |                           |                          |
| 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                          | 6.13%                     |                          |
| 6      | Target normal cost                                                                                                                                                                               | 6                          | 1991197                   |                          |

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.

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

| 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                     | 10139468               |
| 8                                                           | Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....                                               | 0                     | 430509                 |
| 9                                                           | Amount remaining (line 7 minus line 8) .....                                                                                                     |                       | 9708959                |
| 10                                                          | Interest on line 9 using prior year's actual return of 0.03% .....                                                                               |                       | 2913                   |
| 11                                                          | Prior year's excess contributions to be added to prefunding balance:                                                                             |                       |                        |
| a                                                           | Present value of excess contributions (line 38a from prior year) .....                                                                           |                       | 3140838                |
| 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 6.32% ..... |                       | 192757                 |
| b(2)                                                        | Interest on line 38b from prior year Schedule SB, using prior year's actual return .....                                                         |                       | 27                     |
| c                                                           | Total available at beginning of current plan year to add to prefunding balance .....                                                             |                       | 3333622                |
| d                                                           | Portion of (c) to be added to prefunding balance .....                                                                                           |                       | 0                      |
| 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                     | 9711872                |

| Part III Funding Percentages |                                                                                                                                                                  |    |         |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|---------|
| 14                           | Funding target attainment percentage .....                                                                                                                       | 14 | 107.10% |
| 15                           | Adjusted funding target attainment percentage .....                                                                                                              | 15 | 121.58% |
| 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 | 102.56% |
| 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<br>(MM-DD-YYYY)                                                          | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
| 09/07/2017                                                                        | 2934000                           | 0                               |                          |                                   |                                 |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
| Totals ►                                                                          |                                   |                                 | 18(b)                    | 2934000                           | 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 2654872                                                         |
| 20 Quarterly contributions and liquidity shortfalls:                                                                          |                                                                     |
| a Did the plan have a "funding shortfall" for the prior year? .....                                                           | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? .....              | <input type="checkbox"/> Yes <input type="checkbox"/> 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                                                             |
|                                                                                                                               |                                                                     |

|                       |                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                    |                       |                       |                       |                                                     |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------------------------------------|
| <b>Part V</b>         | <b>Assumptions Used to Determine Funding Target and Target Normal Cost</b>                                                                                                                                                       |                                                                                                                                                                                                                                                    |                       |                       |                       |                                                     |
| <b>21</b>             | Discount rate:                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                    |                       |                       |                       |                                                     |
| <b>a</b>              | Segment rates:                                                                                                                                                                                                                   | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">1st segment:<br/>4.43%</td> <td style="width: 33%;">2nd segment:<br/>5.91%</td> <td style="width: 33%;">3rd segment:<br/>6.65%</td> </tr> </table> | 1st segment:<br>4.43% | 2nd segment:<br>5.91% | 3rd segment:<br>6.65% | <input type="checkbox"/> N/A, full yield curve used |
| 1st segment:<br>4.43% | 2nd segment:<br>5.91%                                                                                                                                                                                                            | 3rd segment:<br>6.65%                                                                                                                                                                                                                              |                       |                       |                       |                                                     |
| <b>b</b>              | Applicable month (enter code) .....                                                                                                                                                                                              | <b>21b</b>                                                                                                                                                                                                                                         | 0                     |                       |                       |                                                     |
| <b>22</b>             | Weighted average retirement age .....                                                                                                                                                                                            | <b>22</b>                                                                                                                                                                                                                                          | 62                    |                       |                       |                                                     |
| <b>23</b>             | Mortality table(s) (see instructions) <input type="checkbox"/> Prescribed - combined <input type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute                                                          |                                                                                                                                                                                                                                                    |                       |                       |                       |                                                     |
| <b>Part VI</b>        | <b>Miscellaneous Items</b>                                                                                                                                                                                                       |                                                                                                                                                                                                                                                    |                       |                       |                       |                                                     |
| <b>24</b>             | Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. .... <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |                                                                                                                                                                                                                                                    |                       |                       |                       |                                                     |
| <b>25</b>             | Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. .... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                      |                                                                                                                                                                                                                                                    |                       |                       |                       |                                                     |
| <b>26</b>             | Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. .... <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                            |                                                                                                                                                                                                                                                    |                       |                       |                       |                                                     |
| <b>27</b>             | If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment. ....                                                                                                       | <b>27</b>                                                                                                                                                                                                                                          |                       |                       |                       |                                                     |
| <b>Part VII</b>       | <b>Reconciliation of Unpaid Minimum Required Contributions For Prior Years</b>                                                                                                                                                   |                                                                                                                                                                                                                                                    |                       |                       |                       |                                                     |
| <b>28</b>             | Unpaid minimum required contributions for all prior years .....                                                                                                                                                                  | <b>28</b>                                                                                                                                                                                                                                          |                       |                       |                       |                                                     |
| <b>29</b>             | Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a) .....                                                                                                       | <b>29</b>                                                                                                                                                                                                                                          |                       |                       |                       |                                                     |
| <b>30</b>             | Remaining amount of unpaid minimum required contributions (line 28 minus line 29) .....                                                                                                                                          | <b>30</b>                                                                                                                                                                                                                                          | 0                     |                       |                       |                                                     |
| <b>Part VIII</b>      | <b>Minimum Required Contribution For Current Year</b>                                                                                                                                                                            |                                                                                                                                                                                                                                                    |                       |                       |                       |                                                     |
| <b>31</b>             | Target normal cost and excess assets (see instructions):                                                                                                                                                                         |                                                                                                                                                                                                                                                    |                       |                       |                       |                                                     |
| <b>a</b>              | Target normal cost (line 6) .....                                                                                                                                                                                                | <b>31a</b>                                                                                                                                                                                                                                         | 1991197               |                       |                       |                                                     |
| <b>b</b>              | Excess assets, if applicable, but not greater than line 31a .....                                                                                                                                                                | <b>31b</b>                                                                                                                                                                                                                                         | 1991197               |                       |                       |                                                     |
| <b>32</b>             | Amortization installments:                                                                                                                                                                                                       | Outstanding Balance                                                                                                                                                                                                                                | Installment           |                       |                       |                                                     |
| <b>a</b>              | Net shortfall amortization installment .....                                                                                                                                                                                     | 0                                                                                                                                                                                                                                                  | 0                     |                       |                       |                                                     |
| <b>b</b>              | Waiver amortization installment .....                                                                                                                                                                                            | 0                                                                                                                                                                                                                                                  | 0                     |                       |                       |                                                     |
| <b>33</b>             | 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 .....                                                       | <b>33</b>                                                                                                                                                                                                                                          |                       |                       |                       |                                                     |
| <b>34</b>             | Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) .....                                                                                                               | <b>34</b>                                                                                                                                                                                                                                          |                       |                       |                       |                                                     |
|                       | Carryover balance                                                                                                                                                                                                                | Prefunding balance                                                                                                                                                                                                                                 | Total balance         |                       |                       |                                                     |
| <b>35</b>             | Balances elected for use to offset funding requirement .....                                                                                                                                                                     | 0                                                                                                                                                                                                                                                  | 0                     |                       |                       |                                                     |
| <b>36</b>             | Additional cash requirement (line 34 minus line 35) .....                                                                                                                                                                        | <b>36</b>                                                                                                                                                                                                                                          |                       |                       |                       |                                                     |
| <b>37</b>             | Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) .....                                                                                                        | <b>37</b>                                                                                                                                                                                                                                          | 2654872               |                       |                       |                                                     |
| <b>38</b>             | Present value of excess contributions for current year (see instructions)                                                                                                                                                        |                                                                                                                                                                                                                                                    |                       |                       |                       |                                                     |
| <b>a</b>              | Total (excess, if any, of line 37 over line 36) .....                                                                                                                                                                            | <b>38a</b>                                                                                                                                                                                                                                         | 2654872               |                       |                       |                                                     |
| <b>b</b>              | Portion included in line 38a attributable to use of prefunding and funding standard carryover balances .....                                                                                                                     | <b>38b</b>                                                                                                                                                                                                                                         |                       |                       |                       |                                                     |
| <b>39</b>             | Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) .....                                                                                                                            | <b>39</b>                                                                                                                                                                                                                                          | 0                     |                       |                       |                                                     |
| <b>40</b>             | Unpaid minimum required contributions for all years .....                                                                                                                                                                        | <b>40</b>                                                                                                                                                                                                                                          |                       |                       |                       |                                                     |
| <b>Part IX</b>        | <b>Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)</b>                                                                                                                                                |                                                                                                                                                                                                                                                    |                       |                       |                       |                                                     |
| <b>41</b>             | If an election was made to use PRA 2010 funding relief for this plan:                                                                                                                                                            |                                                                                                                                                                                                                                                    |                       |                       |                       |                                                     |
| <b>a</b>              | Schedule elected .....                                                                                                                                                                                                           | <input type="checkbox"/> 2 plus 7 years <input type="checkbox"/> 15 years                                                                                                                                                                          |                       |                       |                       |                                                     |
| <b>b</b>              | Eligible plan year(s) for which the election in line 41a was made .....                                                                                                                                                          | <input type="checkbox"/> 2008 <input type="checkbox"/> 2009 <input type="checkbox"/> 2010 <input type="checkbox"/> 2011                                                                                                                            |                       |                       |                       |                                                     |
| <b>42</b>             | Amount of acceleration adjustment .....                                                                                                                                                                                          | <b>42</b>                                                                                                                                                                                                                                          |                       |                       |                       |                                                     |
| <b>43</b>             | Excess installment acceleration amount to be carried over to future plan years .....                                                                                                                                             | <b>43</b>                                                                                                                                                                                                                                          |                       |                       |                       |                                                     |

|                                                                                                                                                                                                               |                                                                                                                                                                                                                              |                                                                                                                                                                                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>SCHEDULE D</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small> | <b>DFE/Participating Plan Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><div style="border: 1px solid black; padding: 5px; font-size: 1.2em; font-weight: bold;">2016</div><br><br><b>This Form is Open to Public Inspection.</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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

|                                                                                                   |                                                                            |            |
|---------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|------------|
| <b>A</b> Name of plan<br><u>KAYDON CORPORATION RETIREMENT PLAN</u>                                | <b>B</b> Three-digit plan number (PN) <span style="float: right;">►</span> | <u>001</u> |
|                                                                                                   |                                                                            |            |
| <b>C</b> Plan or DFE sponsor's name as shown on line 2a of Form 5500<br><u>KAYDON CORPORATION</u> | <b>D</b> Employer Identification Number (EIN)<br><u>13-3186040</u>         |            |

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

**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.

|                                       |                               |                                                                                                                     |
|---------------------------------------|-------------------------------|---------------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN <u>23-1043740-016</u> | <b>d</b> Entity code <u>M</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>80209842</u> |
|---------------------------------------|-------------------------------|---------------------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: KAYDON CORP RETIREMENT & PENSION MA

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

|                                       |                               |                                                                                                                   |
|---------------------------------------|-------------------------------|-------------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN <u>13-3186040-015</u> | <b>d</b> Entity code <u>M</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>275491</u> |
|---------------------------------------|-------------------------------|-------------------------------------------------------------------------------------------------------------------|

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

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

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

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

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

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

|                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                              |                                                                                                          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br><small>Internal Revenue Service</small><br><small>Department of Labor</small><br><small>Employee Benefits Security Administration</small><br><small>Pension Benefit Guaranty Corporation</small> | <b>Financial Information</b><br><br>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).<br><br><b>► File as an attachment to Form 5500.</b> | <small>OMB No. 1210-0110</small><br><br><b>2016</b><br><br><b>This Form is Open to Public Inspection</b> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|

|                                                                                                          |                                                                    |            |
|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|------------|
| For calendar plan year 2016 or fiscal plan year beginning <b>01/01/2016</b> and ending <b>12/31/2016</b> |                                                                    |            |
| <b>A</b> Name of plan<br><b>KAYDON CORPORATION RETIREMENT PLAN</b>                                       | <b>B</b> Three-digit plan number (PN) ►                            | <b>001</b> |
|                                                                                                          |                                                                    |            |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><b>KAYDON CORPORATION</b>               | <b>D</b> Employer Identification Number (EIN)<br><b>13-3186040</b> |            |

|               |                                      |
|---------------|--------------------------------------|
| <b>Part I</b> | <b>Asset and Liability Statement</b> |
|---------------|--------------------------------------|

**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 |
|---------------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>a</b> Total noninterest-bearing cash .....                                                     | <b>1a</b>       |                       |                 |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                      |                 |                       |                 |
| <b>(1)</b> Employer contributions.....                                                            | <b>1b(1)</b>    | 3486000               | 2934000         |
| <b>(2)</b> Participant contributions .....                                                        | <b>1b(2)</b>    |                       |                 |
| <b>(3)</b> Other.....                                                                             | <b>1b(3)</b>    |                       |                 |
| <b>c</b> General investments:                                                                     |                 |                       |                 |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit).....   | <b>1c(1)</b>    |                       |                 |
| <b>(2)</b> U.S. Government securities .....                                                       | <b>1c(2)</b>    |                       |                 |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                           |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                        | <b>1c(3)(A)</b> |                       |                 |
| <b>(B)</b> All other.....                                                                         | <b>1c(3)(B)</b> |                       |                 |
| <b>(4)</b> Corporate stocks (other than employer securities):                                     |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                        | <b>1c(4)(A)</b> |                       |                 |
| <b>(B)</b> Common.....                                                                            | <b>1c(4)(B)</b> |                       |                 |
| <b>(5)</b> Partnership/joint venture interests .....                                              | <b>1c(5)</b>    |                       |                 |
| <b>(6)</b> Real estate (other than employer real property).....                                   | <b>1c(6)</b>    |                       |                 |
| <b>(7)</b> Loans (other than to participants) .....                                               | <b>1c(7)</b>    |                       |                 |
| <b>(8)</b> Participant loans.....                                                                 | <b>1c(8)</b>    |                       |                 |
| <b>(9)</b> Value of interest in common/collective trusts .....                                    | <b>1c(9)</b>    |                       |                 |
| <b>(10)</b> Value of interest in pooled separate accounts .....                                   | <b>1c(10)</b>   |                       |                 |
| <b>(11)</b> Value of interest in master trust investment accounts .....                           | <b>1c(11)</b>   | 75475052              | 80485333        |
| <b>(12)</b> Value of interest in 103-12 investment entities.....                                  | <b>1c(12)</b>   |                       |                 |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....        | <b>1c(13)</b>   |                       |                 |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts)..... | <b>1c(14)</b>   |                       |                 |
| <b>(15)</b> Other .....                                                                           | <b>1c(15)</b>   |                       |                 |

|                    |                                                                  | (a) Beginning of Year | (b) End of Year   |
|--------------------|------------------------------------------------------------------|-----------------------|-------------------|
| <b>1d</b>          | Employer-related investments:                                    |                       |                   |
| (1)                | Employer securities .....                                        | <b>1d(1)</b>          |                   |
| (2)                | Employer real property .....                                     | <b>1d(2)</b>          |                   |
| <b>e</b>           | Buildings and other property used in plan operation .....        | <b>1e</b>             |                   |
| <b>f</b>           | Total assets (add all amounts in lines 1a through 1e) .....      | <b>1f</b>             | 78961052 83419333 |
| <b>Liabilities</b> |                                                                  |                       |                   |
| <b>g</b>           | Benefit claims payable .....                                     | <b>1g</b>             |                   |
| <b>h</b>           | Operating payables .....                                         | <b>1h</b>             | 80915 85906       |
| <b>i</b>           | Acquisition indebtedness .....                                   | <b>1i</b>             |                   |
| <b>j</b>           | Other liabilities .....                                          | <b>1j</b>             |                   |
| <b>k</b>           | Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b>             | 80915 85906       |
| <b>Net Assets</b>  |                                                                  |                       |                   |
| <b>l</b>           | Net assets (subtract line 1k from line 1f) .....                 | <b>1l</b>             | 78880137 83333427 |

**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.

|          |                                                                                                        | (a) Amount      | (b) Total |
|----------|--------------------------------------------------------------------------------------------------------|-----------------|-----------|
| <b>a</b> | <b>Contributions:</b>                                                                                  |                 |           |
| (1)      | Received or receivable in cash from: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> | 2934000   |
|          | <b>(B)</b> Participants .....                                                                          | <b>2a(1)(B)</b> |           |
|          | <b>(C)</b> Others (including rollovers) .....                                                          | <b>2a(1)(C)</b> | 100000    |
| (2)      | Noncash contributions .....                                                                            | <b>2a(2)</b>    |           |
| (3)      | Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    | 3034000   |
| <b>b</b> | <b>Earnings on investments:</b>                                                                        |                 |           |
| (1)      | Interest:                                                                                              |                 |           |
|          | <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....   | <b>2b(1)(A)</b> |           |
|          | <b>(B)</b> U.S. Government securities .....                                                            | <b>2b(1)(B)</b> |           |
|          | <b>(C)</b> Corporate debt instruments .....                                                            | <b>2b(1)(C)</b> |           |
|          | <b>(D)</b> Loans (other than to participants) .....                                                    | <b>2b(1)(D)</b> |           |
|          | <b>(E)</b> Participant loans .....                                                                     | <b>2b(1)(E)</b> |           |
|          | <b>(F)</b> Other .....                                                                                 | <b>2b(1)(F)</b> |           |
|          | <b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                          | <b>2b(1)(G)</b> |           |
| (2)      | Dividends: <b>(A)</b> Preferred stock .....                                                            | <b>2b(2)(A)</b> |           |
|          | <b>(B)</b> Common stock .....                                                                          | <b>2b(2)(B)</b> |           |
|          | <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                              | <b>2b(2)(C)</b> |           |
|          | <b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....              | <b>2b(2)(D)</b> |           |
| (3)      | Rents .....                                                                                            | <b>2b(3)</b>    |           |
| (4)      | Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                                 | <b>2b(4)(A)</b> |           |
|          | <b>(B)</b> Aggregate carrying amount (see instructions) .....                                          | <b>2b(4)(B)</b> |           |
|          | <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....              | <b>2b(4)(C)</b> |           |
| (5)      | Unrealized appreciation (depreciation) of assets: <b>(A)</b> Real estate .....                         | <b>2b(5)(A)</b> |           |
|          | <b>(B)</b> Other .....                                                                                 | <b>2b(5)(B)</b> |           |
|          | <b>(C)</b> Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....     | <b>2b(5)(C)</b> |           |

|                                                                                                |        | (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)  |            | 4929298   |
| (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     |            |           |
| d Total income. Add all <b>income</b> amounts in column (b) and enter total.....               | 2d     |            | 7963298   |

**Expenses**

|                                                                                      |       |         |         |
|--------------------------------------------------------------------------------------|-------|---------|---------|
| e Benefit payment and payments to provide benefits:                                  |       |         |         |
| (1) Directly to participants or beneficiaries, including direct rollovers .....      | 2e(1) | 3171732 |         |
| (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) |         | 3171732 |
| f Corrective distributions (see instructions) .....                                  | 2f    |         |         |
| g Certain deemed distributions of participant loans (see instructions) .....         | 2g    |         |         |
| h Interest expense.....                                                              | 2h    |         |         |
| i Administrative expenses: (1) Professional fees.....                                | 2i(1) |         |         |
| (2) Contract administrator fees.....                                                 | 2i(2) |         |         |
| (3) Investment advisory and management fees.....                                     | 2i(3) |         |         |
| (4) Other .....                                                                      | 2i(4) | 338276  |         |
| (5) Total administrative expenses. Add lines 2i(1) through (4).....                  | 2i(5) |         | 338276  |
| j Total expenses. Add all <b>expense</b> amounts in column (b) and enter total ..... | 2j    |         | 3510008 |

**Net Income and Reconciliation**

|                                                          |       |  |         |
|----------------------------------------------------------|-------|--|---------|
| k Net income (loss). Subtract line 2j from line 2d ..... | 2k    |  | 4453290 |
| 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  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----|----|---------|
| <b>c</b> 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.) .....                                          | <b>4c</b> |     | X  |         |
| <b>d</b> 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.) .....                               | <b>4d</b> |     | X  |         |
| <b>e</b> Was this plan covered by a fidelity bond? .....                                                                                                                                                                      | <b>4e</b> | X   |    | 1000000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                       | <b>4f</b> |     | X  |         |
| <b>g</b> 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? .....                                                    | <b>4g</b> |     | X  |         |
| <b>h</b> 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? .....                                          | <b>4h</b> |     | X  |         |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) .....                                                                | <b>4i</b> | X   |    |         |
| <b>j</b> 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.) ..... | <b>4j</b> |     | X  |         |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? .....                                                           | <b>4k</b> |     | X  |         |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....                                                                                                                                            | <b>4l</b> |     | X  |         |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) .....                                                                                                  | <b>4m</b> |     | X  |         |
| <b>n</b> 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. ....                                      | <b>4n</b> |     | X  |         |
| <b>o</b> Defined Benefit Plan or Money Purchase Pension Plan Only:<br>Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service? .....                           | <b>4o</b> |     |    |         |

**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

|                                        |                                                     |
|----------------------------------------|-----------------------------------------------------|
| <b>6a</b> Name of trust                | <b>6b</b> Trust's EIN                               |
| <b>6c</b> Name of trustee or custodian | <b>6d</b> Trustee's or custodian's telephone number |

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                             |                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>SCHEDULE R</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Retirement Plan Information</b><br><br>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).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2016</b><br><br><b>This Form is Open to Public Inspection.</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|

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

|                                                                                            |                                                                    |
|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>KAYDON CORPORATION RETIREMENT PLAN</u>                         | <b>B</b> Three-digit plan number (PN) ▶<br><u>001</u>              |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>KAYDON CORPORATION</u> | <b>D</b> Employer Identification Number (EIN)<br><u>13-3186040</u> |

|               |                      |
|---------------|----------------------|
| <b>Part I</b> | <b>Distributions</b> |
|---------------|----------------------|

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

|                                                                                                                                                                                                                                                                    |          |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions .....                                                                                                                             | <b>1</b> | <u>0</u> |
| <b>2</b> 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):<br><br>EIN(s): <u>36-3046063</u> |          |          |
| Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.                                                                                                                                                                                                   |          |          |
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year .....                                                                                                                                   | <b>3</b> | <u>0</u> |

|                |                                                                                                                                                                               |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part II</b> | <b>Funding Information</b> (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.) |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                                                                                                                                                                                             |                              |                                        |                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------------------|-----------------------------------------|
| <b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? .....                                                                                                                                                                                                                                        | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | <input type="checkbox"/> N/A            |
| If the plan is a defined benefit plan, go to line 8.                                                                                                                                                                                                                                                                                                        |                              |                                        |                                         |
| <b>5</b> 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 _____<br>If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule. |                              |                                        |                                         |
| <b>6 a</b> Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) .....                                                                                                                                                                                                              | <b>6a</b>                    |                                        |                                         |
| <b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....                                                                                                                                                                                                                                                                  | <b>6b</b>                    |                                        |                                         |
| <b>c</b> 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) .....                                                                                                                                                                                                            | <b>6c</b>                    |                                        |                                         |
| If you completed line 6c, skip lines 8 and 9.                                                                                                                                                                                                                                                                                                               |                              |                                        |                                         |
| <b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....                                                                                                                                                                                                                                                          | <input type="checkbox"/> Yes | <input type="checkbox"/> No            | <input type="checkbox"/> N/A            |
| <b>8</b> 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? .....                                                                                 | <input type="checkbox"/> Yes | <input type="checkbox"/> No            | <input checked="" type="checkbox"/> N/A |

|                 |                   |
|-----------------|-------------------|
| <b>Part III</b> | <b>Amendments</b> |
|-----------------|-------------------|

|                                                                                                                                                                                                                            |                                   |                                              |                               |                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------------------------|-------------------------------|-----------------------------|
| <b>9</b> 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..... | <input type="checkbox"/> Increase | <input checked="" type="checkbox"/> Decrease | <input type="checkbox"/> Both | <input type="checkbox"/> No |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------------------------|-------------------------------|-----------------------------|

|                |                                                                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part IV</b> | <b>ESOPs</b> (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. |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                              |                              |                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| <b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? .....                                                      | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>11 a</b> Does the ESOP hold any preferred stock? .....                                                                                                                                    | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>b</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.) ..... | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....                                                                               | <input type="checkbox"/> Yes | <input type="checkbox"/> 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): \_\_\_\_\_

|           |                                                                                                                                                                                                                                                      |            |  |
|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>14</b> | Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:                                                                                                                    |            |  |
|           | <b>a</b> The current year .....                                                                                                                                                                                                                      | <b>14a</b> |  |
|           | <b>b</b> The plan year immediately preceding the current plan year .....                                                                                                                                                                             | <b>14b</b> |  |
|           | <b>c</b> The second preceding plan year .....                                                                                                                                                                                                        | <b>14c</b> |  |
| <b>15</b> | 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:                                                                         |            |  |
|           | <b>a</b> The corresponding number for the plan year immediately preceding the current plan year .....                                                                                                                                                | <b>15a</b> |  |
|           | <b>b</b> The corresponding number for the second preceding plan year .....                                                                                                                                                                           | <b>15b</b> |  |
| <b>16</b> | Information with respect to any employers who withdrew from the plan during the preceding plan year:                                                                                                                                                 |            |  |
|           | <b>a</b> Enter the number of employers who withdrew during the preceding plan year .....                                                                                                                                                             | <b>16a</b> |  |
|           | <b>b</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 .....                                                                               | <b>16b</b> |  |
| <b>17</b> | 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. .... <input type="checkbox"/> |            |  |

|                |                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------|
| <b>Part VI</b> | <b>Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans</b> |
|----------------|---------------------------------------------------------------------------------------------------|

|           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>18</b> | 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 .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>19</b> | If the total number of participants is 1,000 or more, complete lines (a) through (c)<br><b>a</b> Enter the percentage of plan assets held as:<br>Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%<br><b>b</b> Provide the average duration of the combined investment-grade and high-yield debt:<br><input type="checkbox"/> 0-3 years <input type="checkbox"/> 3-6 years <input type="checkbox"/> 6-9 years <input type="checkbox"/> 9-12 years <input type="checkbox"/> 12-15 years <input type="checkbox"/> 15-18 years <input type="checkbox"/> 18-21 years <input type="checkbox"/> 21 years or more<br><b>c</b> What duration measure was used to calculate line 19(b)?<br><input type="checkbox"/> Effective duration <input type="checkbox"/> Macaulay duration <input type="checkbox"/> Modified duration <input type="checkbox"/> Other (specify): _____ |

|                 |                                 |
|-----------------|---------------------------------|
| <b>Part VII</b> | <b>IRS Compliance Questions</b> |
|-----------------|---------------------------------|

|                                                                                                                                                                                                                             |                                                                                                                                                                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>20a</b> Is the plan a 401(k) plan? If "No," skip b .....                                                                                                                                                                 | <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                          |
| <b>20b</b> How did the plan satisfy the nondiscrimination requirements for employee deferrals under section 401(k)(3) for the plan year? Check all that apply: .....                                                        | <input type="checkbox"/> Design-based safe harbor <input type="checkbox"/> "Prior year" ADP test<br><input type="checkbox"/> "Current year" ADP test <input type="checkbox"/> N/A |
| <b>21a</b> What testing method was used to satisfy the coverage requirements under section 410(b) for the plan year? Check all that apply: .....                                                                            | <input type="checkbox"/> Ratio percentage test <input type="checkbox"/> Average benefit test <input type="checkbox"/> N/A                                                         |
| <b>21b</b> 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? ..... | <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                          |
| <b>22a</b> 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   .      |                                                                                                                                                                                   |
| <b>22b</b> 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   /   /   .                                     |                                                                                                                                                                                   |

# **Kaydon Corporation Retirement Plan**

Financial Statements

December 31, 2016 and 2015



Candor. Insight. Results.

# Kaydon Corporation Retirement Plan

---

## Table of Contents

December 31, 2016 and 2015

|                                                           | <u>Page</u> |
|-----------------------------------------------------------|-------------|
| <b>Independent Auditors' Report</b>                       | 1           |
| <b>Financial Statements</b>                               |             |
| Statement of Net Assets Available for Benefits            | 3           |
| Statement of Changes in Net Assets Available for Benefits | 4           |
| Notes to Financial Statements                             | 5           |

## **Independent Auditors' Report**

Participants and Plan Administrator  
Kaydon Corporation Retirement Plan

### **Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of Kaydon Corporation Retirement Plan (the "Plan"), which comprise the statement of net assets available for benefits as of December 31, 2016 and 2015, and the related statement of changes in net assets available for benefits for the years then ended and the 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 11, which was certified by The Bank of New York Mellon/BNY Mellon N.A. and The Northern 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 on the financial statements. Accordingly, we do not express an opinion on the financial statements.

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

The form and content of the information included in the financial statements, 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, 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

## Kaydon Corporation Retirement Plan

### Statement of Net Assets Available for Benefits

December 31, 2016 and 2015

|                                                                                | <u>2016</u>                 | <u>2015</u>                 |
|--------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>Assets</b>                                                                  |                             |                             |
| Investments at fair value:                                                     |                             |                             |
| Interest in SKF USA Inc. Master Trust                                          | \$ 80,209,842               | \$ 75,063,367               |
| Interest in the Kaydon Corporation Retirement and<br>Pension Plan Master Trust | <u>275,491</u>              | <u>411,685</u>              |
| Total investments                                                              | 80,485,333                  | 75,475,052                  |
| Employer contribution receivable                                               | <u>2,934,000</u>            | <u>3,486,000</u>            |
| Total assets                                                                   | 83,419,333                  | 78,961,052                  |
| <b>Liabilities</b>                                                             |                             |                             |
| Accrued administrative expenses                                                | <u>85,906</u>               | <u>80,915</u>               |
| Net assets available for benefits                                              | <u><u>\$ 83,333,427</u></u> | <u><u>\$ 78,880,137</u></u> |

See notes to financial statements

## Kaydon Corporation Retirement Plan

### Statement of Changes in Net Assets Available for Benefits

Years Ended December 31, 2016 and 2015

|                                                                                                       | <u>2016</u>                 | <u>2015</u>                 |
|-------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>Additions</b>                                                                                      |                             |                             |
| Investment income (loss):                                                                             |                             |                             |
| Plan interest in SKF USA Inc. Master Trust investment income                                          | \$ 4,928,760                | \$ 94,850                   |
| Plan interest in Kaydon Corporation Retirement and Pension Plan Master Trust investment income (loss) | <u>538</u>                  | <u>(76,104)</u>             |
| Total investment income                                                                               | 4,929,298                   | 18,746                      |
| Transfers in                                                                                          | 100,000                     | -                           |
| Employer contribution                                                                                 | <u>2,934,000</u>            | <u>3,486,000</u>            |
| Total additions                                                                                       | <u>7,963,298</u>            | <u>3,504,746</u>            |
| <b>Deductions</b>                                                                                     |                             |                             |
| Benefits paid to participants                                                                         | 3,171,732                   | 3,071,027                   |
| Administrative expenses                                                                               | <u>338,276</u>              | <u>176,705</u>              |
| Total deductions                                                                                      | <u>3,510,008</u>            | <u>3,247,732</u>            |
| Net increase                                                                                          | 4,453,290                   | 257,014                     |
| <b>Net Assets Available for Benefits</b>                                                              |                             |                             |
| Beginning of year                                                                                     | <u>78,880,137</u>           | <u>78,623,123</u>           |
| End of year                                                                                           | <u><u>\$ 83,333,427</u></u> | <u><u>\$ 78,880,137</u></u> |

See notes to financial statements

# Kaydon Corporation Retirement Plan

---

Notes to Financial Statements  
December 31, 2016 and 2015

## 1. Description of the Plan

The following description of the Kaydon Corporation Retirement Plan (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 pension plan covering substantially all employees of Kaydon Corporation, Kaydon Ring & Seal, Inc., Industrial Tectonics, Inc., Cooper Split Roller Bearing Corporation, and Kaydon Custom Filtration Corporation who are not covered by a collective bargaining agreement, are not leased employees and are not nonresident aliens, provided benefits are a part of the division-specific benefit package. Participation is limited to eligible employees whose most recent hire date is on or before March 14, 2009. The Plan is sponsored by Kaydon Corporation (the "Company").

On September 25, 2013, 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 SKF USA Inc. ("SKF"). The Merger became effective on October 16, 2013, pursuant to the Certificate of Merger filed with the Secretary of State of the State of Delaware.

The Plan is administered by the SKF USA Inc. Pension and Benefits Committee ("Committee"). The Committee has overall responsibility for the operation and administration of the Plan. The Committee determines the appropriateness of the Plan's investment offerings, monitors investment performance and reports to the Board of Directors of the Company.

The Plan is subject to the provisions of the Employee Retirement Income Securities Act of 1974 ("ERISA").

The Committee consented to expand the SKF USA Inc. Master Trust ("SKF Master Trust") at Bank of New York/BNY Mellon N.A. to open an account for the Plan and to transfer the majority of the assets of the Plan to the SKF Master Trust. Such transfer took place on January 9, 2015. The Committee voted to retain the Northern Trust Company under the Kaydon Corporation Retirement and Pension Plan Master Trust ("Kaydon Master Trust"), the existing trust relationship for the foreseeable future to process benefit payments for retirees, until such time as that benefit disbursement function can be transferred to the SKF Master Trust.

### Pension Benefits

Participants with 5 or more years of credited service are entitled to annual pension benefits beginning at normal retirement age (65) equal to the greater of a) 1.00 percent of their average compensation plus .58 percent of their average compensation in excess of their covered compensation for each year under 30 years of credited service or b) 30.00 percent of their average compensation times a fraction determined by dividing years of credited service by years of credited service the participant would have had at their normal retirement date. A participant's benefit also includes any benefit earned under a prior plan which was merged with or became part of the Plan.

## **Kaydon Corporation Retirement Plan**

---

Notes to Financial Statements  
December 31, 2016 and 2015

The Plan permits early retirement at ages 55 to 64 for participants with 10 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. If the present value of a benefit is \$10,000 or less, the benefit may be made in one lump-sum payment. If participants terminate before rendering 5 years of service, they forfeit the right to receive their accumulated plan benefits.

### **Death and Disability Benefits**

For vested employees who die before commencing benefits, a death benefit equal to the value of the employee's accumulated pension benefit is paid to the surviving spouse, if the employee was married for more than 1 year.

Employees who have at least 10 years of vesting or credited service when they become disabled are eligible for a disability retirement benefit from the Plan.

## **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.

### **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 the Plan's interest in the SKF and Kaydon Master Trusts' net investment income (loss) presented in the accompanying Statement of Changes in Net Assets Available for Benefits.

# Kaydon Corporation Retirement Plan

---

Notes to Financial Statements  
December 31, 2016 and 2015

## Investment Valuation and Income Recognition

The Plan's investment interests in the Kaydon Master Trust and the SKF Master Trust (collectively, "Master Trusts") 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 investment advisors and trustees. See Note 5 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 appreciation (depreciation) includes the gains and losses on investments bought and sold as well as held in the Master Trusts 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 employees' 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 is determined by the Plan's independent actuary as of January 1, 2016. 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.

The actuarial present value of accumulated plan benefits as of January 1, 2016 is as follows:

|                                                             |                      |
|-------------------------------------------------------------|----------------------|
| Vested benefits:                                            |                      |
| Participants and beneficiaries currently receiving payments | \$ 54,610,324        |
| Other participants                                          | <u>32,269,349</u>    |
| Total vested benefits                                       | 86,879,673           |
| Nonvested benefits                                          | <u>107,699</u>       |
| Total actuarial present value of accumulated plan benefits  | <u>\$ 86,987,372</u> |

## Kaydon Corporation Retirement Plan

---

Notes to Financial Statements  
December 31, 2016 and 2015

The changes in the actuarial present value of the accumulated plan benefits for the year ended December 31, 2015 are summarized as follows:

|                                                                               |                      |
|-------------------------------------------------------------------------------|----------------------|
| Actuarial present value of accumulated plan benefits,<br>at beginning of year | \$ 88,176,558        |
| Increase (decrease) during the year attributable to:                          |                      |
| Benefits accumulated                                                          | 3,565,070            |
| Increase for interest                                                         | 3,552,904            |
| Benefits paid                                                                 | (3,071,027)          |
| Change in actuarial assumptions                                               | <u>(5,236,133)</u>   |
| Actuarial present value of accumulated plan<br>benefits, at end of year       | <u>\$ 86,987,372</u> |

Significant assumptions underlying the actuarial computations are as follows:

|                                    |                                                                       |
|------------------------------------|-----------------------------------------------------------------------|
| Discount rate                      | 4.40 percent for 2016 and 4.10 percent for 2015                       |
| Long-term rate of return on assets | 7.50 percent for 2016 and 7.00 percent for 2015                       |
| Mortality                          | RP-2014 Mortality Tables, projected generationally with Scale MP-2015 |
| Retirement age                     | Age 65                                                                |

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.

The discount rate changed from 4.10 percent in 2015 to 4.40 percent in 2016 and the long-term rate of return on assets changed from 7.00 percent in 2015 to 7.50 percent in 2016 resulting in a decrease to the present value of accumulated plan benefits of \$5,236,133.

### Recent Accounting Pronouncement

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.

### 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.

## Kaydon Corporation Retirement Plan

Notes to Financial Statements  
December 31, 2016 and 2015

### 3. Interest in the Kaydon Corporation Master Trust

The Plan holds certain investments in the Kaydon Master Trust, which was established for the investment of assets of the Plan and several other retirement plans sponsored by Kaydon Corporation. The assets of the Kaydon Master Trust are held by The Northern Trust Company, the trustee. At December 31, 2016 and 2015, the Plan's interest in the net assets of the Kaydon Master Trust was approximately 40 percent and 38 percent, respectively. Investment income and administrative expenses are allocated to each plan on the basis of each plan's proportionate interest in the assets of the Kaydon Master Trust.

The following table presents the fair values of investments for the Kaydon Master Trust as of December 31, 2016 and 2015:

|                                                        | 2016              | 2015                |
|--------------------------------------------------------|-------------------|---------------------|
| Investments at fair value,<br>Common collective trusts | \$ 693,600        | \$ 1,081,138        |
| Accrued interest                                       | 219               | 253                 |
| Total net assets                                       | <u>\$ 693,819</u> | <u>\$ 1,081,391</u> |

Investment income (loss) for the Kaydon Master Trust for the years ended December 31, 2016 and 2015 is as follows:

|                                                                 | 2016            | 2015                |
|-----------------------------------------------------------------|-----------------|---------------------|
| Net appreciation (depreciation) in fair value of<br>investments | \$ 124          | \$ (159,974)        |
| Interest                                                        | 1,602           | 7,862               |
| Total net investment income (loss)                              | <u>\$ 1,726</u> | <u>\$ (152,112)</u> |

The change in net assets of the Kaydon Master Trust during the year is as follows:

|                          | 2016              | 2015                |
|--------------------------|-------------------|---------------------|
| Investment income (loss) | \$ 1,726          | \$ (152,112)        |
| Benefit payments         | (7,389,544)       | (7,264,962)         |
| Transfer in (out)        | 7,000,246         | (150,724,697)       |
| Administrative expenses  | -                 | (48,169)            |
| Decrease in net assets   | (387,572)         | (158,189,940)       |
| Net assets:              |                   |                     |
| Beginning of year        | <u>1,081,391</u>  | <u>159,271,331</u>  |
| End of year              | <u>\$ 693,819</u> | <u>\$ 1,081,391</u> |

## Kaydon Corporation Retirement Plan

Notes to Financial Statements  
December 31, 2016 and 2015

There were no investments at fair value within the fair value hierarchy as of December 31, 2016 and 2015. In accordance with Subtopic 820-10, certain investments that were measured at net asset value ("NAV") per share (or its equivalent) as of December 31, 2016 and 2015 are as follows:

|                             | <u>2016</u>       | <u>2015</u>         |
|-----------------------------|-------------------|---------------------|
| Investments measured at NAV | <u>\$ 693,600</u> | <u>\$ 1,081,138</u> |

#### 4. Interest in the SKF Master Trust

The Plan has a 10 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             |
| Investments, at fair value       | 831,271,099           | 740,755,151           |
| Pending sales and purchases, net | 2,450,217             | 1,918,219             |
| Cash                             | 2,624,808             | 525,015               |
| Total net assets                 | <u>\$ 836,346,124</u> | <u>\$ 743,198,385</u> |

## Kaydon Corporation Retirement Plan

Notes to Financial Statements  
December 31, 2016 and 2015

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:

|                                               | <b>2016</b>          | <b>2015</b>            |
|-----------------------------------------------|----------------------|------------------------|
| 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                | (933,989)            | 1,578,019              |
| Net appreciation (depreciation) in fair value | <u>\$ 37,140,144</u> | <u>\$ (11,049,075)</u> |

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

|                                                              | <b>2016</b>           | <b>2015</b>           |
|--------------------------------------------------------------|-----------------------|-----------------------|
| 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> |

# Kaydon Corporation Retirement Plan

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:

| <b>Master Trust Assets at Fair Value as of December 31, 2016</b> |                       |                       |                      |                       |
|------------------------------------------------------------------|-----------------------|-----------------------|----------------------|-----------------------|
|                                                                  | <b>Level 1</b>        | <b>Level 2</b>        | <b>Level 3</b>       | <b>Total</b>          |
| 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> |
| <b>Master Trust Assets at Fair Value as of December 31, 2015</b> |                       |                       |                      |                       |
| 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.

## Kaydon Corporation Retirement Plan

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:

|                                                                                          | <b>Fair Value Measurements at Reporting Date Using<br/>Significant Unobservable Inputs (Level 3)</b> |                    |               |
|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------|---------------|
|                                                                                          | <b>Private<br/>Equity</b>                                                                            | <b>Real Estate</b> | <b>Total</b>  |
| Balance, at December 31, 2014                                                            | \$ 20,577,037                                                                                        | \$ 5,870,000       | \$ 26,447,037 |
| Unrealized gains (losses) relating to<br>instruments still held at the reporting<br>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<br>instruments still held at the reporting<br>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                                                            | \$ 13,036,007                                                                                        | \$ 7,422,308       | \$ 20,458,315 |

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.

### 5. 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.

## Kaydon Corporation Retirement Plan

---

Notes to Financial Statements  
December 31, 2016 and 2015

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

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

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

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair 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 are valued at the quoted NAV of shares held 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 Trusts 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 Trusts are deemed to be actively traded.

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

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.

## Kaydon Corporation Retirement Plan

Notes to Financial Statements  
December 31, 2016 and 2015

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.

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.

### 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%<br>5 - 45% |

# Kaydon Corporation Retirement Plan

Notes to Financial Statements  
December 31, 2016 and 2015

| December 31, 2015 |              |                                     |                                                 |                    |
|-------------------|--------------|-------------------------------------|-------------------------------------------------|--------------------|
| Instrument        | Fair Value   | Principal Valuation Techniques      | Unobservable Inputs                             | Ranges             |
| 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%<br>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                      |  |
| Northern Trust Collective Short Term Investment Fund             | 693,600       | -                    | Daily                                        | None                     |  |
|                                                                  | 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                  |  |
| Northern Trust Collective Short Term Investment Fund             | 1,081,138     | -                    | Daily                                        | None                     |  |

## Kaydon Corporation Retirement Plan

---

Notes to Financial Statements  
December 31, 2016 and 2015

### 6. Funding Policy

The Plan's funding policy is for the Company to contribute an amount which will meet or exceed the annual ERISA minimum funding requirement. No participant contributions are permitted. The minimum funding requirements of ERISA were met for 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.

### 7. 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:

- a) 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.
- b) Other vested benefits insured by the Pension Benefit Guaranty Corporation ("PBGC") (a U.S. government agency) up to the applicable limitations (discussed subsequently).
- c) All other vested benefits (that is, vested benefits not insured by PBGC).
- d) 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, a statutory ceiling exists, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees.

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.

## Kaydon Corporation Retirement Plan

---

Notes to Financial Statements  
December 31, 2016 and 2015

### 8. Related Party and Party In Interest Transactions

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

The market value of the properties directly owned by the SKF Master Trust has been determined by periodic independent appraisals as disclosed in Note 5.

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 The Northern Trust Company, the trustees of the Plan. Contributions are held and managed by The Bank of New York Mellon/BNY Mellon N.A. and The Northern 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 BNY Mellon N.A. and The Northern 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.

### 9. Tax Status

The Internal Revenue Service ("IRS") has determined and informed the Company by a letter dated July 13, 2012, that the Plan and related trust are 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 and the related trust is tax exempt. Subsequent to year-end, the Plan received a favorable determination letter from the IRS dated February 16, 2017.

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.

## Kaydon Corporation Retirement Plan

---

Notes to Financial Statements  
December 31, 2016 and 2015

### 10. Risks and Uncertainties

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.

In addition, the Plan's interest in the Master Trusts consists of 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.

The Kaydon Master Trust as of December 31, 2016 and 2015 had investments of \$693,600 and \$1,081,138, respectively, which were concentrated in one fund.

The SKF Master Trust as of December 31, 2016 and 2015 had investments of \$98,942,033 and \$90,457,327, respectively, which were concentrated in one fund.

### 11. 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 The Northern Trust Company, the trustees of the Plan have certified to the completeness and accuracy of all investments reported in the accompanying Statement of Net Assets Available for Benefits as of December 31, 2016 and 2015 and the related investment activity reported in the Statement of Changes in Net Assets Available for Benefits for the years ended December 31, 2016 and 2015.

# Kaydon Corporation Retirement Plan

EIN / PN: 13-3186040 / 001

## Schedule SB, Part V – Summary of Plan Provisions

### Salaried

#### Effective date

The effective dates of adoption of the Kaydon Corporation Retirement Plan are as follows:

|                   |                   |
|-------------------|-------------------|
| Baltimore Plant   | July 1, 1986      |
| Bearings Division | July 1, 1971      |
| Greenville Plant  | January 1, 1969   |
| LaGrange Plant    | January 1, 1969   |
| Cooper Bearing    | December 20, 1992 |

#### Participation

January 1<sup>st</sup> following date of employment. Participation was closed as of March 15, 2009.

#### Normal retirement

##### Eligibility

Age 65.

##### Benefit

Monthly benefit for life equal to one-twelfth of the sum of (a) and (b):

(a) The larger of

- (i) 1% of average compensation plus 0.58% of average compensation in excess of covered compensation, multiplied by years of service (to a maximum of 30 years).
- (ii) Frozen benefit on January 31, 1995, equal to 30% of average compensation amount (reduced by one twenty-fifth ( $1/25^{\text{th}}$ ) for each year of service less than 25 years).

(b) The prior plan benefit.

The accrued benefit for any participant will not be less than the benefit that had accrued as of December 31, 1991, based on the prior plan formula.

#### Early retirement

##### Eligibility

Age 55 with 10 years of service.

##### Benefit

If benefit (a)(i) applies, the benefit accrued on average compensation, covered compensation, and years of service as of the actual retirement date. If benefit (a)(ii) applies, the normal retirement benefit that would have accrued if active service had continued to normal retirement date, multiplied by the ratio of service to termination to the service that would have existed at normal retirement.

The benefit is reduced if payments start prior to age 65. The reductions are 5/12% for each month before age 65.

**Kaydon Corporation Retirement Plan**  
**EIN / PN: 13-3186040 / 001**

**Schedule SB, Part V – Summary of Plan Provisions (continued)**

**Salaried (continued)**

The prior plan benefit is reduced by 5/9% for each of the first 60 months and 5/18% for each of the next 60 months. Prior plan benefits set forth in Appendix “A” of the plan document are unreduced if the participant is age 60 and has completed 30 years of service.

**Disability retirement**

**Eligibility**

Ten years of service.

**Benefit**

Normal retirement benefit based on service participant would have completed had employment continued to normal retirement and compensation at time of disability. The benefit shall commence at the later of age 65 or following the last payment from the long term disability plan.

**Deferred vested**

**Eligibility**

Five years of service except for Cooper Bearing employees employed prior to December 20, 1992, who are eligible after two years of service.

**Benefit**

Same as early retirement benefit except for Cooper Bearing employees employed prior to December 20, 1992, who have the following vested percentages multiplied by the same early retirement benefit:

| Years of Service  | Vested Percentage |
|-------------------|-------------------|
| Less than 2 years | 0%                |
| 2                 | 20%               |
| 3                 | 40%               |
| 4                 | 60%               |
| 5                 | 100%              |

**Preretirement surviving spouse benefit**

**Eligibility**

Eligible for a vested benefit.

**Benefit**

Upon the death of a participant eligible for a vested benefit, a monthly benefit is payable for the surviving spouse’s lifetime. The amount of the benefit is equal to the participant’s accrued benefit reduced for the form of payment and for early commencement if benefits are not deferred.

**Normal form of payment**

**Single participant**

Life annuity.

# Kaydon Corporation Retirement Plan

EIN / PN: 13-3186040 / 001

## Schedule SB, Part V – Summary of Plan Provisions (continued)

### Salaried (continued)

#### Married Participant

50% joint and survivor annuity. This benefit is the actuarial equivalent of the benefit payable as a life annuity.

### Optional forms of payment

- 10-year certain and life
- 100% joint and survivor
- 75% joint and survivor
- 66 2/3% joint and survivor
- Lump sum under \$10,000

### Maximum benefit

Amounts as specified in IRC section 415, as amended by the Tax Reform Act of 1986, for a defined benefit plan.

### Source of funds

The company pays the entire cost of the plan.

### Definitions

#### Year of service

A plan year during which a participant completes one thousand hours of service. In year of hire or termination a partial year of service will be credited. The employee will receive 1/12 of a year of service for each month an hour of service is credited.

#### Compensation

Total cash compensation paid to an employee for services rendered plus the employee's incentive earnings.

#### Average compensation

Average compensation for the three highest consecutive calendar years during the 10 most recent calendar years.

#### Prior plan benefit

For certain highly compensated employees the benefit accrued as of December 31, 1988. For Cooper Bearing employees the benefit accrued as of December 19, 1992, under the Cooper Bearing Company Pension Plan. For all other employees the benefit accrued under the plan as of December 31, 1991.

#### Covered compensation

A year of birth table that is updated annually. The table is based on the 35-year average of Social Security wage bases, ending in the year that the participant attains (or will attain) Social Security retirement age.

#### Actuarial Equivalence

For lump sum purposes, mortality and interest rates as set in 417(e). For all other purposes, 1983 GAM weighted 75% male and 7.5% interest.

# Kaydon Corporation Retirement Plan

EIN / PN: 13-3186040 / 001

## Schedule SB, Part V – Summary of Plan Provisions (continued)

### Greeneville (Currently No Active Participants)

#### Effective date

The effective date of adoption is February 3, 1972.

#### Participation

All employees who are members of the United Steelworkers of America AFL-CIO, Local Union No. 6884 participate in the plan.

#### Normal retirement

##### Eligibility

Age 65.

##### Benefit

\$27.00 per month multiplied by years of credited service (effective January 1, 2008). Prior benefit multipliers included \$22.00 effective January 1, 2001, \$23.00 effective January 1, 2002, \$24.00 effective January 1, 2003, \$25.00 effective January 1, 2004, and \$26.00 effective January 1, 2007.

#### Early retirement

##### Eligibility

Age 55 with 10 years of service.

##### Benefit

The normal retirement benefit based on service to date of retirement, but reduced 5/9 of 1% for the first 60 months and 5/18 of 1% for the next 60 months in which payments begin prior to age 65.

#### Total and permanent disability retirement

##### Eligibility

Age 40 with 10 years of service.

##### Benefit

Normal retirement benefit based on service to date of disability. Benefits commence after five months of disability.

#### Deferred vested

##### Eligibility

Five years of service.

##### Benefit

The accrued normal retirement benefit payable at age 65. Benefits may commence early with 10 years of service. Benefits are reduced for early commencement in the same manner as for early retirement.

## Kaydon Corporation Retirement Plan

EIN / PN: 13-3186040 / 001

### Schedule SB, Part V – Summary of Plan Provisions (continued)

#### Greeneville (Currently No Active Participants) (continued)

##### Pre-retirement surviving spouse benefit

###### Eligibility

Eligible for a vested benefit.

###### Benefit

###### Early retirement eligible

50% of the benefit the participant was entitled to receive under the early retirement provisions had he retired the day before his death and elected payment in the form of a 50% joint and survivor benefit. This benefit is payable for the life of the spouse.

###### Not early retirement eligible

50% of the benefit to which the participant was entitled under the plan provisions had the participant terminated employment on the date of death, survived to his earliest retirement age, and elected a postretirement joint and survivor annuity. This benefit is payable for the remaining lifetime of the spouse, beginning when the participant would have been eligible to retire early.

##### Definitions

###### Credited Service

Credited service is determined as follows:

| Hours Credited | Credited Service |
|----------------|------------------|
| 0 - 159        | 0.0              |
| 160 – 319      | 0.1              |
| 320 – 479      | 0.2              |
| 480 – 639      | 0.3              |
| 640 – 799      | 0.4              |
| 800 – 959      | 0.5              |
| 960 – 1,119    | 0.6              |
| 1,120 – 1,279  | 0.7              |
| 1,280 – 1,439  | 0.8              |
| 1,440 – 1,599  | 0.9              |
| 1,600 or more  | 1.0              |

###### Vesting Service

One year of vesting service is credited for each year a participant completes 1,000 or more hours of service.

## Kaydon Corporation Retirement Plan

EIN / PN: 13-3186040 / 001

### Schedule SB, Part V – Summary of Plan Provisions (continued)

#### Greeneville (Currently No Active Participants) (continued)

##### Normal form of payment

Single participant

Life annuity.

Married Participant

50% joint and survivor annuity. This benefit is the actuarial equivalent of the benefit payable as a life annuity.

##### Optional forms of payment

10-year certain and life

100% joint and survivor

75% joint and survivor

66 2/3% joint and survivor

Lump sum under \$10,000

##### Actuarial Equivalence

For lump sum purposes, the mortality table and interest rates as set in 417(e). For all other purposes, 1983 GAM, weighted 75% male and 7.5% interest.

#### Summary of Changes from the January 1, 2015 Valuation

None.

|                            |                                    |             |            |
|----------------------------|------------------------------------|-------------|------------|
| <b>Plan Name</b>           | Kaydon Corporation Retirement Plan | <b>EIN:</b> | 13-3186040 |
| <b>Plan Sponsor's Name</b> | Kaydon Corporation                 | <b>PN:</b>  | 001        |

[illegible]

## Kaydon Corporation Retirement Plan

EIN / PN: 13-3186040 / 001

### Schedule SB, Line 26 – Schedule of Active Participant Data

#### Distribution of Active Participants as of January 1, 2016 – Age by Service

| Age      | Years of Service |     |     |       |       |       |       |       |       |     | Total |
|----------|------------------|-----|-----|-------|-------|-------|-------|-------|-------|-----|-------|
|          | <1               | 1-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30-34 | 35-39 | 40+ |       |
| Under 25 | 0                | 0   | 0   | 0     | 0     | 0     | 0     | 0     | 0     | 0   | 0     |
| 25-29    | 0                | 0   | 0   | 0     | 0     | 0     | 0     | 0     | 0     | 0   | 0     |
| 30-34    | 0                | 0   | 7   | 5     | 0     | 0     | 0     | 0     | 0     | 0   | 12    |
| 35-39    | 0                | 0   | 14  | 7     | 7     | 1     | 0     | 0     | 0     | 0   | 29    |
| 40-44    | 0                | 0   | 8   | 2     | 8     | 3     | 0     | 0     | 0     | 0   | 21    |
| 45-49    | 0                | 0   | 9   | 8     | 15    | 8     | 3     | 1     | 0     | 0   | 44    |
| 50-54    | 0                | 0   | 16  | 8     | 9     | 10    | 9     | 8     | 0     | 0   | 60    |
| 55-59    | 1                | 0   | 15  | 1     | 12    | 10    | 2     | 10    | 15    | 1   | 67    |
| 60-64    | 0                | 0   | 6   | 5     | 7     | 6     | 3     | 2     | 8     | 1   | 38    |
| 65-69    | 0                | 0   | 0   | 1     | 1     | 0     | 2     | 0     | 2     | 1   | 7     |
| 70+      | 0                | 0   | 0   | 0     | 0     | 0     | 0     | 0     | 0     | 0   | 0     |
| TOTAL    | 1                | 0   | 75  | 37    | 59    | 38    | 19    | 21    | 25    | 3   | 278   |

## Kaydon Corporation Retirement Plan

EIN / PN: 13-3186040 / 001

### Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

#### Prescribed Funding Assumptions and Methods

The following assumptions and methods are prescribed by ERISA.

##### Funding interest rates

For 2016 Plan Year: Segment Rates with no lookback, constrained in accordance with relevant legislation as follows:

|                     | Unconstrained Rates* | Rates Reflecting Corridor** |
|---------------------|----------------------|-----------------------------|
| First Segment Rate  | 1.41%                | 4.43%                       |
| Second Segment Rate | 3.96%                | 5.91%                       |
| Third Segment Rate  | 4.97%                | 6.65%                       |

Effective Interest Rate

Based on constrained rates 6.13%

For 2015 Plan Year: Segment Rates with no lookback, constrained in accordance with relevant legislation as follows:

|                     | Unconstrained Rates* | Rates Reflecting Corridor** |
|---------------------|----------------------|-----------------------------|
| First Segment Rate  | 1.22%                | 4.72%                       |
| Second Segment Rate | 4.11%                | 6.11%                       |
| Third Segment Rate  | 5.20%                | 6.81%                       |

Effective Interest Rate

Based on constrained rates 6.32%

\* Used for maximum tax-deduction and for 2014 PBGC premium purposes

\*\* 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.

# Kaydon Corporation Retirement Plan

EIN / PN: 13-3186040 / 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 2014, 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

Salary merit increases:

| Age     | Rate  |
|---------|-------|
| 15 - 24 | 9.00% |
| 25 - 34 | 5.50% |
| 35 - 39 | 5.00% |
| 40 - 44 | 4.50% |
| 45 - 54 | 3.00% |
| 55 +    | 2.50% |

#### Social security wage base increases

Future wage indices are based on a national wage increase of 4.00% per year.

#### Expenses

Expected plan related expenses of \$345,044 were added to the Target Normal Cost.<sup>1</sup>

#### Frequency of optional payment forms

It is assumed that 100% of participants elect to receive a single life annuity. This assumption has never been formally studied, but reflects no inherent bias since the single life annuity is actuarially equivalent to all available optional payment forms.

#### Retirement rates

| Age | Rate   | Age | Rate    |
|-----|--------|-----|---------|
| 55  | 7.50%  | 63  | 25.00%  |
| 56  | 7.50%  | 64  | 25.00%  |
| 57  | 7.50%  | 65  | 40.00%  |
| 58  | 7.50%  | 66  | 40.00%  |
| 59  | 7.50%  | 67  | 40.00%  |
| 60  | 7.50%  | 68  | 40.00%  |
| 61  | 20.00% | 69  | 40.00%  |
| 62  | 40.00% | 70+ | 100.00% |

#### Assumed commencement age for future terminated vested participants

The later of current age or age 62.

# Kaydon Corporation Retirement Plan

EIN / PN: 13-3186040 / 001

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

### Non-Prescribed Funding Assumptions and Methods (continued)

#### Marital percentage

80% of males and 80% of females are assumed to be married with husbands assumed to be three years older than their wives.

#### Withdrawal rates for active participants not eligible for retirement

| Age | Unisex rates | Age | Unisex rates |
|-----|--------------|-----|--------------|
| 15  | 30.00%       | 36  | 11.00%       |
| 16  | 30.00%       | 37  | 10.00%       |
| 17  | 30.00%       | 38  | 10.00%       |
| 18  | 30.00%       | 39  | 10.00%       |
| 19  | 30.00%       | 40  | 10.00%       |
| 20  | 30.00%       | 41  | 10.00%       |
| 21  | 30.00%       | 42  | 10.00%       |
| 22  | 30.00%       | 43  | 10.00%       |
| 23  | 30.00%       | 44  | 10.00%       |
| 24  | 30.00%       | 45  | 10.00%       |
| 25  | 21.00%       | 46  | 10.00%       |
| 26  | 20.00%       | 47  | 10.00%       |
| 27  | 19.00%       | 48  | 10.00%       |
| 28  | 18.00%       | 49  | 10.00%       |
| 29  | 17.00%       | 50  | 10.00%       |
| 30  | 16.00%       | 51  | 10.00%       |
| 31  | 15.00%       | 52  | 10.00%       |
| 32  | 14.00%       | 53  | 10.00%       |
| 33  | 14.00%       | 54  | 10.00%       |
| 34  | 13.00%       | 55+ | 0.00%        |
| 35  | 12.00%       |     |              |

# Kaydon Corporation Retirement Plan

EIN / PN: 13-3186040 / 001

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

### Non-Prescribed Funding Assumptions and Methods (continued)

#### Disability Rates

| Age | Male    | Female  |
|-----|---------|---------|
| <28 | 0.0075% | 0.0075% |
| 28  | 0.0075% | 0.0100% |
| 29  | 0.0075% | 0.0100% |
| 30  | 0.0075% | 0.0100% |
| 31  | 0.0075% | 0.0125% |
| 32  | 0.0075% | 0.0125% |
| 33  | 0.0075% | 0.0150% |
| 34  | 0.0075% | 0.0150% |
| 35  | 0.0100% | 0.0175% |
| 36  | 0.0100% | 0.0200% |
| 37  | 0.0125% | 0.0225% |
| 38  | 0.0150% | 0.0250% |
| 39  | 0.0175% | 0.0300% |
| 40  | 0.0200% | 0.0325% |
| 41  | 0.0225% | 0.0375% |
| 42  | 0.0250% | 0.0425% |
| 43  | 0.0300% | 0.0475% |
| 44  | 0.0350% | 0.0550% |
| 45  | 0.0400% | 0.0600% |
|     |         |         |

| Age | Male    | Female  |
|-----|---------|---------|
| 46  | 0.0450% | 0.0675% |
| 47  | 0.0525% | 0.0750% |
| 48  | 0.0625% | 0.0825% |
| 49  | 0.0700% | 0.0900% |
| 50  | 0.0825% | 0.1000% |
| 51  | 0.0975% | 0.1100% |
| 52  | 0.1150% | 0.1225% |
| 53  | 0.1325% | 0.1350% |
| 54  | 0.1525% | 0.1475% |
| 55  | 0.1725% | 0.1600% |
| 56  | 0.1925% | 0.1725% |
| 57  | 0.2150% | 0.1850% |
| 58  | 0.2375% | 0.2000% |
| 59  | 0.2625% | 0.2125% |
| 60  | 0.2875% | 0.2250% |
| 61  | 0.3150% | 0.2400% |
| 62  | 0.3450% | 0.2525% |
| 63  | 0.3775% | 0.2625% |
| 64  | 0.4100% | 0.2725% |
| 65+ | 0.0000% | 0.0000% |

# Kaydon Corporation Retirement Plan

EIN / PN: 13-3186040 / 001

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

### Non-Prescribed Funding Assumptions and 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 years, 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 | 7.00%                | 6.81%              | 6.81%                |
| 2014 Expected Return | 7.00%                | 6.99%              | 6.99%                |

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.

#### Impact of Prescribed Changes

- The interest 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 \$1,400,000.
- The EA's Expected Return was changed from 7.00% to 7.50% to be consistent with the asset allocation of the pooled trust that plan assets were moved into during 2015.
- The administrative expenses added to the Target Normal Cost changed from \$137,125 to \$345,044 to better reflect anticipated plan experience.

## **Kaydon Corporation Retirement Plan**

**EIN / PN: 13-3186040 / 001**

### **Schedule SB, Line 24 – Change in Non-Prescribed Actuarial Assumptions**

The expense load added to the Target Normal Cost was changed from \$137,125 to \$345,044 to better reflect anticipated plan experience. This change had no impact on the Funding Target.

The EA's Expected Return was changed from 7.00% to 7.50% to be consistent with the asset allocation of the pooled trust that plan assets were moved into during 2015.

# Kaydon Corporation Retirement Plan

EIN / PN: 13-3186040 / 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)<br>Age                                                      | (2)<br>Expected<br>Active<br>Headcount | (3)<br>Retirement<br>Rate | (4)<br>Expected<br>Retirements<br>(2)*(3) | (5)<br>Weighted Age<br>(1)*(4) |
|-----------------------------------------------------------------|----------------------------------------|---------------------------|-------------------------------------------|--------------------------------|
| 55                                                              | 85.9336                                | 0.0692                    | 5.9502                                    | 327.2621                       |
| 56                                                              | 91.6666                                | 0.0693                    | 6.3512                                    | 355.6655                       |
| 57                                                              | 98.9394                                | 0.0697                    | 6.8971                                    | 393.1328                       |
| 58                                                              | 109.5903                               | 0.0682                    | 7.4717                                    | 433.3611                       |
| 59                                                              | 112.5625                               | 0.0710                    | 7.9949                                    | 471.6962                       |
| 60                                                              | 111.9423                               | 0.0723                    | 8.0981                                    | 485.8833                       |
| 61                                                              | 112.1660                               | 0.1912                    | 21.4412                                   | 1,307.9120                     |
| 62                                                              | 101.0001                               | 0.3804                    | 38.4249                                   | 2,382.3417                     |
| 63                                                              | 68.9012                                | 0.2393                    | 16.4894                                   | 1,038.8292                     |
| 64                                                              | 57.8832                                | 0.2373                    | 13.7353                                   | 879.0589                       |
| 65                                                              | 45.6673                                | 0.4000                    | 18.2669                                   | 1,3187.3489                    |
| 66                                                              | 29.2026                                | 0.4000                    | 11.6810                                   | 770.9480                       |
| 67                                                              | 18.3842                                | 0.4000                    | 7.3537                                    | 492.6969                       |
| 68                                                              | 11.9392                                | 0.4000                    | 4.7757                                    | 324.7458                       |
| 69                                                              | 9.1022                                 | 0.4000                    | 3.6409                                    | 251.2213                       |
| 70                                                              | 5.4114                                 | 1.0000                    | <u>5.4114</u>                             | <u>378.8005</u>                |
| <b>Total</b>                                                    |                                        |                           | <b>183.9834</b>                           | <b>11,480.9041</b>             |
| <b>Weighted Average Retirement Age = 11,480.9041 / 183.9834</b> |                                        |                           |                                           | <b>62.40</b>                   |
| <b>Rounded Weighted Average Retirement Age</b>                  |                                        |                           |                                           | <b>62</b>                      |

**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 5500**Department 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**

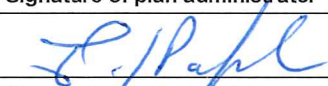
- A** This return/report is for: ☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instr.)
- B** This return/report is: ☒ a single-employer plan ☐ a DFE (specify) \_\_\_\_\_
- ☐ the first return/report ☐ 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

|                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1a</b> Name of plan<br><b>KAYDON CORPORATION RETIREMENT PLAN</b>                                                                                                                                                                                                                                                                                                               | <b>1b</b> Three-digit plan number (PN) ► <b>001</b>                                                                                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                                   | <b>1c</b> Effective date of plan<br><b>01/01/1984</b>                                                                                                                                                  |
| <b>2a</b> Plan sponsor's name (employer, if for a single-employer plan)<br>Mailing address (include room, apt., suite no. and street, or P.O. Box)<br>City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)<br><b>KAYDON CORPORATION</b><br><br><b>2723 SOUTH STATE STREET</b><br><b>SUITE 300</b><br><b>ANN ARBOR MI 48104</b> | <b>2b</b> Employer Identification Number (EIN)<br><b>13-3186040</b><br><b>2c</b> Plan Sponsor's telephone number<br><b>734-680-2000</b><br><b>2d</b> Business code (see instructions)<br><b>332110</b> |

**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.

|                                                                                                      |                 |                                                              |
|------------------------------------------------------------------------------------------------------|-----------------|--------------------------------------------------------------|
| <b>SIGN HERE</b>  | <b>10/13/17</b> | <b>RAYMOND EAMES, DIRECTOR BENEFITS</b>                      |
| Signature of plan administrator                                                                      | Date            | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b>  | <b>10/13/17</b> | <b>Terry J. Papineau Treasurer</b>                           |
| Signature of employer/plan sponsor                                                                   | Date            | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b>                                                                                     |                 |                                                              |
| 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

|                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                  |                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE SB</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration<br/>Pension Benefit Guaranty Corporation</small> | <b>Single-Employer Defined Benefit Plan</b><br><b>Actuarial Information</b><br><br>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).<br><br><b>File as an attachment to Form 5500 or 5500-SF.</b> | OMB No. 1210-0110<br><br><b>2016</b><br><br><b>This Form is Open to Public Inspection</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|

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.

|                                                                                                                                                         |                                                             |     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-----|
| <b>A</b> Name of plan<br>KAYDON CORPORATION RETIREMENT PLAN                                                                                             | <b>B</b> Three-digit plan number (PN) ▶                     | 001 |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF<br>KAYDON CORPORATION                                                          | <b>D</b> Employer Identification Number (EIN)<br>13-3186040 |     |
| <b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B               |                                                             |     |
| <b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500 |                                                             |     |

|                                                                                                                                                                                                          |                            |                           |                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------|--------------------------|
| <b>Part I Basic Information</b>                                                                                                                                                                          |                            |                           |                          |
| <b>1</b> Enter the valuation date:      Month <u>01</u> Day <u>01</u> Year <u>2016</u>                                                                                                                   |                            |                           |                          |
| <b>2</b> Assets:                                                                                                                                                                                         |                            |                           |                          |
| a Market value.....                                                                                                                                                                                      | <b>2a</b>                  | 78,814,392                |                          |
| b Actuarial value .....                                                                                                                                                                                  | <b>2b</b>                  | 81,562,963                |                          |
| <b>3</b> 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 .....                                                                                                                                     | 435                        | 32,051,533                | 32,051,533               |
| b For terminated vested participants .....                                                                                                                                                               | 228                        | 11,594,943                | 11,594,943               |
| c For active participants .....                                                                                                                                                                          | 278                        | 23,067,128                | 23,437,214               |
| d Total .....                                                                                                                                                                                            | 941                        | 66,713,604                | 67,083,690               |
| <b>4</b> If the plan is in at-risk status, check the box and complete lines (a) and (b)..... <input type="checkbox"/>                                                                                    |                            |                           |                          |
| a Funding target disregarding prescribed at-risk assumptions.....                                                                                                                                        | <b>4a</b>                  |                           |                          |
| 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 ..... | <b>4b</b>                  |                           |                          |
| <b>5</b> Effective interest rate .....                                                                                                                                                                   | <b>5</b>                   | 6.13%                     |                          |
| <b>6</b> Target normal cost .....                                                                                                                                                                        | <b>6</b>                   | 1,991,197                 |                          |

**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.

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

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 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------|
| <b>7</b> Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....                                                             | 0                     | 10,139,468             |
| <b>8</b> Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....                                                         | 0                     | 430,509                |
| <b>9</b> Amount remaining (line 7 minus line 8).....                                                                                                                | 0                     | 9,708,959              |
| <b>10</b> Interest on line 9 using prior year's actual return of <u>0.03%</u> .....                                                                                 | 0                     | 2,913                  |
| <b>11</b> Prior year's excess contributions to be added to prefunding balance:                                                                                      |                       |                        |
| <b>a</b> Present value of excess contributions (line 38a from prior year).....                                                                                      |                       | 3,140,838              |
| <b>b(1)</b> 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>6.32%</u> ..... |                       | 192,757                |
| <b>b(2)</b> Interest on line 38b from prior year Schedule SB, using prior year's actual return .....                                                                |                       | 27                     |
| <b>c</b> Total available at beginning of current plan year to add to prefunding balance.....                                                                        |                       | 3,333,622              |
| <b>d</b> Portion of (c) to be added to prefunding balance.....                                                                                                      |                       | 0                      |
| <b>12</b> Other reductions in balances due to elections or deemed elections .....                                                                                   | 0                     | 0                      |
| <b>13</b> Balance at beginning of current year (line 9 + line 10 + line 11d - line 12).....                                                                         | 0                     | 9,711,872              |

**Part III Funding Percentages**

|                                                                                                                                                                            |           |         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------|
| <b>14</b> Funding target attainment percentage .....                                                                                                                       | <b>14</b> | 107.10% |
| <b>15</b> Adjusted funding target attainment percentage.....                                                                                                               | <b>15</b> | 121.58% |
| <b>16</b> Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement ..... | <b>16</b> | 102.56% |
| <b>17</b> If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage. ....                                        | <b>17</b> | %       |

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

| (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
|--------------------------|-----------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|
| 09/07/2017               | 2,934,000                         | 0                               |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
| <b>Totals ▶</b>          |                                   |                                 | <b>18(b)</b>             | 2,934,000                         | <b>18(c)</b> 0                  |

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

|                                                                                                                        |            |           |
|------------------------------------------------------------------------------------------------------------------------|------------|-----------|
| <b>a</b> Contributions allocated toward unpaid minimum required contributions from prior years.....                    | <b>19a</b> | 0         |
| <b>b</b> Contributions made to avoid restrictions adjusted to valuation date .....                                     | <b>19b</b> | 0         |
| <b>c</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date..... | <b>19c</b> | 2,654,872 |

**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**

|                                                                                                                                                                                              |                        |                        |                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|-----------------------------------------------------|
| <b>21</b> Discount rate:                                                                                                                                                                     |                        |                        |                                                     |
| <b>a</b> Segment rates:                                                                                                                                                                      | 1st segment:<br>4.43 % | 2nd segment:<br>5.91 % | 3rd segment:<br>6.65 %                              |
|                                                                                                                                                                                              |                        |                        | <input type="checkbox"/> N/A, full yield curve used |
| <b>b</b> Applicable month (enter code).....                                                                                                                                                  |                        |                        | <b>21b</b> 0                                        |
| <b>22</b> Weighted average retirement age .....                                                                                                                                              |                        |                        | <b>22</b> 62                                        |
| <b>23</b> Mortality table(s) (see instructions) <input type="checkbox"/> Prescribed - combined <input checked="" type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute |                        |                        |                                                     |

**Part VI Miscellaneous Items**

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

**Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years**

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

**Part VIII Minimum Required Contribution For Current Year**

|                                                                                                                                                                                      |                   |                     |               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|---------------------|---------------|
| <b>31</b> Target normal cost and excess assets (see instructions):                                                                                                                   |                   |                     |               |
| <b>a</b> Target normal cost (line 6).....                                                                                                                                            |                   | <b>31a</b>          | 1,991,197     |
| <b>b</b> Excess assets, if applicable, but not greater than line 31a .....                                                                                                           |                   | <b>31b</b>          | 1,991,197     |
| <b>32</b> Amortization installments:                                                                                                                                                 |                   | Outstanding Balance | Installment   |
| <b>a</b> Net shortfall amortization installment.....                                                                                                                                 |                   | 0                   | 0             |
| <b>b</b> Waiver amortization installment .....                                                                                                                                       |                   | 0                   | 0             |
| <b>33</b> 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 ..... |                   | <b>33</b>           |               |
| <b>34</b> Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)....                                                           |                   | <b>34</b>           | 0             |
|                                                                                                                                                                                      | Carryover balance | Prefunding balance  | Total balance |
| <b>35</b> Balances elected for use to offset funding requirement.....                                                                                                                | 0                 | 0                   | 0             |
| <b>36</b> Additional cash requirement (line 34 minus line 35).....                                                                                                                   |                   | <b>36</b>           | 0             |
| <b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....                                                   |                   | <b>37</b>           | 2,654,872     |
| <b>38</b> Present value of excess contributions for current year (see instructions)                                                                                                  |                   |                     |               |
| <b>a</b> Total (excess, if any, of line 37 over line 36) .....                                                                                                                       |                   | <b>38a</b>          | 2,654,872     |
| <b>b</b> Portion included in line 38a attributable to use of prefunding and funding standard carryover balances .....                                                                |                   | <b>38b</b>          | 0             |
| <b>39</b> Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37).....                                                                       |                   | <b>39</b>           | 0             |
| <b>40</b> Unpaid minimum required contributions for all years .....                                                                                                                  |                   | <b>40</b>           | 0             |

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

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