

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2016 This Form is Open to Public Inspection
---	--	---

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

Part II	Basic Plan Information —enter all requested information		
1a	Name of plan <u>LORD CORPORATION ERIE HOURLY EMPLOYEES' SAVINGS PLAN</u>	1b	Three-digit plan number (PN) ▶ <u>004</u>
		1c	Effective date of plan <u>01/01/1985</u>
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>LORD CORPORATION</u> <u>P.O. BOX 8012</u> <u>CARY, NC 27512-8012</u>	2b	Employer Identification Number (EIN) <u>25-0626921</u>
		2c	Plan Sponsor's telephone number <u>919-468-5979</u>
		2d	Business code (see instructions) <u>325500</u>

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/16/2017	DOUGLAS STEIN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number)			Preparer's telephone number

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

Form 5500 (2016)
v. 160205

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN
	3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 372
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).	
a(1) Total number of active participants at the beginning of the plan year.....	6a(1) 324
a(2) Total number of active participants at the end of the plan year	6a(2) 267
b Retired or separated participants receiving benefits.....	6b 59
c Other retired or separated participants entitled to future benefits	6c 27
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 353
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 6
f Total. Add lines 6d and 6e	6f 359
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g 348
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2F 2H 2J 2K 2R 2S 2T 3I	
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	

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

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

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

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

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

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

Receipt Confirmation Code _____

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110
		2016
		This Form is Open to Public Inspection

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

A Name of plan <u>LORD CORPORATION ERIE HOURLY EMPLOYEES' SAVINGS PLAN</u>	B Three-digit plan number (PN) ▶ <u>004</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>LORD CORPORATION</u>	D Employer Identification Number (EIN) <u>25-0626921</u>

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
---------------	---

1 Coverage Information:

(a) Name of insurance carrier
NEW YORK LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
<u>13-5582869</u>	<u>66915</u>	<u>GA31562</u>		<u>01/01/2016</u>	<u>12/31/2016</u>

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	
5 Current value of plan's interest under this contract in separate accounts at year end.....	5	3423461

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier**6b****c** Premiums due but unpaid at the end of the year**6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount**6d**

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
 (3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
 (3) ☐ guaranteed investment (4) ☐ other ▶

b Balance at the end of the previous year**7b****c** Additions: (1) Contributions deposited during the year**7c(1)**

(2) Dividends and credits.....

7c(2)

(3) Interest credited during the year.....

7c(3)

(4) Transferred from separate account

7c(4)

(5) Other (specify below)

7c(5)

▶

(6) Total additions

7c(6)

0

d Total of balance and additions (add lines **7b** and **7c(6)**)**7d**

0

e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year

7e(1)

(2) Administration charge made by carrier.....

7e(2)

(3) Transferred to separate account

7e(3)

(4) Other (specify below)

7e(4)

▶

(5) Total deductions

7e(5)

0

f Balance at the end of the current year (subtract line **7e(5)** from line **7d**).....**7f**

0

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received	9a(1)		
(2) Increase (decrease) in amount due but unpaid	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3))		9a(4)	0
b Benefit charges (1) Claims paid	9b(1)		
(2) Increase (decrease) in claim reserves	9b(2)		
(3) Incurred claims (add (1) and (2))		9b(3)	0
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention		9c(1)(H)	0
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).)		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount. Specify nature of costs.	10b	

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

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

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

A Name of plan LORD CORPORATION ERIE HOURLY EMPLOYEES' SAVINGS PLAN	B Three-digit plan number (PN) ▶ 004
C Plan sponsor's name as shown on line 2a of Form 5500 LORD CORPORATION	D Employer Identification Number (EIN) 25-0626921

Part I	Service Provider Information (see instructions)
--------	---

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a

Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).....

☐ Yes ☒ No
- b

If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

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

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

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

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

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

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

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

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

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

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

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
37 50 60 64 65 71	NONE	13919	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

LORD CORPORATION

25-0626921

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
16 50 99	NONE	12433	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

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

A Name of plan <u>LORD CORPORATION ERIE HOURLY EMPLOYEES' SAVINGS PLAN</u>	B Three-digit plan number (PN) ►	<u>004</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>LORD CORPORATION</u>	D Employer Identification Number (EIN) <u>25-0626921</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: <u>SALARIED/HOURLY/EXE EMPLOYEES SVGS</u>		
b Name of sponsor of entity listed in (a): <u>LORD CORPORATION</u>		
c EIN-PN <u>25-0626921-020</u>	d Entity code <u>M</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>10229249</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PSA NO. 25 STABLE VALUE ACCOUNT</u>		
b Name of sponsor of entity listed in (a): <u>NEW YORK LIFE INSURANCE COMPANY</u>		
c EIN-PN <u>13-5582869-125</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>3423461</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SMARTRETIREMENT PASSIVE BLEND 2015</u>		
b Name of sponsor of entity listed in (a): <u>JPMORGAN CHASE BANK, N.A.</u>		
c EIN-PN <u>26-1164981-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>1676840</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SMARTRETIREMENT PASSIVE BLEND 2020</u>		
b Name of sponsor of entity listed in (a): <u>JPMORGAN CHASE BANK, N.A.</u>		
c EIN-PN <u>26-1165037-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>3093169</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SMARTRETIREMENT PASSIVE BLEND 2025</u>		
b Name of sponsor of entity listed in (a): <u>JPMORGAN CHASE BANK, N.A.</u>		
c EIN-PN <u>26-1165154-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>2123772</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SMARTRETIREMENT PASSIVE BLEND 2030</u>		
b Name of sponsor of entity listed in (a): <u>JPMORGAN CHASE BANK, N.A.</u>		
c EIN-PN <u>26-1165198-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>515379</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SMARTRETIREMENT PASSIVE BLEND 2035</u>		
b Name of sponsor of entity listed in (a): <u>JPMORGAN CHASE BANK, N.A.</u>		
c EIN-PN <u>26-1165348-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>528644</u>

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

a Name of MTIA, CCT, PSA, or 103-12 IE: SMARTRETIREMENT PASSIVE BLEND 2040**b** Name of sponsor of entity listed in (a): JPMORGAN CHASE BANK, N.A.

c EIN-PN 26-1165392-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 926450
--------------------------------	------------------------	--

a Name of MTIA, CCT, PSA, or 103-12 IE: SMARTRETIREMENT PASSIVE BLEND 2045**b** Name of sponsor of entity listed in (a): JPMORGAN CHASE BANK, N.A.

c EIN-PN 26-1165449-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 325274
--------------------------------	------------------------	--

a Name of MTIA, CCT, PSA, or 103-12 IE: SMARTRETIREMENT PASSIVE BLEND 2050**b** Name of sponsor of entity listed in (a): JPMORGAN CHASE BANK, N.A.

c EIN-PN 26-1165477-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 279897
--------------------------------	------------------------	--

a Name of MTIA, CCT, PSA, or 103-12 IE: SMARTRETIREMENT PASSIVE BLEND 2055**b** Name of sponsor of entity listed in (a): JPMORGAN CHASE BANK, N.A.

c EIN-PN 45-5590883-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 131038
--------------------------------	------------------------	--

a Name of MTIA, CCT, PSA, or 103-12 IE: SMARTRETIREMENT PASSIVE BLND INCOME**b** Name of sponsor of entity listed in (a): JPMORGAN CHASE BANK, N.A.

c EIN-PN 26-1164871-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 612263
--------------------------------	------------------------	--

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

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

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

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

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

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

For calendar plan year 2016 or fiscal plan year beginning <u>01/01/2016</u> and ending <u>12/31/2016</u>		
A Name of plan <u>LORD CORPORATION ERIE HOURLY EMPLOYEES' SAVINGS PLAN</u>	B Three-digit plan number (PN) ►	<u>004</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>LORD CORPORATION</u>	D Employer Identification Number (EIN) <u>25-0626921</u>	

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

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	165123	352913
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	14611	9043
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)	1249617	1310390
(9) Value of interest in common/collective trusts	1c(9)	9340153	10212726
(10) Value of interest in pooled separate accounts	1c(10)	4051880	3423461
(11) Value of interest in master trust investment accounts	1c(11)	11030087	10229249
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	14826022	11735647
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)	2152459	2022052

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	42829952	39295481

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	42829952	39295481
---	-----------	----------	----------

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	499947	
(B) Participants	2a(1)(B)	1347865	
(C) Others (including rollovers)	2a(1)(C)	190088	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		2037900
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	8	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	75017	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		75025
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	526382	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		526382
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		783719
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		93710
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		1834300
(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)		565493
c Other income.....	2c		8642
d Total income. Add all income amounts in column (b) and enter total.....	2d		5925171

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

(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	9369498	
(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)		9369498
f Corrective distributions (see instructions)	2f		7410
g Certain deemed distributions of participant loans (see instructions)	2g		178
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)	20776	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		20776
j Total expenses. Add all expense amounts in column (b) and enter total	2j		9397862

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-3472691
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		61780

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: ERNST & YOUNG LLP

(2) EIN: 34-6565596

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

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

Part IV Compliance Questions

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

During the plan year:

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

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

	Yes	No	Amount
4a		X	
4b		X	

		Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e Was this plan covered by a fidelity bond?	4e	X		5000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			
o Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service?	4o			

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

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

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)
LORD CORPORATION SALARIED EXEMPT EMPLOYEES' SAVINGS AND RETIREMENT PLAN	25-0626921	005

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

Part V Trust Information

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

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

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

A Name of plan <u>LORD CORPORATION ERIE HOURLY EMPLOYEES' SAVINGS PLAN</u>	B Three-digit plan number (PN) ▶ <u>004</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>LORD CORPORATION</u>	D Employer Identification Number (EIN) <u>25-0626921</u>

Part I	Distributions
---------------	----------------------

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>04-6568107</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
----------------	---

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

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

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

Schedule R (Form 5500) 2016
v. 160205

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

Part VI	Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans
----------------	---

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

Part VII	IRS Compliance Questions
-----------------	---------------------------------

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

AUDITED FINANCIAL STATEMENTS

LORD Corporation

Erie Hourly Employees' Savings Plan

Years Ended December 31, 2016 and 2015

With Report of Independent Auditors

LORD Corporation
Erie Hourly Employees' Savings Plan
Audited Financial Statements and Supplemental Schedule
December 31, 2016 and 2015 and Year Ended December 31, 2016

Contents

Report of Independent Auditors	1
Audited Financial Statements	
Statements of Net Assets Available for Benefits.....	3
Statement of Changes in Net Assets Available for Benefits	4
Notes to Financial Statements	5
Supplemental Schedule	
Schedule H, Line 4i – Schedule of Assets (Held at End of Year)	19

Report of Independent Auditors

Investments and Benefits Committee
LORD Corporation

We have audited the accompanying financial statements of LORD Corporation Erie Hourly Employees' Savings Plan, which comprise the statements 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 year ended December 31, 2016, 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 conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of LORD Corporation Erie Hourly Employees' Plan at December 31, 2016 and 2015, and the changes in its net assets available for benefits for the year ended December 31, 2016, in conformity with U.S. generally accepted accounting principles.

Supplemental Schedule

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2016, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Ernst & Young LLP

October 16, 2017

LORD Corporation
Erie Hourly Employees' Savings Plan
Statements of Net Assets Available for Benefits

	December 31	
	2016	2015
Assets		
Investments:		
Investments at fair value	\$ 27,402,929	\$ 30,385,125
Plan interest in LORD Corporation		
Master Savings Trust	10,229,249	11,030,087
Total investments	37,632,178	41,415,212
Receivables:		
Employer contributions	352,913	165,123
Notes receivable from participants	1,310,570	1,249,617
Total receivables	1,663,483	1,414,740
Total assets	39,295,661	42,829,952
Net assets available for benefits	\$ 39,295,661	\$ 42,829,952

See accompanying notes.

LORD Corporation
Erie Hourly Employees' Savings Plan
Statement of Changes in Net Assets Available for Benefits

	Year Ended December 31, 2016
Additions	
Investment income:	
Net appreciation in fair value of investments	\$ 1,277,766
Plan interest in net investment activity of LORD Corporation Master Savings Trust	1,834,300
Interest and dividends	693,331
	<u>3,805,397</u>
 Interest income on notes receivable from participants	 75,019
 Contributions:	
Participants	1,340,455
Employer	499,947
Rollovers	190,088
	<u>2,030,490</u>
 Total additions	 5,910,906
 Deductions	
Benefits paid to participants	9,369,498
Administrative expenses	13,919
Total deductions	<u>9,383,417</u>
 Net decrease prior to transfers	 (3,472,511)
 Transfers to LORD Corporation Plans	 (61,780)
Net decrease	<u>(3,534,291)</u>
 Net assets available for benefits:	
Beginning of year	42,829,952
End of year	<u>\$ 39,295,661</u>

See accompanying notes.

LORD Corporation
Erie Hourly Employees' Savings Plan
Notes to Financial Statements
December 31, 2016

1. Description of Plan

The following description of the LORD Corporation Erie Hourly Employees' Savings Plan (the Plan) provides general information about the Plan's provisions. LORD Corporation (LORD, Employer, or the Company) is the Plan sponsor. Participants should refer to the Plan document and summary plan description for a more complete description of the Plan's provisions, copies of which may be obtained from the Plan sponsor.

General

The Plan is a defined contribution plan that is designed to provide an incentive for eligible employees to save for retirement by deferring a basic employee contribution and acquiring matching contributions from LORD under the conditions and limitations set forth in the Plan document. Eligible participants are automatically enrolled in the Plan upon hire unless they affirmatively decline to participate.

Fidelity Management Trust Company is the trustee and recordkeeper for the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Participant Contributions

Each year, participants may contribute up to 25% of pretax annual compensation, as defined in the Plan. Participants may also contribute amounts representing distributions from other qualified plans (rollover contributions). If automatically enrolled, a participant's deferral is set at 5% of eligible compensation until changed by the participant. Participants who have attained age 50 before the end of the year are eligible to make catch-up contributions. All contributions are subject to certain limitations of the Internal Revenue Code (the Code). Effective January 1, 2016, participants may contribute up to 50% of pretax annual compensation, subject to Internal Revenue Service (IRS) limitations.

Company Matching Contributions

The Company makes matching contributions, which aggregated with the Employer's share of forfeitures, shall equal 40% of the first 5% of compensation contributed to the Plan in the form of basic employee contributions for each participant, determined on the basis of each pay period, for the relevant six month period. This match is referred to as the Initial Match. The matching contribution percentage may be increased above 40% at the discretion of the Plan Sponsor. This discretionary match, if any, is referred to as the Supplemental Match. Matching contributions, other than deemed made from Employer securities held in trust from terminated members, are made in Employer securities.

LORD Corporation
Erie Hourly Employees' Savings Plan
Notes to Financial Statements (continued)

1. Description of Plan (continued)

Investment of Participant Contributions

Participants direct their elective contributions into one or more investment options administered by Fidelity Institutional Retirement Services Company, a qualified investment manager. Additionally, participants can choose to invest outside of these selected funds through the Fidelity BrokerageLink Account, which is a brokerage account for retirement portfolios. Participants can change their future contribution amounts or investment options on a daily basis. Participants who are automatically enrolled have their contributions invested in the applicable designated target fund based on their age until they change their election.

Conversion Out of LORD Corporation Stock

Fully vested employees can cash out a portion of their LORD stock and invest in any of the investment options offered by the Plan. This conversion option is permitted semi-annually, in April and September. Stock may be converted in amounts up to 20% of the total shares owned. Whenever the shares of Employer stock held are equal to \$5,000 or less, only 100% of such shares can be liquidated. LORD stock held in an account of a terminated employee follows mandatory liquidation procedures, not to extend beyond a five-year period.

Participant Accounts

Each participant's account is credited with the participant's contributions and allocations of the Company's matching contributions and Plan earnings, and is charged with an allocation of administrative expenses. Plan earnings are allocated based on the participant's share of net earnings or losses of their respective elected investment options. Allocations of administrative expenses are based on the participant's account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon; and become 100% vested in the value of their Company matching contributions in the event of death, disability, or upon attaining age 65 or the early retirement date. Otherwise, vesting in the Company's matching contributions are determined on the basis of 20% for each full year of employment. A participant is 100% vested after five years of credited service.

Forfeitures

Upon termination of employment, participants forfeit their non-vested balances. If a participant is rehired within a five-year period, the forfeited contributions are reinstated if the participant repays to the Plan the entire amount which was distributed following their termination. Forfeited balances of terminated participants' non-vested accounts are used to reduce future Company matching contributions first, with remaining forfeitures, if any, used to reduce Plan expenses. Unallocated forfeited balances as of December 31, 2016 and 2015 were \$36,118 and \$29,802, respectively, and forfeitures used to reduce Company contributions for 2016 were \$3,489.

LORD Corporation
Erie Hourly Employees' Savings Plan
Notes to Financial Statements (continued)

1. Description of Plan (continued)

Participant Loans

Participants may borrow from their basic contribution and rollover accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. Loan terms may not exceed five years. A participant may not have more than two loans outstanding at any point in time. The loans are secured by the balance in the participant's account and bear interest at rates ranging from 6.25% to 6.5%, which is commensurate with local prevailing rates in effect on the loan origination date. Principal and interest is paid ratably through payroll deductions or direct payments. If the loan is not repaid, it will automatically be treated as a taxable distribution to the participant.

Payment of Benefits

Upon retirement, disability, or death, a participant whose vested account balance exceeds \$1,000 may elect to roll the balance over to an eligible retirement plan or receive cash installments, in a lump sum or as a partial payout with the remainder payable in cash installments. If the employee terminates employment for any reason other than retirement, disability, or death, the participant may receive a rollover to an eligible retirement plan or a lump sum distribution equal to their vested account balance. A participant whose vested account balance is \$1,000 or less and has not commenced receiving installment payments will automatically receive an immediate lump-sum distribution equal to their vested account balance.

If a participant's vested accrued benefit exceeds \$1,000 but does not exceed \$5,000, this benefit is payable to the participant prior to his/her normal retirement date without his/her consent. If the participant does not elect to have this benefit rolled over to an eligible retirement plan or paid directly to themselves, the Plan administrator will direct an automatic rollover to an individual retirement plan designated by the Plan administrator in accordance with IRC §7701(a)(37).

In-service withdrawals are available in certain limited circumstances, as defined by the Plan. At any time after the employee attains age 59½, a participant may make a partial or full withdrawal of vested amounts in Plan accounts. Hardship withdrawals are allowed for active employees incurring an immediate and heavy financial need, as defined by the Plan. Hardship withdrawals are strictly regulated by the IRS and a participant must exhaust all available loan options and available distributions prior to requesting a hardship withdrawal.

Investment and Administrative Expenses

The Plan's administrative expenses are paid by either the Plan or the Company, as provided by the Plan's provisions. Administrative expenses paid by the Plan can include recordkeeping, audit and trustee fees. Expenses relating to purchases, sales, or transfers of the Plan's investments are charged to the particular investment fund to which the expenses relate. Expenses that are paid by the Company are excluded from these financial statements.

LORD Corporation
Erie Hourly Employees' Savings Plan
Notes to Financial Statements (continued)

1. Description of Plan (continued)

Stock Rights

Any Employer stock received as a stock dividend, a stock split, or as a result of a reorganization of the Employer shall be allocated to the Employer securities to which they are attributable. Any cash dividends received on Employer stock are allocated to the participant's Employer Securities Dividend Account and invested pursuant to their direction.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event the Plan terminates, participants will become 100% vested in their accounts.

2. Summary of Significant Accounting Policies

Basis of Accounting

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

Notes Receivable from Participants

Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance plus any accrued but unpaid interest. Interest income on notes receivable from participants is recorded when it is earned. Related fees are recorded as administrative expenses and are recorded when they are incurred. No allowance for credit losses has been recorded as of December 31, 2016 or 2015. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be in default, for Department of Labor 5500 form reporting purposes, the participant loan balance is reduced and a benefit payment is recorded.

Payment of Benefits

Benefits are recorded when paid.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes and supplemental schedule. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments held by the Plan are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price).

LORD Corporation
Erie Hourly Employees' Savings Plan
Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Investment Valuation and Income Recognition (continued)

The Plan's Investment and Benefits Committee is responsible for determining the Plan's valuation policies and analyzing information provided by the valuation specialists, investment advisers, custodian and insurance company that is used to determine the fair value of the Plan's investments. See Note 4 for further discussion and disclosures related to fair value measurements, including instruments that are categorized within Level 3 of the fair value hierarchy.

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

New Accounting Pronouncements

In May 2015, the FASB issued Accounting Standards Update (ASU) 2015-07, *Disclosures for Investments in Certain Entities that Calculate Net Asset Value Per Share (or its Equivalent)*, (ASU 2015-07). ASU 2015-07 removes the requirement to categorize within the fair value hierarchy investments for which fair values are estimated using the net asset value practical expedient provided by Accounting Standards Codification (ASC) 820, *Fair Value Measurement*. Disclosures about investments in certain entities that calculate net asset value per share are limited under ASU 2015-07 to those investments for which the entity has elected to estimate the fair value using the net asset value practical expedient. ASU 2015-07 is effective for entities (other than public business entities) for fiscal years beginning after December 15, 2016, with retrospective application to all periods presented. Management adopted ASU 2015-07 in 2015.

In July 2015, the FASB issued ASU 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient*. Part I of the ASU eliminates the requirements to measure the fair value of fully benefit-responsive investment contracts and provide certain disclosures. Contract value is the only required measure for fully benefit-responsive investment contracts. Part II of the ASU eliminates the requirements to disclose individual investments that represent 5 percent or more of net assets available for benefits and the net appreciation or depreciation in fair value of investments by general type. It also simplifies the level of disaggregation of investments that are measured using fair value. Plans will continue to disaggregate investments that are measured using fair value by general type; however, plans are no longer required to also disaggregate investments by nature, characteristics and risks. Further, the disclosure of information about fair value measurements shall be provided by general type of plan asset. Part III of the ASU is not applicable to the Plan. The ASU is effective for fiscal years beginning after December 15, 2015. Management adopted Parts I and II in 2015.

LORD Corporation
Erie Hourly Employees' Savings Plan
Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements (continued)

In February 2017, the FASB issued ASU 2017-06, *Employee Benefit Plan Master Trust Reporting*, (ASU 2017-06). ASU 2017-06 requires a plan's interest in a master trust and any change in that interest to be presented in separate line items in the statement of net assets available for benefits and in the statement of changes in net assets available for benefits, respectively. Further, ASU 2017-06 removes the requirement to disclose the percentage interest in the master trust for plans with divided interests and requires that all plans disclose the dollar amount of their interest in each of the master trust's general types of investments. ASU 2017-06 is effective for fiscal years beginning after December 15, 2018, with retrospective application to all periods presented. Early application is permitted. Management has elected to adopt ASU 2017-06 early.

Subsequent Events

Management evaluated subsequent events for the Plan through October 12, 2017, the date the financial statements were available to be issued.

3. Nonparticipant-Directed Investments

Information about the net assets and the significant components of changes in net assets related to the nonparticipant-directed investment is as follows:

	December 31	
	2016	2015
LORD Corporation Master Savings Trust	\$ 10,229,249	\$ 11,030,087
Employer contribution receivable, (non-cash)	352,913	165,123
	<u>\$ 10,582,162</u>	<u>\$ 11,195,210</u>

	Year Ended December 31, 2016
Change in net assets:	
Contributions, (non-cash)	\$ 499,947
Plan interest in net income of master trust	1,834,300
Benefits paid to participants	(1,954,553)
Transfers to other plans	(12,719)
Transfers to participant-directed investments	(980,023)
	<u>\$ (613,048)</u>

LORD Corporation
Erie Hourly Employees' Savings Plan
Notes to Financial Statements (continued)

4. Fair Value Measurements

The fair value framework establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below.

Level 1 – Unadjusted quoted prices in active markets that are accessible to the reporting entity at the measurement date for identical assets and liabilities.

Level 2 – Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:

- Quoted prices for similar assets and liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in markets that are not active
- Observable inputs other than quoted prices that are used in the valuation of the asset or liabilities (e.g., interest rate and yield curve quotes at commonly quoted intervals)
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

Level 3 – Unobservable inputs for the asset or liability (i.e., supported by little or no market activity). Level 3 inputs include management's own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

The level in the fair value hierarchy within which the fair value measurement is classified is determined based on the lowest level input that is significant to the fair value measure in its entirety.

Following is a description of the valuation techniques and inputs used for each general type of investment measured at fair value by the Plan. There have been no changes in the methodologies used at December 31, 2016 and 2015.

LORD Corporation
Erie Hourly Employees' Savings Plan
Notes to Financial Statements (continued)

4. Fair Value Measurements (continued)

Registered Investment Company Funds (Mutual Funds): Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily Net Asset Value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Collective Trust Funds: Valued at the NAV of units of a collective trust. The NAV, as provided by the custodian, 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, and then divided by the number of units outstanding. 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.

Pooled Separate Account: Valued at the NAV equivalent of the plan's interest in New York Life's Pooled Separate Account No. 25 as of the valuation date. The NAV (or its equivalent), as provided by the custodian, is used as a practical expedient to estimate fair value.

Plan Interest in LORD Corporation Master Savings Trust: A description of the valuation methodology is in Note 5.

Additional investments purchased through the BrokerageLink® investment option include the following additional types of investments:

Common Stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Certificates of Deposit – Traded: Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

Real Estate Investment Trusts and Publicly Traded Limited Partnership Interests: Valued at the NAV traded closest to year-end for units held, adjusted for activity between the trading date and the valuation date, if deemed appropriate.

LORD Corporation
Erie Hourly Employees' Savings Plan
Notes to Financial Statements (continued)

4. Fair Value Measurements (continued)

The following tables set forth by fair value hierarchy level the Plan's assets carried at fair value:

Assets at Fair Value as of December 31, 2016				
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 11,735,647	\$ —	\$ —	\$ 11,735,647
Cash equivalents	9,043	—	—	9,043
Plan interest in LORD Corporation				
Master Savings Trust	—	—	10,229,249	10,229,249
Self-directed brokerage holdings	1,982,075	39,977	—	2,022,052
	<u>\$ 13,726,765</u>	<u>\$ 39,977</u>	<u>\$ 10,229,249</u>	<u>\$ 23,995,991</u>

Collective trust funds measured at net asset value:	10,212,726
Pooled separate account measured at net asset value equivalent:	3,423,461
Total assets at fair value	<u>\$ 37,632,178</u>

Assets at Fair Value as of December 31, 2015				
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 14,826,022	\$ —	\$ —	\$ 14,826,022
Cash equivalents	14,611	—	—	14,611
Plan interest in LORD Corporation				
Master Savings Trust	—	—	11,030,087	11,030,087
Self-directed brokerage holdings	2,102,932	49,527	—	2,152,459
	<u>\$ 16,943,565</u>	<u>\$ 49,527</u>	<u>\$ 11,030,087</u>	<u>\$ 28,023,179</u>

Collective trust funds measured at net asset value:	9,340,153
Pooled separate account measured at net asset value equivalent:	4,051,880
Total assets at fair value	<u>\$ 41,415,212</u>

LORD Corporation
Erie Hourly Employees' Savings Plan
Notes to Financial Statements (continued)

4. Fair Value Measurements (continued)

Fair Value of Investments That Use Net Asset Value (or its equivalent)

The following tables summarize investments measured at fair value based on net asset value per share (or its equivalent):

Investment Type	December 31, 2016			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Collective trust funds	\$ 10,212,726	n/a	Daily	None
Pooled separate account	3,423,461	n/a	Daily	None

Investment Type	December 31, 2015			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Collective trust funds	\$ 9,340,153	n/a	Daily	None
Pooled separate account	4,051,880	n/a	Daily	None

Level 3 Gains and Losses

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended December 31, 2016.

	Plan Interest in LORD Corporation Master Savings Trust
Balance, beginning of year	\$ 11,030,087
Realized gains	96,520
Unrealized gains relating to interest still held at the reporting date	1,527,828
Purchases	522,109
Sales	(2,947,295)
Balance, end of year	\$ 10,229,249

LORD Corporation
Erie Hourly Employees' Savings Plan
Notes to Financial Statements (continued)

4. Fair Value Measurements (continued)

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Plan management has evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the years ended December 31, 2016 and 2015, there were no significant transfers in or out of levels 1, 2 or 3.

5. Plan Interest in LORD Corporation Master Savings Trust

The Plan is a participant in the LORD Corporation Salaried, Hourly & Exempt Employee's Savings Trust ("LORD Corporation Master Savings Trust" or "the Trust"). The Trust was created for the purpose of receiving, holding, investing, and disbursing the assets of the employee savings plans sponsored by LORD Corporation. The assets of the Trust are held by PNC Bank (Trustee).

The sole investment of the Trust is shares of LORD Corporation Paired Class B Common Stock and Class C Preferred Stock, which is valued semi-annually by an independent valuation specialist. Although the income, cost and market valuation approaches are considered, emphasis is placed on the market approach (guideline company methodology) with an adjustment for a discount for lack of marketability.

Dividends on LORD Corporation stock are deposited in cash to each participant's account with the same allocation mix as the participant-directed contributions.

Investment income (loss) from the Trust is allocated among the individual participating plans based upon the shares of LORD Paired Class B Common Stock - Class C Preferred Stock allocated to each plan. The Trust is reported on a cash basis. Accrued investment income is reflected on the financial statements for each plan. All other changes in net assets available for benefits are specifically identified and are allocated to each plan. Accordingly, contributions, benefits paid to participants and transfers are all reflected on the financial statements for each plan.

Each participating plan's interest in the Trust is based on shares held at the beginning of the year plus shares for current year contributions and earnings less distributions. At December 31, 2016 and 2015, the Plan's interest in the net assets of the LORD Corporation Master Savings Trust was 10.49% and 11.42%, respectively.

LORD Corporation
Erie Hourly Employees' Savings Plan
Notes to Financial Statements (continued)

5. Plan Interest in LORD Corporation Master Savings Trust (continued)

The following tables present the net assets of the Trust and the Plan's interest in those balances at December 31, 2016 and 2015:

	2016	
	Master Savings Trust	Plan's Interest in Master Savings Trust
Investment, at estimated fair value:		
LORD Corporation paired Class B common stock - Class C preferred stock	\$ 97,470,050	\$ 10,229,249

	2015	
	Master Savings Trust	Plan's Interest in Master Savings Trust
Investment, at estimated fair value:		
LORD Corporation paired Class B common stock - Class C preferred stock	\$ 96,551,060	\$ 11,030,087

Investment income for the Trust during the year ended December 31, 2016 is as follows:

Net appreciation in fair value of investments	\$ 14,866,789
LORD stock dividend	1,916,276
Total investment income	\$ 16,783,065

6. Risks and Uncertainties

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

LORD Corporation
Erie Hourly Employees' Savings Plan
Notes to Financial Statements (continued)

7. Reconciliation of Financial Statements to the Form 5500

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

	December 31	
	2016	2015
Net assets available for benefits per the financial statements	\$ 39,295,661	\$ 42,829,952
Less: Cumulative deemed distributions	(180)	-
Net assets available for benefits per the Form 5500	<u>\$ 39,295,481</u>	<u>\$ 42,829,952</u>

The following is a reconciliation of additions to and deductions from net assets per the financial statements for the year ended December 31, 2016, to the Form 5500:

Total additions per the financial statements	\$ 5,910,906
Add: Investment advisory fees included in net appreciation of fair value of investments	12,433
Less: Post default interest accrued on notes receivable from participants	(2)
Total income per the Form 5500	<u>\$ 5,923,337</u>
 Total deductions per the financial statements	 \$ 9,383,417
Add: Deemed distributions – current year	178
Investment advisory fees netted in net appreciation of fair value of investments	12,433
Total expenses per the Form 5500	<u>\$ 9,396,028</u>

8. Related-Party and Party in Interest Transactions

Certain Plan investments are shares of mutual funds managed by Fidelity Management Trust Company (Fidelity), which is the trustee and recordkeeper for the Plan and, therefore, these transactions qualify as party-in-interest transactions. The Plan invests in the common stock of the Company through the LORD Corporation Master Savings Trust. The Plan holds New York Life's Pooled Separate Account No. 25, which invests in a pool of securities managed by New York Life, the issuer. These transactions qualify as party-in-interest transactions; however, they are exempt from the prohibited transaction rules under ERISA. During 2016, the Plan received \$209,952 in stock dividends from the Company.

LORD Corporation
Erie Hourly Employees' Savings Plan
Notes to Financial Statements (continued)

8. Related-Party and Party in Interest Transactions (continued)

The Plan participates in a Revenue Credit Program (RCP) with Fidelity where revenue sharing credits are held in an unallocated account to be used to pay Plan expenses. At December 31, 2016 and 2015, the RCP account balances were \$9,043 and \$14,611, respectively. The total revenue sharing credits earned during the year ended December 31, 2016 was \$6,857. Investment advisory fees and administrative fees paid from this RCP account in 2016 was \$12,433. Other investment related expenses are included in net appreciation of fair value of investments.

9. Tax Status

The Plan has received a determination letter from the IRS dated April 15, 2013, stating that the Plan is qualified under Section 401(a) of the Code and therefore the related trust is exempt from taxation. Subsequent to this determination by the IRS, the Plan was amended and restated. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualified status. The Plan administrator and the Plan's tax counsel believe the Plan is being operated in compliance with the applicable requirements of the Code and therefore, believe the Plan, as amended and restated, is qualified and the related trust is tax-exempt.

Accounting principles generally accepted in the United States require plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2016, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions.

Supplemental Schedule

LORD Corporation
Erie Hourly Employees' Savings Plan
EIN 25-0626921 Plan #004
Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
December 31, 2016

(a)	(b) Identity	(c) Description	(e) Current Value
	The Vanguard Group, Inc.	Institutional Index Fund	\$ 935,613
	The Vanguard Group, Inc.	Small Cap Index Admiral Fund	328,121
	The Vanguard Group, Inc.	Total Bond Market Index Institutional Fund	940,247
	Prudential Mutual Fund Services, LLC	Small Company Fund Z	75,368
	Harbor Services Group, Inc.	International Fund Institutional	492,118
*	Fidelity Management Trust Co.	Fidelity International Index Fund PR	130,211
*	Fidelity Management Trust Co.	Diversified International Fund K	96,855
	The MainStay Funds	Large Cap Growth Fund	2,154,412
	OppenheimerFunds	Developing Markets Fund	62,966
	MFS	Value Fund R4	1,528,103
	MFS	Mid Cap Value Fund R6	839,599
	American Funds Fundamental Investors	Fundamental Investors Fund Class R4	2,050,944
*	Fidelity Management Trust Co.	Fidelity Extended Market Index Fund PR	840,549
	MassMutual	Select Mid Cap Gr Eq II	175,580
	Metropolitan West	Total Return Bond P	856,691
	Goldman Sachs	Small Cap Value Fund	228,270
	<i>Total Registered Investment Company Funds</i>		<u>11,735,647</u>
	J.P. Morgan Chase Bank, N.A.	SmartRetirement Passive Blend Income Fund	612,263
	J.P. Morgan Chase Bank, N.A.	SmartRetirement Passive Blend 2015 Fund	1,676,840
	J.P. Morgan Chase Bank, N.A.	SmartRetirement Passive Blend 2020 Fund	3,093,169
	J.P. Morgan Chase Bank, N.A.	SmartRetirement Passive Blend 2025 Fund	2,123,772
	J.P. Morgan Chase Bank, N.A.	SmartRetirement Passive Blend 2030 Fund	515,379
	J.P. Morgan Chase Bank, N.A.	SmartRetirement Passive Blend 2035 Fund	528,644
	J.P. Morgan Chase Bank, N.A.	SmartRetirement Passive Blend 2040 Fund	926,450
	J.P. Morgan Chase Bank, N.A.	SmartRetirement Passive Blend 2045 Fund	325,274
	J.P. Morgan Chase Bank, N.A.	SmartRetirement Passive Blend 2050 Fund	279,897
	J.P. Morgan Chase Bank, N.A.	SmartRetirement Passive Blend 2055 Fund	131,038
	<i>Total Collective Trust Funds</i>		<u>10,212,726</u>
*	New York Life Insurance Company	NYL Anchor Pooled Separate Account No. 25	3,423,461
	Fidelity BrokerageLink® Accounts	Participant self-directed brokerage accounts	2,022,052
*	Fidelity Management Trust Co.	Retirement Money Market Account	9,043
*	Participant loans **	Varying maturity dates with interest at rates of 6.25% - 6.5%	1,310,390
	Total		<u><u>\$ 28,713,319</u></u>
*	Party-in-interest		
**	Net of deemed distributions of \$180		

(d) Cost information not required for participant-directed investments.

See

Audited Financial

Statements

For

Schedule of Assets Held

(Schedule H 4i)