

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2016 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2016 or fiscal plan year beginning <u>04/01/2016</u> and ending <u>03/31/2017</u>			
A	This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____	
B	This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)	
C	If the plan is a collectively-bargained plan, check here. ☐		
D	Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)	

Part II	Basic Plan Information —enter all requested information		
1a	Name of plan <u>API FOILS NORTH AMERICA PENSION PLAN</u>	1b	Three-digit plan number (PN) ▶ <u>001</u>
		1c	Effective date of plan <u>11/01/1985</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>API FOILS, INC.</u> <u>3841 GREENWAY CIR</u> <u>LAWRENCE, KS 66046-5444</u>	2b	Employer Identification Number (EIN) <u>48-1199126</u>
		2c	Plan Sponsor's telephone number <u>785-842-7674</u>
		2d	Business code (see instructions) <u>323100</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.	<u>01/15/2018</u>	<u>MICHELE GIGLIETTA</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number)			Preparer's telephone number

3a Plan administrator's name and address ☐ Same as Plan Sponsor API FOILS, INC. 3841 GREENWAY CIR LAWRENCE, KS 66046-5444	3b Administrator's EIN 48-1199126 3c Administrator's telephone number 785-842-7674
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	5 137
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year..... a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 37 6a(2) 35 6b 16 6c 75 6d 126 6e 5 6f 131 6g 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: 1I 3H b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☒ <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) <small>Department of the Treasury Internal Revenue Service</small> <hr/> <small>Department of Labor Employee Benefits Security Administration</small> <hr/> <small>Pension Benefit Guaranty Corporation</small>	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 <hr/> 2016 <hr/> This Form is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning **04/01/2016** and ending **03/31/2017**

A Name of plan API FOILS NORTH AMERICA PENSION PLAN	B Three-digit plan number (PN)	001
C Plan sponsor's name as shown on line 2a of Form 5500 API FOILS, INC.	D Employer Identification Number (EIN) 48-1199126	

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.
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1 Coverage Information:

(a) Name of insurance carrier

PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY 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
06-1050034	93629	017299	131	04/01/2016	03/31/2017

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
8446	0

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

KEVIN J BRODERICK

**610 W GERMANTOWN AVENUE, SUITE 350
PLYMOUTH MEETING, PA 19462**

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
8446			4

(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** 0**5** Current value of plan's interest under this contract in separate accounts at year end..... **5** 2927342**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**

0

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)	
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)	
(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)	
(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 SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2016 This Form is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning 04/01/2016 and ending 03/31/2017

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

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

A Name of plan <u>API FOILS NORTH AMERICA PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>API FOILS, INC.</u>	D Employer Identification Number (EIN) <u>48-1199126</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☒ 101-500 ☐ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>04</u> Day <u>01</u> Year <u>2016</u>	
2 Assets:	
a Market value	2a <u>2799591</u>
b Actuarial value	2b <u>2900604</u>
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment	(1) Number of participants <u>21</u> (2) Vested Funding Target <u>704362</u> (3) Total Funding Target <u>704362</u>
b For terminated vested participants	<u>79</u> <u>1865893</u> <u>1865893</u>
c For active participants	<u>37</u> <u>668257</u> <u>668257</u>
d Total	<u>137</u> <u>3238512</u> <u>3238512</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>5.81 %</u>
6 Target normal cost	6 <u>60000</u>

Statement by Enrolled Actuary

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

SIGN HERE		<u>12/20/2017</u>
	Signature of actuary	Date
<u>ERIC PERS</u>	Type or print name of actuary	<u>17-08115</u>
		Most recent enrollment number
<u>PRIAC</u>	Firm name	<u>860-534-4456</u>
<u>280 TRUMBULL STREET</u> <u>HARTFORD, CT 06103</u>	Address of the firm	Telephone number (including area code)

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

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

Schedule SB (Form 5500) 2016
v. 160205

Part II Beginning of Year Carryover and Prefunding Balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	27003
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	27003
10	Interest on line 9 using prior year's actual return of <u>-1.18</u> %	0	-319
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		10077
b(1)	Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.99</u> %		604
b(2)	Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c	Total available at beginning of current plan year to add to prefunding balance		10681
d	Portion of (c) to be added to prefunding balance		10681
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	37365

Part III Funding Percentages			
14	Funding target attainment percentage	14	88.41%
15	Adjusted funding target attainment percentage	15	88.41%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	93.85%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
06/29/2016	23395				
09/27/2016	34001				
12/20/2016	34001				
03/29/2017	34001				
11/28/2017	54689				
			Totals ▶	18(b)	180087
				18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	170735
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year?		☒ Yes ☐ No
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?		☒ Yes ☐ No
c If line 20a is "Yes," see instructions and complete the following table as applicable:		

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V	Assumptions Used to Determine Funding Target and Target Normal Cost		
21	Discount rate:		
a	Segment rates:	<div style="display: flex; justify-content: space-around;"> <div>1st segment: 4.43%</div> <div>2nd segment: 5.91%</div> <div>3rd segment: 6.65%</div> </div>	☐ N/A, full yield curve used
b	Applicable month (enter code)	21b	4
22	Weighted average retirement age	22	65
23	Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute		
Part VI	Miscellaneous Items		
24	Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No		
25	Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No		
26	Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No		
27	If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.	27	
Part VII	Reconciliation of Unpaid Minimum Required Contributions For Prior Years		
28	Unpaid minimum required contributions for all prior years	28	0
29	Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30	Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0
Part VIII	Minimum Required Contribution For Current Year		
31	Target normal cost and excess assets (see instructions):		
a	Target normal cost (line 6)	31a	60000
b	Excess assets, if applicable, but not greater than line 31a	31b	0
32	Amortization installments:	Outstanding Balance	Installment
a	Net shortfall amortization installment	375273	120674
b	Waiver amortization installment	0	0
33	If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34	Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	180674
		Carryover balance	Prefunding balance
35	Balances elected for use to offset funding requirement	0	10435
36	Additional cash requirement (line 34 minus line 35)	36	170239
37	Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	170735
38	Present value of excess contributions for current year (see instructions)		
a	Total (excess, if any, of line 37 over line 36)	38a	496
b	Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	496
39	Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0
40	Unpaid minimum required contributions for all years	40	0
Part IX	Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)		
41	If an election was made to use PRA 2010 funding relief for this plan:		
a	Schedule elected	☐ 2 plus 7 years ☐ 15 years	
b	Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011	
42	Amount of acceleration adjustment	42	
43	Excess installment acceleration amount to be carried over to future plan years	43	

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	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 <div style="text-align: center; font-size: 1.2em; font-weight: bold;">2016</div> This Form is Open to Public Inspection.
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For calendar plan year 2016 or fiscal plan year beginning 04/01/2016 and ending 03/31/2017

A Name of plan <u>API FOILS NORTH AMERICA PENSION PLAN</u>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:80%; padding: 5px;"> B Three-digit plan number (PN) ► </td> <td style="width:20%; padding: 5px; text-align: center;"> <u>001</u> </td> </tr> <tr style="background-color: #f2f2f2;"> <td colspan="2" style="height: 20px;"></td> </tr> </table>	B Three-digit plan number (PN) ►	<u>001</u>		
B Three-digit plan number (PN) ►	<u>001</u>				
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>API FOILS, INC.</u>	D Employer Identification Number (EIN) <u>48-1199126</u>				

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>REAL ESTATE / AM CENTURY FUND</u>		
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS</u>		
c EIN-PN <u>06-1050034-438</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>80136</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>CORE PLUS BOND / PGIM FUND</u>		
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS</u>		
c EIN-PN <u>06-1050034-299</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>1436180</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>INTL BLEND/AQR</u>		
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS</u>		
c EIN-PN <u>06-1050034-125</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>195659</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>LARGE CAP BLEND/MFS</u>		
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS</u>		
c EIN-PN <u>06-1050034-177</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>415868</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>LARGE CAP GROWTH/JPMORGAN</u>		
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS</u>		
c EIN-PN <u>06-1050034-141</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>325442</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>LARGE CAP VALUE/LSV ASSET MGMT</u>		
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS</u>		
c EIN-PN <u>06-1050034-318</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>328151</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRUDENTIAL SHORT-TERM</u>		
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS</u>		
c EIN-PN <u>06-1050034-041</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>11325</u>

a Name of MTIA, CCT, PSA, or 103-12 IE: **SMALL CAP GROWTH/RBC****b** Name of sponsor of entity listed in (a): **PRUDENTIAL RETIREMENT INS**

c EIN-PN 06-1050034-319	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 65030
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a Name of MTIA, CCT, PSA, or 103-12 IE: **SMALL CAP VALUE/KENNEDY CAPIT****b** Name of sponsor of entity listed in (a): **PRUDENTIAL RETIREMENT INS**

c EIN-PN 06-1050034-257	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 69551
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

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

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

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

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

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

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

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

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

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

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

SCHEDULE H (Form 5500) <small>Internal Revenue Service</small> <small>Department of Labor</small> <small>Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2016 This Form is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning 04/01/2016 and ending 03/31/2017		
A Name of plan API FOILS NORTH AMERICA PENSION PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 API FOILS, INC.	D Employer Identification Number (EIN) 48-1199126	

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)	37934	54689
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)	2761657	2927342
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	2799591	2982031

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	2799591	2982031
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	180087	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		180087
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(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)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		245170
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		425257

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

(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	194830	
(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)		194830
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)		
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)		
(4) Other	2i(4)	47987	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		47987
j Total expenses. Add all expense amounts in column (b) and enter total	2j		242817

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		182440
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

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

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

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

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

☒ Yes ☐ No

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

(1) Name: MONTGOMERY COSCIA GREILICH LLP

(2) EIN: 75-2919818

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

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

Part IV Compliance Questions

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

During the plan year:

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

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

	Yes	No	Amount
4a		X	
4b		X	

		Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e Was this plan covered by a fidelity bond?	4e	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			
o Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service?	4o			

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

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

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

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ☒ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 4028316. (See instructions.)

Part V Trust Information

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

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2016 This Form is Open to Public Inspection.
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For calendar plan year 2016 or fiscal plan year beginning 04/01/2016 and ending 03/31/2017

A Name of plan <u>API FOILS NORTH AMERICA PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>API FOILS, INC.</u>	D Employer Identification Number (EIN) <u>48-1199126</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>22-1211670</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	<u>6</u>

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

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

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

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



**API FOILS NORTH AMERICA
PENSION PLAN**

**FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REPORT**

**MARCH 31, 2017 and 2016
(with supplementary information)**

API FOILS NORTH AMERICA PENSION PLAN

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INDEPENDENT AUDITOR'S REPORT

To the Participants and Administrative Committee of
API Foils North America Pension Plan:

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of API Foils North America Pension Plan (the "Plan") which comprise the statements of net assets available for benefits as of March 31, 2017 and 2016, and the related statements of changes in net assets available for benefits for the years ended March 31, 2017 and 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 accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note E, which was certified by Prudential Retirement Insurance and Annuity Company, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan Administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the Trustee, as of and for the years ended March 31, 2017 and 2016, that the information provided to the Plan Administrator by the Trustee is complete and accurate.

Disclaimer of Opinion

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

MONTGOMERY COSCIA GREILICH LLP

Other Matter – Supplemental Schedules

The supplemental schedules of Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of March 31, 2017 and Schedule H, Line 4j – Schedule of Reportable Transactions For the Year Ended March 31, 2017, are required by the Department of Labor’s (“DOL”) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

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

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

Montgomery Coscia Greulich LLP

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Plano, Texas

January 11, 2018

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API FOILS NORTH AMERICA PENSION PLAN

Statements of Net Assets Available For Benefits March 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Investments, at fair value:		
Pooled separate accounts	\$ 2,927,342	\$ 2,761,657
Receivables:		
Employer contributions	<u>54,689</u>	<u>37,934</u>
Net assets available for benefits	<u>\$ 2,982,031</u>	<u>\$ 2,799,591</u>

API FOILS NORTH AMERICA PENSION PLAN

Statements of Changes in Net Assets Available For Benefits For the Years Ended March 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Additions to/(deductions from) net assets:		
Investment income/(loss):		
Net realized/unrealized appreciation/(depreciation) in fair value of investments	\$ 245,170	\$ (36,555)
Employer contributions	180,087	151,369
Benefits paid to participants	(194,829)	(630,786)
Administrative fees	(47,988)	(33,159)
Net increase/(decrease)	182,440	(549,131)
Net assets available for benefits – beginning of year	<u>2,799,591</u>	<u>3,348,722</u>
Net assets available for benefits – end of year	<u>\$ 2,982,031</u>	<u>\$ 2,799,591</u>

API FOILS NORTH AMERICA PENSION PLAN

Notes to Financial Statements March 31, 2017 and 2016

NOTE A - DESCRIPTION OF PLAN

The following brief description of API Foils North America Pension Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

[1] General:

The Plan is a noncontributory defined benefit pension plan covering substantially all nonunion employees of API Foils, Inc. (the "Company"), who meet certain eligibility requirements as to length of service and age. Former employees of Astor Universal, ICI American Holdings, Inc., Imperial Chemical Industries of Canada, Limited, API America Ltd. and Dri-Print Foils, Inc. are eligible for participation in the Plan, as defined. Effective September 30, 2004, the Plan was amended to discontinue the addition of new participants to the Plan and cease all future benefit accruals under the Plan.

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). The trustee of the Plan is Prudential Bank & Trust, FSB. The Company is the Plan sponsor. In March 2015, the Company became a wholly owned indirect subsidiary of Steel Partners Holdings LP. The Plan is administered by the Investment Committee (the "Committee"). The Committee has overall responsibility for the operation and administration of the Plan. The Committee determines the appropriateness of the Plan's investments and monitors investment performance.

The effective date of the Plan is November 1, 1985. The Plan was restated effective October 1, 2006.

[2] Pension benefits:

The Plan provides participants or their beneficiaries with benefits in accordance with a benefit formula. The benefit amount is based on age, years of service, compensation, and other relevant factors. Full vesting is provided after five years of service have been completed.

Employees are entitled to receive benefit payments at the normal retirement age of 65, although earlier retirement with lesser benefits is permitted. Benefit payments are paid in the following forms: (1) immediate survivorship annuity; (2) straight life annuity; (3) single life annuities with certain periods of five, ten or fifteen years; (4) survivorship life annuities with survivorship percentages of 50, 66 2/3, 75 or 100%; or (5) lump-sum distribution.

[3] Death benefits:

If an active participant dies before their normal retirement date, no benefit will become payable unless the participant is survived by a spouse on the date they die and the participant has a vesting percentage larger than zero. If both conditions are met a Qualified Preretirement Survivor Annuity will become payable. Death benefits will be calculated in like manner if the participant dies after normal retirement age and before annuity starting date. If any death occurs after the participant's annuity starting date the death benefit will be determined by the form of retirement benefit in effect at such date.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[1] Basis of accounting:

The financial statements of the Plan are prepared on the accrual method of accounting.

API FOILS NORTH AMERICA PENSION PLAN

Notes to Financial Statements March 31, 2017 and 2016

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[2] Subsequent events:

The Plan has evaluated subsequent events through January 11, 2018, the date the financial statements were available to be issued.

[3] Use of estimates:

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

[4] Investment valuation and income recognition:

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

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

[5] Payment of benefits:

Benefits are recorded when paid.

[6] Administrative expenses:

The Plan's expenses are paid either by the Plan or the Company, as provided by the Plan document. Expenses that are paid directly by the Company are excluded from the Plan's financial statements. Certain expenses incurred in connection with the general administration of the Plan that are paid by the Plan are recorded as deductions in the accompanying statements of changes in net assets available for benefits.

[7] Recent accounting pronouncement ASU 2015-07:

In May 2015 the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2015-07 ("ASU 2015-07"), Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent), an amendment to Fair Value Measurement Topic 820. ASU 2015-07 removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. ASU 2015-07 is effective for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. Early adoption is permitted. The Plan elected to adopt ASU 2015-07 as of and for the year ended March 31, 2016. Accordingly, investments measured using the net asset value per share practical expedient have not been categorized within the fair value hierarchy.

API FOILS NORTH AMERICA PENSION PLAN

Notes to Financial Statements March 31, 2017 and 2016

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[8] Recent accounting pronouncement ASU 2015-12:

In July 2015 the FASB issued Accounting Standards Update No. 2015-12 ("ASU 2015-12"), Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962) and Health and Welfare Benefit Plans (Topic 965) (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, and (Part III) Measurement Date Practical Expedient. Part I does not apply to defined benefit plans. Part II 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. Part II 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 allows an employee benefit plan with a fiscal year end that does not coincide with the end of a calendar month to measure its investments using the month end closest to its fiscal year end. The amendments are effective for fiscal years beginning after December 15, 2015. Earlier application is permitted. The Plan elected to adopt ASU 2015-12 as of and for the year ended March 31, 2016.

NOTE C - FUNDING POLICY

The Plan's funding policy is for the Company to contribute an amount that will meet or exceed the annual ERISA minimum funding requirement. During the years ended March 31, 2017 and 2016, the Company made contributions of \$180,087 and \$151,369, respectively. The Company's contributions for the years ended March 31, 2017 and 2016 exceeded the minimum funding requirements of ERISA.

NOTE D - FAIR VALUE MEASUREMENTS

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

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

Level 2 – Inputs to the valuation methodology include: (1) quoted prices for similar assets or liabilities in active markets; (2) quoted prices for identical or similar assets or liabilities in inactive markets; (3) inputs other than quoted prices that are observable for the asset or liability; or (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

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

API FOILS NORTH AMERICA PENSION PLAN

Notes to Financial Statements March 31, 2017 and 2016

NOTE D - FAIR VALUE MEASUREMENTS (CONTINUED)

Following is a description of the valuation methodologies used for investment assets measured at fair value. There have been no changes in the methodologies used at March 31, 2017 and 2016.

Pooled separate accounts: Valued at the net asset value ("NAV"), as a practical expedient, based on the market value of the underlying investments. The NAV is not a publicly-quoted price in an active market. The pooled separate accounts are comprised of a wide variety of underlying investments.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth, by level, within the fair value hierarchy, the Plan's investment assets at fair value as of March 31, 2017 and 2016:

Investment Assets at Fair Value as of March 31, 2017

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments measured at net asset value (A)				
Pooled separate accounts	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 2,927,342</u>
Total investment assets measured at net asset value				<u>2,927,342</u>
Total investment assets, at fair value				<u>\$ 2,927,342</u>

Investment Assets at Fair Value as of March 31, 2016

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments measured at net asset value (A)				
Pooled separate accounts	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 2,761,657</u>
Total investment assets measured at net asset value				<u>2,761,657</u>
Total investment assets, at fair value				<u>\$ 2,761,657</u>

- (A) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of net assets available for benefits.

API FOILS NORTH AMERICA PENSION PLAN

Notes to Financial Statements March 31, 2017 and 2016

NOTE D - FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value of Investments in Entities that Use Net Asset Value

The following tables summarize investments for which fair value is measured using the net asset value per share practical expedient as of March 31, 2017 and 2016, respectively.

	Fair Value March 31, 2017	Fair Value March 31, 2016	Unfunded Commitments	Redemption Frequency (if currently eligible)	Plan Level Redemption Notice Period
Pooled separate accounts	\$ 2,927,342	\$2,761,657	n/a	Daily	0 days

NOTE E – INVESTMENT CERTIFICATION

The Plan Administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, Prudential Retirement Insurance and Annuity Company has certified to the completeness and accuracy of all investments and related investment activity in the accompanying statements of net assets available for benefits as of March 31, 2017 and 2016, the statements of changes in net assets available for benefits for the years ended March 31, 2017 and 2016, the accompanying supplemental schedule of assets (held at end of year) as of March 31, 2017, and the supplemental schedule of reportable transactions for the year ended March 31, 2017. The Plan's independent certified public account did not perform auditing procedures with respect to this information, except comparing such information to the related information included in the financial statements.

NOTE F - ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

The accumulated plan benefits are those future periodic payments, including lump-sum distributions, which are attributable, under the Plan's provisions, to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are accumulated based on employees' compensation during each year of credited service. The accumulated plan benefits for active employees will equal the accumulation, with interest, of the annual benefit accruals as of the benefit information date, less any accrued benefit under the ICI Specialty Chemicals Pension Plan. On September 30, 2004, the accrued benefit was frozen and no additional benefits accrue after such date. Benefits payable under all circumstances (retirement, death, disability, and termination of employment) are included, to the extent they are deemed attributable to employee service rendered to the valuation date. The actuarial present value of accumulated plan benefits is determined by the Plan's actuary, and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment between the valuation date and the expected date of payment.

API FOILS NORTH AMERICA PENSION PLAN

Notes to Financial Statements March 31, 2017 and 2016

NOTE F - ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS (CONTINUED)

The effect of plan amendments on accumulated plan benefits is recognized during the year in which such amendments become effective. The actuarial present value of accumulated plan benefits as of March 31, 2016 is as follows:

Vested benefits:	
Participants current receiving benefits	\$ 716,866
Other participants	<u>2,890,608</u>
Total vested benefits	3,607,474
Non-vested benefits	<u>-</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 3,607,474</u>

Reconciliation of changes in the actuarial present value of accumulated plan benefits as of March 31, 2016 is as follows:

Actuarial present value of accumulated plan benefits as of March 31, 2015	<u>\$ 3,898,662</u>
Increase (decrease) during the year attributable to:	
Increase for interest	240,097
Benefits accumulated and actuarial (gain)/loss	(3,759)
Changes in actuarial assumption (interest rate)	103,260
Benefits paid	<u>(630,786)</u>
Net decrease	<u>(291,188)</u>
Actuarial present value of accumulated plan benefits as of March 31, 2016 plan benefits as of end of year	<u>\$ 3,607,474</u>

Significant actuarial assumptions used in the valuation of the actuarial present value of accumulated plan benefits as of March 31, 2016 were:

- Interest (discount) rate: 6.25% as of March 31, 2016; 6.75% as of March 31, 2015
- Mortality table: RP-2014 Total Dataset Mortality with Scale MP-2015
- Expected retirement age: Age 65

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits. The computations of the actuarial present value of accumulated plan benefits were made as of April 1, 2016. Had the valuations been performed as of March 31, 2016 there would be no material differences.

NOTE G - TAX STATUS

The Internal Revenue Service ("IRS") has determined and informed the Company by a letter dated December 11, 2007 that the Plan is qualified under the Internal Revenue Code ("IRC") and therefore the related trust is exempt from taxation. The Plan has been amended since receiving the tax determination letter. However, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and therefore, believes that the Plan is qualified, and the related trust is tax-exempt.

API FOILS NORTH AMERICA PENSION PLAN

Notes to Financial Statements March 31, 2017 and 2016

NOTE G - TAX STATUS (CONTINUED)

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability if the plan has taken an uncertain position that more likely than not would not be sustained upon examination by a government authority. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of March 31, 2017, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine examinations by taxing jurisdictions; however, there are currently no examinations for any tax periods in progress.

NOTE H - RELATED-PARTY TRANSACTIONS AND PARTY IN INTEREST TRANSACTIONS

Certain investments are pooled separate accounts managed by Prudential Retirement Insurance and Annuity Company; therefore, transactions related to these investments qualify as party-in-interest transactions.

NOTE I - RISKS AND UNCERTAINTIES

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

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

Volatility in the financial markets may significantly impact the subsequent valuation of the Plan's investments. Accordingly, the valuation of investments at March 31, 2017 may not necessarily be indicative of amounts that could be realized in a current market exchange.

NOTE J - PLAN TERMINATION

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions as set forth in ERISA. In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

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

API FOILS NORTH AMERICA PENSION PLAN

Notes to Financial Statements March 31, 2017 and 2016

NOTE J - PLAN TERMINATION (CONTINUED)

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. The maximum guarantee is set by law and it is updated each calendar year. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. A statutory ceiling exists, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees. For Plan terminations occurring during 2017, that ceiling is approximately \$5,369 per month. That ceiling applies to those pensioners who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or Plan termination (whichever comes later). The amount is higher for those who retire later and lower for those that retire earlier or elect joint and survivor benefits. Further limitations apply for plans created or amended to increase benefits within five years before the plan's termination date.

PBGC guarantees the larger of 20% of the benefit increase, or \$20 per month for each full year the benefit increase was in effect.

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

API FOILS NORTH AMERICA PENSION PLAN

Employer Identification # 48-1199126 Plan No. 001
Schedule H, Part IV, Line 4i of Form 5500
Schedule of Assets (Held at End of Year)
March 31, 2017

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
*	Prudential Retirement Insurance ---and Annuity Company	Large Cap Blend/MFS	\$ 266,126	\$ 415,868
*	Prudential Retirement Insurance ---and Annuity Company	Large Cap Growth/JP Morgan	198,963	325,442
*	Prudential Retirement Insurance ---and Annuity Company	Large Cap Value/LSV Asset Mgmt	208,814	328,151
*	Prudential Retirement Insurance ---and Annuity Company	Small Cap Growth/RBC	37,308	65,030
*	Prudential Retirement Insurance ---and Annuity Company	Small Cap Value/Kennedy Capital	33,620	69,551
*	Prudential Retirement Insurance ---and Annuity Company	International Blend/AQR	199,747	195,659
*	Prudential Retirement Insurance ---and Annuity Company	Core Plus Bond/PGIM Fund	1,333,622	1,436,180
*	Prudential Retirement Insurance ---and Annuity Company	Prudential Short-Term	11,325	11,325
*	Prudential Retirement Insurance ---and Annuity Company	Real Estate/Am Century Fund	57,772	80,136
			<u>\$ 2,347,297</u>	<u>\$ 2,927,342</u>
*	Party-in-interest, as defined by ERISA.			

See independent auditor's report on supplemental schedules.

API FOILS NORTH AMERICA PENSION PLAN

Employer Identification # 48-1199126, Plan No. 001
Schedule H, Part IV, Line 4(j) of Form 5500
Schedule of Reportable Transactions
Year Ended March 31, 2017

(a)	(b)	(c)	(d)	(g)	(h) Current Value of Asset on Transaction Date	(i)
Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Cost of Asset		Net Gain (Loss)
Prudential Retirement Insurance Annuity Company	Core Plus Bond/PGIM Fund	\$ 81,666	\$ -	\$ 81,666	\$ 81,666	\$ -
Prudential Retirement Insurance Annuity Company	Core Plus Bond/PGIM Fund	-	75,000	67,518	75,000	7,482
Prudential Retirement Insurance Annuity Company	Prudential Short-Term	191,656	-	191,656	191,656	-
Prudential Retirement Insurance Annuity Company	Prudential Short-Term	-	242,817	242,817	242,817	-

See independent auditor's report on supplemental schedules.

SECTION VII

PLAN PROVISIONS

Plan Eligibility

Class: Member of the non-bargaining class.

Entry Date: Date of employment.

No new participants are eligible after September 30, 2004.

Normal Retirement Benefit

Age: Attained age 65 and the beginning of the plan year in which 5 years of plan participation is earned.

Form: Monthly annuity payable for life (optional forms may be elected in advance of retirement.

Amount (accrued benefit): The sum of (a) and (b), reduced by (c):

(a) 1% of average compensation on November 1, 1985 multiplied by accrual service prior to November 1, 1985.

(b) 1% of monthly compensation for each year of accrual service on and after October 31, 1985.

Effective October 1, 1998 the percentage under this section is increased from 1% to 1.35% for participants employed in certain job categories listed in Appendix A of the Plan.

(c) Accrued benefit under the ICI Specialty Chemicals Plan.

Benefit accrual is frozen as of September 30, 2004.

Early Retirement Benefit

Age: Attained age 55.

Service: Ten years of service.

Form: Same as normal retirement benefit.

Amount: Accrued benefit on early retirement date reduced to its actuarial equivalent based on 7% interest and the 1984 Unisex Pension Mortality Table to reflect the fact that early retirement date precedes normal retirement date. Subsidized early retirement benefits are available for those employees after age 55 that meet the rule of 90, with the following reductions:

SECTION VII

PLAN PROVISIONS

<u>Months Preceding Normal Retirement Date</u>	<u>Percentage</u>
1 st 36 Months	1/6 of 1%
Next 24 Months	1/3 of 1%
Next 60 Months	5/12 of 1%

Late Retirement Benefit

Age:	No maximum age.
Form:	Same as normal retirement benefit.
Amount:	Greater of accrued benefit on normal retirement date actuarially increased to late retirement date or accrued benefit on late retirement date.

Termination Benefit

Vesting Percentage:	100% after five years of vesting service.
Form:	Same as normal retirement benefit with income deferred until normal retirement date.
Amount:	Accrued benefit on date of termination multiplied by the vesting percentage.

Survivor Annuity Death Benefit

Eligibility:	Qualified married participant fully or partially vested in an accrued benefit.
Form:	Monthly annuity payable to spouse, deferred to participant's earliest retirement date if later than the date of death.
Amount:	If death occurs, the amount paid to the surviving spouse is equal to the amount that would have been paid had the participant terminated employment on the date of death and survived to his/her earliest retirement age, retired with a qualified joint and 50% survivor annuity in effect, then died the next day.

SECTION VII

PLAN PROVISIONS

Definitions

Compensation:	Total amount paid to an employee, including overtime and bonuses.
Optional Forms of Benefit Payments	<p>The optional forms of benefit payments are:</p> <ul style="list-style-type: none"> - Monthly annuity payable for life, or 5, 10, or 15 years certain and life. - Monthly annuity payable as a survivorship life annuity with survivorship percentages of 50, 66 2/3, 75, or 100. - Single sum payment equal to the present value of the retirement benefit.

Appendix A of the Plan

The adjusted benefit accrued rate applies to an employee employed in the following job categories, or to employees with the following titles:

<u>Title</u>	<u>Department</u>	<u>Location</u>
Divisional Vice President & General Manager Of North America	Dri-Print	Rahway
Financial Controller	Dri-Print	Rahway
V.P. Operations	Dri-Print	Rahway
Distribution Manager	Astor	Lawrence
Technical Manager	Dri-Print	Rahway
Operations Manager	Astor	Lawrence
V.P. Sales & Marketing West	Astor	Lawrence
Divisional Vice President & General Manager International	Astor	Lawrence
Business Manager Embossable Products	Dri-Print	Rahway
Business Development Manager	Dri-Print	Rahway
Logistics Manager	Dri-Print	Rahway
Financial Controller	Astor	Lawrence
V.P. Sales East	Dri-Print	Rahway

SECTION I

CHANGES SINCE LAST YEAR'S VALUATION

Changes in Pension Plan Provisions

No changes in the pension plan provisions were recognized with this actuarial valuation.

Legislated Changes

There were no legislative changes recognized with this actuarial valuation.

Changes in Actuarial Assumptions

For the plan year, the expense assumption was changed from \$35,000 to \$60,000.

For ASC 960, the discount rate was updated from 6.75% to 6.25%

Changes in Actuarial Methods

No changes in actuarial methods were recognized with this actuarial valuation.

SECTION VII

ACTUARIAL METHODS

Under the Actuarial Methods described below, if all current assumptions remain constant and are realized, funding at least the Minimum Required Contribution each year will eventually accumulate sufficient plan assets to cover the Funding Target. Future widening of the interest rate stabilization corridor may extend the time period for the plan to become fully funded.

Cost Method

Costs have been computed in accordance with the Unit Credit Actuarial Cost Method and reflect the actuarial assumptions described under “Actuarial Assumptions” of this report as provided under the applicable regulations of the Pension Protection Act of 2006.

Target Normal Cost

The Target Normal Cost is the present value of benefits expected to accrue during the plan year plus an estimate of the expenses to be paid from plan assets during the plan year.

Funding Target and Funding Shortfall

The Funding Target is the present value of benefits accrued as of the beginning of the plan year and the Funding Shortfall is the excess of the Funding Target over the Actuarial Value of Assets (reduced by the Credit Balance). The initial Funding Shortfall is amortized over seven years.

In subsequent years, the Funding Shortfall less the present value of prior year amortization installments is amortized over seven years, and added to any prior year amortization installments.

Segment rates are adjusted as necessary to fall within the specified corridor of the corresponding 25-year average of segment rates for the period ending September 30 of the calendar year preceding the first day of the plan year. The specified corridor is:

<u>Plan Year</u>	<u>Corridor</u>
Through 2020	90% - 110%
2021	85% - 115%
2022	80% - 120%
2023	75% - 125%
2024 and later	70% - 130%

The adjustments to fall within the specified corridor of the 25-year average of segment rates apply for determining the minimum required contribution and related funded percentages. They do not apply for determining the maximum tax deductible contribution or certain other situations.

Sponsor Elections

Discount Rate: Segment rates, with a 4-month lookback

Mortality Table: Prescribed IRS Static Mortality Table – Separate

SECTION VII

ACTUARIAL METHODS

At-Risk Determination

The At-Risk Funding Target is determined by assuming that participants eligible to retire in the current plan year and next 10 plan years retire at the earliest possible date, but not before the end of the plan year. All participants are assumed to elect the optional form resulting in the highest possible present value.

A load is added to the At-Risk Funding Target and At-Risk Target Normal Cost when a plan is At-Risk in at least two years during the preceding four years. The load increases the At-Risk Funding Target by 4% of the Not At-Risk Funding Target plus \$700 per participant, and increases the At-Risk Target Normal Cost by 4% of the Not At-Risk Target Normal Cost.

The Funding Target and Target Normal Cost are calculated by multiplying the Not At-Risk values by 100% minus the Phase-In Percentage, plus the At-Risk values multiplied by the Phase-In Percentage.

Credit Balance

The Credit Balance consists of the Carryover Balance from excess contributions prior to the Pension Protection Act (PPA) of 2006, plus the Prefunding Balance from elected excess contributions after the PPA. Balances accumulate with interest and are reduced for amounts applied towards the Minimum Required Contribution, voluntary waivers by the plan sponsor, and compelled waivers to avoid benefit restrictions. The Actuarial Value of Assets is reduced by the Credit Balance to determine certain funded percentages and to determine the Funding Shortfall.

Asset Valuation Method

The Actuarial Value of Assets is determined using 6-month average of the Adjusted Market Value of Assets with the earliest determination 18 months prior to the valuation date. The Market Value of Assets in prior years is adjusted for contributions, benefit payments, expenses and expected earnings (not to exceed the third segment rate). The Actuarial Value of Assets is the average of these 4 Adjusted Market Value of Assets valued at the valuation date.

The Actuarial Value of Assets is adjusted to be no less than 90% or no more than 110% of the Fair Market Value of Assets, as required by IRC Section 430(g)(3)(B)(iii).

Since the expected earnings assumption cannot exceed the third segment rate, over time, the method may produce an Actuarial Value of Assets slightly below the Fair Market Value of Assets.

The Actuarial Value of Assets for determining the Maximum Tax Deductible Contribution reflects interest rate stabilization rates for discounting contributions and limiting expected earnings.

SECTION VII

ACTUARIAL ASSUMPTIONS

Below are the actuarial assumptions as of 4/1/2016:

Discount Rate:	<u>With Interest Rate Stabilization</u>	<u>Without Interest Rate Stabilization</u>	<u>ASC 960</u>
Effective Rate	5.81%	3.85%	6.25%
First Segment – First 5 Years	4.43%	1.39%	N/A
Second Segment – Next 15 Years	5.91%	3.98%	N/A
Third Segment – After 20 Years	6.65%	5.00%	N/A

Mortality:

Funding: The 2016 IRS Static Mortality Table.

ASC 960: RP-2014 Adjusted to 2006 Total Dataset Mortality Table with Scale MP-2015.

Expense Assumption \$60,000

Investment Return 6.25%

Termination: Annual Withdrawal Rates:

<u>Age</u>	<u>Rate of Withdrawal</u>
20	29.76%
25	21.76%
30	16.16%
35	12.64%
40	10.40%
45	8.80%
50	7.20%
55	0.00%

Source: Vaughn Table from August 1992 Pension Forum published by the Society of Actuaries, multiplied by 1.60.

Retirement Age: Age 65. Participants at or beyond this age are assumed to retire immediately.

Disability: 1987 Commissioner's Group Disability Table, six month elimination period, male and female.

Form of Payment Pre-retirement death benefit is anticipated to be paid as an annuity for the life of the spouse. All other benefits for participants not yet in pay status are anticipated to be paid as lump sums.

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2016 This Form is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning 04/01/2016 and ending 03/31/2017

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

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

A Name of plan API FOILS NORTH AMERICA PENSION PLAN	B Three-digit plan number (PN) ► <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF API FOILS, INC.	D Employer Identification Number (EIN) 48-1199126

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☒ 101-500 ☐ More than 500
---	---

Part I Basic Information			
1	Enter the valuation date: Month <u>4</u> Day <u>1</u> Year <u>2016</u>		
2	Assets:		
	a Market value.....	2a	2,799,591
	b Actuarial value	2b	2,900,604
3	Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target
	a For retired participants and beneficiaries receiving payment	21	704,362
	b For terminated vested participants	79	1,865,893
	c For active participants	37	668,257
	d Total	137	3,238,512
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐		
	a Funding target disregarding prescribed at-risk assumptions	4a	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b	
5	Effective interest rate.....	5	5.81 %
6	Target normal cost	6	60,000

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

SIGN HERE	ERIC PERS Signature of actuary	<u>12/20/17</u> Date
	ERIC PERS Type or print name of actuary	<u>17-08115</u> Most recent enrollment number
	PRIAC Firm name	(860) 534-4456 Telephone number (including area code)
	280 Trumbull Street Address of the firm	
	Hartford CT 06103 Address of the firm	

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

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

Schedule SB (Form 5500) 2016
v. 160205

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	0	27,003
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8).....	0	27,003
10 Interest on line 9 using prior year's actual return of <u>-1.18</u> %	0	-319
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year).....		10077
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.99</u> %.....		604
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance.....		10681
d Portion of (c) to be added to prefunding balance.....		10681
12 Other reductions in balances due to elections or deemed elections.....	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	0	37365

Part III Funding Percentages

14 Funding target attainment percentage	14	88.41%
15 Adjusted funding target attainment percentage.....	15	88.41%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	93.85%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

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

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
06/29/2016	23,395				
09/27/2016	34,001				
12/20/2016	34,001				
03/29/2017	34,001				
11/28/2017	54,689				
Totals ▶			18(b)	180,087	18(c) 0

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

a Contributions allocated toward unpaid minimum required contributions from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	170,735

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year?..... ☒ Yes ☐ No
- b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?..... ☒ Yes ☐ No
- c** If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost**21** Discount rate:**a** Segment rates:

1st segment: 4.43 %	2nd segment: 5.91 %	3rd segment: 6.65 %	☐ N/A, full yield curve used
------------------------	------------------------	------------------------	---

b Applicable month (enter code)..... **21b** 4**22** Weighted average retirement age **22** 65**23** Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute**Part VI Miscellaneous Items****24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment ☒ Yes ☐ No**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment ☐ Yes ☒ No**26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment ☒ Yes ☐ No**27** If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment **27****Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years****28** Unpaid minimum required contributions for all prior years **28** 0**29** Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a) **29** 0**30** Remaining amount of unpaid minimum required contributions (line 28 minus line 29) **30** 0**Part VIII Minimum Required Contribution For Current Year****31** Target normal cost and excess assets (see instructions):**a** Target normal cost (line 6) **31a** 60,000**b** Excess assets, if applicable, but not greater than line 31a **31b** 0

Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment.....	375,273	120,674
b Waiver amortization installment.....	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount **33****34** Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)..... **34** 180,674

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	10,435	10,435

36 Additional cash requirement (line 34 minus line 35)..... **36** 170,239**37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)..... **37** 170,735**38** Present value of excess contributions for current year (see instructions)**a** Total (excess, if any, of line 37 over line 36) **38a** 496**b** Portion included in line 38a attributable to use of prefunding and funding standard carryover balances **38b** 496**39** Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)..... **39** 0**40** Unpaid minimum required contributions for all years **40** 0**Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)****41** If an election was made to use PRA 2010 funding relief for this plan:**a** Schedule elected ☐ 2 plus 7 years ☐ 15 years**b** Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011**42** Amount of acceleration adjustment **42****43** Excess installment acceleration amount to be carried over to future plan years **43**

The API Foils North America Pension Plan

EIN/PN: 48-1199126/001

2016 Schedule SB - Line 22 - Description of Weighted Average Retirement Age

100% of participants are assumed to retire at age 65.

SECTION VII

ACTUARIAL METHODS

Under the Actuarial Methods described below, if all current assumptions remain constant and are realized, funding at least the Minimum Required Contribution each year will eventually accumulate sufficient plan assets to cover the Funding Target. Future widening of the interest rate stabilization corridor may extend the time period for the plan to become fully funded.

Cost Method

Costs have been computed in accordance with the Unit Credit Actuarial Cost Method and reflect the actuarial assumptions described under “Actuarial Assumptions” of this report as provided under the applicable regulations of the Pension Protection Act of 2006.

Target Normal Cost

The Target Normal Cost is the present value of benefits expected to accrue during the plan year plus an estimate of the expenses to be paid from plan assets during the plan year.

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The Funding Target is the present value of benefits accrued as of the beginning of the plan year and the Funding Shortfall is the excess of the Funding Target over the Actuarial Value of Assets (reduced by the Credit Balance). The initial Funding Shortfall is amortized over seven years.

In subsequent years, the Funding Shortfall less the present value of prior year amortization installments is amortized over seven years, and added to any prior year amortization installments.

Segment rates are adjusted as necessary to fall within the specified corridor of the corresponding 25-year average of segment rates for the period ending September 30 of the calendar year preceding the first day of the plan year. The specified corridor is:

<u>Plan Year</u>	<u>Corridor</u>
Through 2020	90% - 110%
2021	85% - 115%
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The adjustments to fall within the specified corridor of the 25-year average of segment rates apply for determining the minimum required contribution and related funded percentages. They do not apply for determining the maximum tax deductible contribution or certain other situations.

Sponsor Elections

Discount Rate: Segment rates, with a 4-month lookback

Mortality Table: Prescribed IRS Static Mortality Table – Separate

SECTION VII

ACTUARIAL METHODS

At-Risk Determination

The At-Risk Funding Target is determined by assuming that participants eligible to retire in the current plan year and next 10 plan years retire at the earliest possible date, but not before the end of the plan year. All participants are assumed to elect the optional form resulting in the highest possible present value.

A load is added to the At-Risk Funding Target and At-Risk Target Normal Cost when a plan is At-Risk in at least two years during the preceding four years. The load increases the At-Risk Funding Target by 4% of the Not At-Risk Funding Target plus \$700 per participant, and increases the At-Risk Target Normal Cost by 4% of the Not At-Risk Target Normal Cost.

The Funding Target and Target Normal Cost are calculated by multiplying the Not At-Risk values by 100% minus the Phase-In Percentage, plus the At-Risk values multiplied by the Phase-In Percentage.

Credit Balance

The Credit Balance consists of the Carryover Balance from excess contributions prior to the Pension Protection Act (PPA) of 2006, plus the Prefunding Balance from elected excess contributions after the PPA. Balances accumulate with interest and are reduced for amounts applied towards the Minimum Required Contribution, voluntary waivers by the plan sponsor, and compelled waivers to avoid benefit restrictions. The Actuarial Value of Assets is reduced by the Credit Balance to determine certain funded percentages and to determine the Funding Shortfall.

Asset Valuation Method

The Actuarial Value of Assets is determined using 6-month average of the Adjusted Market Value of Assets with the earliest determination 18 months prior to the valuation date. The Market Value of Assets in prior years is adjusted for contributions, benefit payments, expenses and expected earnings (not to exceed the third segment rate). The Actuarial Value of Assets is the average of these 4 Adjusted Market Value of Assets valued at the valuation date.

The Actuarial Value of Assets is adjusted to be no less than 90% or no more than 110% of the Fair Market Value of Assets, as required by IRC Section 430(g)(3)(B)(iii).

Since the expected earnings assumption cannot exceed the third segment rate, over time, the method may produce an Actuarial Value of Assets slightly below the Fair Market Value of Assets.

The Actuarial Value of Assets for determining the Maximum Tax Deductible Contribution reflects interest rate stabilization rates for discounting contributions and limiting expected earnings.

SECTION VII

ACTUARIAL ASSUMPTIONS

Below are the actuarial assumptions as of 4/1/2016:

Discount Rate:	<u>With Interest Rate Stabilization</u>	<u>Without Interest Rate Stabilization</u>	<u>ASC 960</u>
Effective Rate	5.81%	3.85%	6.25%
First Segment – First 5 Years	4.43%	1.39%	N/A
Second Segment – Next 15 Years	5.91%	3.98%	N/A
Third Segment – After 20 Years	6.65%	5.00%	N/A

Mortality:

Funding: The 2016 IRS Static Mortality Table.

ASC 960: RP-2014 Adjusted to 2006 Total Dataset Mortality Table with Scale MP-2015.

Expense Assumption \$60,000

Investment Return 6.25%

Termination: Annual Withdrawal Rates:

<u>Age</u>	<u>Rate of Withdrawal</u>
20	29.76%
25	21.76%
30	16.16%
35	12.64%
40	10.40%
45	8.80%
50	7.20%
55	0.00%

Source: Vaughn Table from August 1992 Pension Forum published by the Society of Actuaries, multiplied by 1.60.

Retirement Age: Age 65. Participants at or beyond this age are assumed to retire immediately.

Disability: 1987 Commissioner's Group Disability Table, six month elimination period, male and female.

Form of Payment Pre-retirement death benefit is anticipated to be paid as an annuity for the life of the spouse. All other benefits for participants not yet in pay status are anticipated to be paid as lump sums.

SECTION VII

PLAN PROVISIONS

Plan Eligibility

Class: Member of the non-bargaining class.

Entry Date: Date of employment.

No new participants are eligible after September 30, 2004.

Normal Retirement Benefit

Age: Attained age 65 and the beginning of the plan year in which 5 years of plan participation is earned.

Form: Monthly annuity payable for life (optional forms may be elected in advance of retirement.

Amount (accrued benefit): The sum of (a) and (b), reduced by (c):

(a) 1% of average compensation on November 1, 1985 multiplied by accrual service prior to November 1, 1985.

(b) 1% of monthly compensation for each year of accrual service on and after October 31, 1985.

Effective October 1, 1998 the percentage under this section is increased from 1% to 1.35% for participants employed in certain job categories listed in Appendix A of the Plan.

(c) Accrued benefit under the ICI Specialty Chemicals Plan.

Benefit accrual is frozen as of September 30, 2004.

Early Retirement Benefit

Age: Attained age 55.

Service: Ten years of service.

Form: Same as normal retirement benefit.

Amount: Accrued benefit on early retirement date reduced to its actuarial equivalent based on 7% interest and the 1984 Unisex Pension Mortality Table to reflect the fact that early retirement date precedes normal retirement date. Subsidized early retirement benefits are available for those employees after age 55 that meet the rule of 90, with the following reductions:

SECTION VII

PLAN PROVISIONS

<u>Months Preceding Normal Retirement Date</u>	<u>Percentage</u>
1 st 36 Months	1/6 of 1%
Next 24 Months	1/3 of 1%
Next 60 Months	5/12 of 1%

Late Retirement Benefit

Age:	No maximum age.
Form:	Same as normal retirement benefit.
Amount:	Greater of accrued benefit on normal retirement date actuarially increased to late retirement date or accrued benefit on late retirement date.

Termination Benefit

Vesting Percentage:	100% after five years of vesting service.
Form:	Same as normal retirement benefit with income deferred until normal retirement date.
Amount:	Accrued benefit on date of termination multiplied by the vesting percentage.

Survivor Annuity Death Benefit

Eligibility:	Qualified married participant fully or partially vested in an accrued benefit.
Form:	Monthly annuity payable to spouse, deferred to participant's earliest retirement date if later than the date of death.
Amount:	If death occurs, the amount paid to the surviving spouse is equal to the amount that would have been paid had the participant terminated employment on the date of death and survived to his/her earliest retirement age, retired with a qualified joint and 50% survivor annuity in effect, then died the next day.

SECTION VII

PLAN PROVISIONS

Definitions

Compensation:	Total amount paid to an employee, including overtime and bonuses.
Optional Forms of Benefit Payments	<p>The optional forms of benefit payments are:</p> <ul style="list-style-type: none"> - Monthly annuity payable for life, or 5, 10, or 15 years certain and life. - Monthly annuity payable as a survivorship life annuity with survivorship percentages of 50, 66 2/3, 75, or 100. - Single sum payment equal to the present value of the retirement benefit.

Appendix A of the Plan

The adjusted benefit accrued rate applies to an employee employed in the following job categories, or to employees with the following titles:

<u>Title</u>	<u>Department</u>	<u>Location</u>
Divisional Vice President & General Manager Of North America	Dri-Print	Rahway
Financial Controller	Dri-Print	Rahway
V.P. Operations	Dri-Print	Rahway
Distribution Manager	Astor	Lawrence
Technical Manager	Dri-Print	Rahway
Operations Manager	Astor	Lawrence
V.P. Sales & Marketing West	Astor	Lawrence
Divisional Vice President & General Manager International	Astor	Lawrence
Business Manager Embossable Products	Dri-Print	Rahway
Business Development Manager	Dri-Print	Rahway
Logistics Manager	Dri-Print	Rahway
Financial Controller	Astor	Lawrence
V.P. Sales East	Dri-Print	Rahway

SECTION I

CHANGES SINCE LAST YEAR'S VALUATION

Changes in Pension Plan Provisions

No changes in the pension plan provisions were recognized with this actuarial valuation.

Legislated Changes

There were no legislative changes recognized with this actuarial valuation.

Changes in Actuarial Assumptions

For the plan year, the expense assumption was changed from \$35,000 to \$60,000.

For ASC 960, the discount rate was updated from 6.75% to 6.25%

Changes in Actuarial Methods

No changes in actuarial methods were recognized with this actuarial valuation.

SECTION VII DISTRIBUTION OF ACTIVE PARTICIPANTS BY AGE AND SERVICE

Number of Active Participants as of April 1, 2016 – Distribution by Age and Service

Active participant counts are shown below.

Attained Age	Years of Credited Service										Total
	<u>Under 1</u>	<u>1-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>	<u>35-39</u>	<u>40 +</u>	
Under 25											
25-29											
30-34											
35-39			1								1
40-44		2	1	1							4
45-49		1	6								7
50-54		2	7	1							10
55-59	1	1	3				1				6
60-64	1		2				2				5
65-69		1	3								4
70 +											
Total	2	7	23	2			3				37

SECTION IV

SHORTFALL AMORTIZATION

The prior year amortization values and the development of the amortization for the current plan year are shown below.

Prior Year Amortization Amounts

<u>Plan Year</u>	<u>Installment</u>	<u>Years Remaining</u>	<u>Present Value</u>
2015	\$8,968	6	\$47,924
2014	(5,761)	5	(26,463)
2013	34,673	4	130,114
2012	(58,956)	3	(169,471)
2011	39,024	2	76,393
2010	60,360	1	60,360
Total	<u>\$78,308</u>		<u>\$118,857</u>

Current Year Amortization

1. Exemption from Current Year Amortization	No
2. Funding Shortfall to be Amortized	\$375,273
3. Present Value of Prior Year Amortization Installments	118,857
4. Current Year Amortization Base [2 – 3]	256,416
5. Current Year Amortization Installment	\$42,366

Net Shortfall Amortization Installment

6. Current Year Amortization Installment	\$42,366
7. Sum of Prior Year Amortization Installments	78,308
8. Net Shortfall Amortization Installment [6 + 7, not less than \$0]	\$120,674

SECTION VII

DISTRIBUTION OF ACTIVE PARTICIPANTS BY AGE AND SERVICE

Number of Active Participants as of April 1, 2016 – Distribution by Age and Service

Active participant counts are shown below.

Attained Age	Years of Credited Service										Total
	<u>Under 1</u>	<u>1-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>	<u>35-39</u>	<u>40 +</u>	
Under 25											
25-29											
30-34											
35-39			1								1
40-44		2	1	1							4
45-49		1	6								7
50-54		2	7	1							10
55-59	1	1	3				1				6
60-64	1		2				2				5
65-69		1	3								4
70 +											
Total	2	7	23	2			3				37

The API Foils North America Pension Plan

EIN/PN: 48-1199126/001

2016 Schedule SB - Line 22 - Description of Weighted Average Retirement Age

100% of participants are assumed to retire at age 65.

SECTION IV

SHORTFALL AMORTIZATION

The prior year amortization values and the development of the amortization for the current plan year are shown below.

Prior Year Amortization Amounts

<u>Plan Year</u>	<u>Installment</u>	<u>Years Remaining</u>	<u>Present Value</u>
2015	\$8,968	6	\$47,924
2014	(5,761)	5	(26,463)
2013	34,673	4	130,114
2012	(58,956)	3	(169,471)
2011	39,024	2	76,393
2010	60,360	1	60,360
Total	<hr/> \$78,308		<hr/> \$118,857

Current Year Amortization

1. Exemption from Current Year Amortization	No
2. Funding Shortfall to be Amortized	\$375,273
3. Present Value of Prior Year Amortization Installments	118,857
4. Current Year Amortization Base [2 – 3]	256,416
5. Current Year Amortization Installment	\$42,366

Net Shortfall Amortization Installment

6. Current Year Amortization Installment	\$42,366
7. Sum of Prior Year Amortization Installments	78,308
8. Net Shortfall Amortization Installment [6 + 7, not less than \$0]	\$120,674



**API FOILS NORTH AMERICA
PENSION PLAN**

**FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REPORT**

**MARCH 31, 2017 and 2016
(with supplementary information)**

API FOILS NORTH AMERICA PENSION PLAN

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MONTGOMERY COSCIA GREILICH LLP

972.748.0300 p
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INDEPENDENT AUDITOR'S REPORT

To the Participants and Administrative Committee of
API Foils North America Pension Plan:

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of API Foils North America Pension Plan (the "Plan") which comprise the statements of net assets available for benefits as of March 31, 2017 and 2016, and the related statements of changes in net assets available for benefits for the years ended March 31, 2017 and 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 accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note E, which was certified by Prudential Retirement Insurance and Annuity Company, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan Administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the Trustee, as of and for the years ended March 31, 2017 and 2016, that the information provided to the Plan Administrator by the Trustee is complete and accurate.

Disclaimer of Opinion

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

MONTGOMERY COSCIA GREILICH LLP

Other Matter – Supplemental Schedules

The supplemental schedules of Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of March 31, 2017 and Schedule H, Line 4j – Schedule of Reportable Transactions For the Year Ended March 31, 2017, are required by the Department of Labor’s (“DOL”) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

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

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

Montgomery Coscia Greulich LLP

MONTGOMERY COSCIA GREILICH LLP

Plano, Texas

January 11, 2018

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API FOILS NORTH AMERICA PENSION PLAN

Statements of Net Assets Available For Benefits March 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Investments, at fair value:		
Pooled separate accounts	\$ 2,927,342	\$ 2,761,657
Receivables:		
Employer contributions	<u>54,689</u>	<u>37,934</u>
Net assets available for benefits	<u>\$ 2,982,031</u>	<u>\$ 2,799,591</u>

API FOILS NORTH AMERICA PENSION PLAN

Statements of Changes in Net Assets Available For Benefits For the Years Ended March 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Additions to/(deductions from) net assets:		
Investment income/(loss):		
Net realized/unrealized appreciation/(depreciation) in fair value of investments	\$ 245,170	\$ (36,555)
Employer contributions	180,087	151,369
Benefits paid to participants	(194,829)	(630,786)
Administrative fees	<u>(47,988)</u>	<u>(33,159)</u>
Net increase/(decrease)	182,440	(549,131)
Net assets available for benefits – beginning of year	<u>2,799,591</u>	3,348,722
Net assets available for benefits – end of year	<u><u>\$ 2,982,031</u></u>	<u><u>\$ 2,799,591</u></u>

API FOILS NORTH AMERICA PENSION PLAN

Notes to Financial Statements March 31, 2017 and 2016

NOTE A - DESCRIPTION OF PLAN

The following brief description of API Foils North America Pension Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

[1] General:

The Plan is a noncontributory defined benefit pension plan covering substantially all nonunion employees of API Foils, Inc. (the "Company"), who meet certain eligibility requirements as to length of service and age. Former employees of Astor Universal, ICI American Holdings, Inc., Imperial Chemical Industries of Canada, Limited, API America Ltd. and Dri-Print Foils, Inc. are eligible for participation in the Plan, as defined. Effective September 30, 2004, the Plan was amended to discontinue the addition of new participants to the Plan and cease all future benefit accruals under the Plan.

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). The trustee of the Plan is Prudential Bank & Trust, FSB. The Company is the Plan sponsor. In March 2015, the Company became a wholly owned indirect subsidiary of Steel Partners Holdings LP. The Plan is administered by the Investment Committee (the "Committee"). The Committee has overall responsibility for the operation and administration of the Plan. The Committee determines the appropriateness of the Plan's investments and monitors investment performance.

The effective date of the Plan is November 1, 1985. The Plan was restated effective October 1, 2006.

[2] Pension benefits:

The Plan provides participants or their beneficiaries with benefits in accordance with a benefit formula. The benefit amount is based on age, years of service, compensation, and other relevant factors. Full vesting is provided after five years of service have been completed.

Employees are entitled to receive benefit payments at the normal retirement age of 65, although earlier retirement with lesser benefits is permitted. Benefit payments are paid in the following forms: (1) immediate survivorship annuity; (2) straight life annuity; (3) single life annuities with certain periods of five, ten or fifteen years; (4) survivorship life annuities with survivorship percentages of 50, 66 2/3, 75 or 100%; or (5) lump-sum distribution.

[3] Death benefits:

If an active participant dies before their normal retirement date, no benefit will become payable unless the participant is survived by a spouse on the date they die and the participant has a vesting percentage larger than zero. If both conditions are met a Qualified Preretirement Survivor Annuity will become payable. Death benefits will be calculated in like manner if the participant dies after normal retirement age and before annuity starting date. If any death occurs after the participant's annuity starting date the death benefit will be determined by the form of retirement benefit in effect at such date.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[1] Basis of accounting:

The financial statements of the Plan are prepared on the accrual method of accounting.

API FOILS NORTH AMERICA PENSION PLAN

Notes to Financial Statements March 31, 2017 and 2016

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[2] Subsequent events:

The Plan has evaluated subsequent events through January 11, 2018, the date the financial statements were available to be issued.

[3] Use of estimates:

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

[4] Investment valuation and income recognition:

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

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

[5] Payment of benefits:

Benefits are recorded when paid.

[6] Administrative expenses:

The Plan's expenses are paid either by the Plan or the Company, as provided by the Plan document. Expenses that are paid directly by the Company are excluded from the Plan's financial statements. Certain expenses incurred in connection with the general administration of the Plan that are paid by the Plan are recorded as deductions in the accompanying statements of changes in net assets available for benefits.

[7] Recent accounting pronouncement ASU 2015-07:

In May 2015 the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2015-07 ("ASU 2015-07"), Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent), an amendment to Fair Value Measurement Topic 820. ASU 2015-07 removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. ASU 2015-07 is effective for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. Early adoption is permitted. The Plan elected to adopt ASU 2015-07 as of and for the year ended March 31, 2016. Accordingly, investments measured using the net asset value per share practical expedient have not been categorized within the fair value hierarchy.

API FOILS NORTH AMERICA PENSION PLAN

Notes to Financial Statements March 31, 2017 and 2016

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[8] Recent accounting pronouncement ASU 2015-12:

In July 2015 the FASB issued Accounting Standards Update No. 2015-12 ("ASU 2015-12"), Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962) and Health and Welfare Benefit Plans (Topic 965) (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, and (Part III) Measurement Date Practical Expedient. Part I does not apply to defined benefit plans. Part II 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. Part II 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 allows an employee benefit plan with a fiscal year end that does not coincide with the end of a calendar month to measure its investments using the month end closest to its fiscal year end. The amendments are effective for fiscal years beginning after December 15, 2015. Earlier application is permitted. The Plan elected to adopt ASU 2015-12 as of and for the year ended March 31, 2016.

NOTE C - FUNDING POLICY

The Plan's funding policy is for the Company to contribute an amount that will meet or exceed the annual ERISA minimum funding requirement. During the years ended March 31, 2017 and 2016, the Company made contributions of \$180,087 and \$151,369, respectively. The Company's contributions for the years ended March 31, 2017 and 2016 exceeded the minimum funding requirements of ERISA.

NOTE D - FAIR VALUE MEASUREMENTS

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

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

Level 2 – Inputs to the valuation methodology include: (1) quoted prices for similar assets or liabilities in active markets; (2) quoted prices for identical or similar assets or liabilities in inactive markets; (3) inputs other than quoted prices that are observable for the asset or liability; or (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

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

API FOILS NORTH AMERICA PENSION PLAN

Notes to Financial Statements March 31, 2017 and 2016

NOTE D - FAIR VALUE MEASUREMENTS (CONTINUED)

Following is a description of the valuation methodologies used for investment assets measured at fair value. There have been no changes in the methodologies used at March 31, 2017 and 2016.

Pooled separate accounts: Valued at the net asset value ("NAV"), as a practical expedient, based on the market value of the underlying investments. The NAV is not a publicly-quoted price in an active market. The pooled separate accounts are comprised of a wide variety of underlying investments.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth, by level, within the fair value hierarchy, the Plan's investment assets at fair value as of March 31, 2017 and 2016:

Investment Assets at Fair Value as of March 31, 2017

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments measured at net asset value (A)				
Pooled separate accounts	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 2,927,342</u>
Total investment assets measured at net asset value				<u>2,927,342</u>
Total investment assets, at fair value				<u>\$ 2,927,342</u>

Investment Assets at Fair Value as of March 31, 2016

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments measured at net asset value (A)				
Pooled separate accounts	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 2,761,657</u>
Total investment assets measured at net asset value				<u>2,761,657</u>
Total investment assets, at fair value				<u>\$ 2,761,657</u>

- (A) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of net assets available for benefits.

API FOILS NORTH AMERICA PENSION PLAN

Notes to Financial Statements March 31, 2017 and 2016

NOTE D - FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value of Investments in Entities that Use Net Asset Value

The following tables summarize investments for which fair value is measured using the net asset value per share practical expedient as of March 31, 2017 and 2016, respectively.

	Fair Value March 31, 2017	Fair Value March 31, 2016	Unfunded Commitments	Redemption Frequency (if currently eligible)	Plan Level Redemption Notice Period
Pooled separate accounts	\$ 2,927,342	\$2,761,657	n/a	Daily	0 days

NOTE E – INVESTMENT CERTIFICATION

The Plan Administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, Prudential Retirement Insurance and Annuity Company has certified to the completeness and accuracy of all investments and related investment activity in the accompanying statements of net assets available for benefits as of March 31, 2017 and 2016, the statements of changes in net assets available for benefits for the years ended March 31, 2017 and 2016, the accompanying supplemental schedule of assets (held at end of year) as of March 31, 2017, and the supplemental schedule of reportable transactions for the year ended March 31, 2017. The Plan's independent certified public account did not perform auditing procedures with respect to this information, except comparing such information to the related information included in the financial statements.

NOTE F - ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

The accumulated plan benefits are those future periodic payments, including lump-sum distributions, which are attributable, under the Plan's provisions, to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are accumulated based on employees' compensation during each year of credited service. The accumulated plan benefits for active employees will equal the accumulation, with interest, of the annual benefit accruals as of the benefit information date, less any accrued benefit under the ICI Specialty Chemicals Pension Plan. On September 30, 2004, the accrued benefit was frozen and no additional benefits accrue after such date. Benefits payable under all circumstances (retirement, death, disability, and termination of employment) are included, to the extent they are deemed attributable to employee service rendered to the valuation date. The actuarial present value of accumulated plan benefits is determined by the Plan's actuary, and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment between the valuation date and the expected date of payment.

API FOILS NORTH AMERICA PENSION PLAN

Notes to Financial Statements March 31, 2017 and 2016

NOTE F - ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS (CONTINUED)

The effect of plan amendments on accumulated plan benefits is recognized during the year in which such amendments become effective. The actuarial present value of accumulated plan benefits as of March 31, 2016 is as follows:

Vested benefits:	
Participants current receiving benefits	\$ 716,866
Other participants	<u>2,890,608</u>
Total vested benefits	3,607,474
Non-vested benefits	<u>-</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 3,607,474</u>

Reconciliation of changes in the actuarial present value of accumulated plan benefits as of March 31, 2016 is as follows:

Actuarial present value of accumulated plan benefits as of March 31, 2015	<u>\$ 3,898,662</u>
Increase (decrease) during the year attributable to:	
Increase for interest	240,097
Benefits accumulated and actuarial (gain)/loss	(3,759)
Changes in actuarial assumption (interest rate)	103,260
Benefits paid	<u>(630,786)</u>
Net decrease	<u>(291,188)</u>
Actuarial present value of accumulated plan benefits as of March 31, 2016 plan benefits as of end of year	<u>\$ 3,607,474</u>

Significant actuarial assumptions used in the valuation of the actuarial present value of accumulated plan benefits as of March 31, 2016 were:

- Interest (discount) rate: 6.25% as of March 31, 2016; 6.75% as of March 31, 2015
- Mortality table: RP-2014 Total Dataset Mortality with Scale MP-2015
- Expected retirement age: Age 65

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits. The computations of the actuarial present value of accumulated plan benefits were made as of April 1, 2016. Had the valuations been performed as of March 31, 2016 there would be no material differences.

NOTE G - TAX STATUS

The Internal Revenue Service ("IRS") has determined and informed the Company by a letter dated December 11, 2007 that the Plan is qualified under the Internal Revenue Code ("IRC") and therefore the related trust is exempt from taxation. The Plan has been amended since receiving the tax determination letter. However, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and therefore, believes that the Plan is qualified, and the related trust is tax-exempt.

API FOILS NORTH AMERICA PENSION PLAN

Notes to Financial Statements March 31, 2017 and 2016

NOTE G - TAX STATUS (CONTINUED)

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability if the plan has taken an uncertain position that more likely than not would not be sustained upon examination by a government authority. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of March 31, 2017, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine examinations by taxing jurisdictions; however, there are currently no examinations for any tax periods in progress.

NOTE H - RELATED-PARTY TRANSACTIONS AND PARTY IN INTEREST TRANSACTIONS

Certain investments are pooled separate accounts managed by Prudential Retirement Insurance and Annuity Company; therefore, transactions related to these investments qualify as party-in-interest transactions.

NOTE I - RISKS AND UNCERTAINTIES

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

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

Volatility in the financial markets may significantly impact the subsequent valuation of the Plan's investments. Accordingly, the valuation of investments at March 31, 2017 may not necessarily be indicative of amounts that could be realized in a current market exchange.

NOTE J - PLAN TERMINATION

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions as set forth in ERISA. In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

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

API FOILS NORTH AMERICA PENSION PLAN

Notes to Financial Statements March 31, 2017 and 2016

NOTE J - PLAN TERMINATION (CONTINUED)

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. The maximum guarantee is set by law and it is updated each calendar year. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. A statutory ceiling exists, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees. For Plan terminations occurring during 2017, that ceiling is approximately \$5,369 per month. That ceiling applies to those pensioners who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or Plan termination (whichever comes later). The amount is higher for those who retire later and lower for those that retire earlier or elect joint and survivor benefits. Further limitations apply for plans created or amended to increase benefits within five years before the plan's termination date.

PBGC guarantees the larger of 20% of the benefit increase, or \$20 per month for each full year the benefit increase was in effect.

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

API FOILS NORTH AMERICA PENSION PLAN

Employer Identification # 48-1199126 Plan No. 001
Schedule H, Part IV, Line 4i of Form 5500
Schedule of Assets (Held at End of Year)
March 31, 2017

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
*	Prudential Retirement Insurance ---and Annuity Company	Large Cap Blend/MFS	\$ 266,126	\$ 415,868
*	Prudential Retirement Insurance ---and Annuity Company	Large Cap Growth/JP Morgan	198,963	325,442
*	Prudential Retirement Insurance ---and Annuity Company	Large Cap Value/LSV Asset Mgmt	208,814	328,151
*	Prudential Retirement Insurance ---and Annuity Company	Small Cap Growth/RBC	37,308	65,030
*	Prudential Retirement Insurance ---and Annuity Company	Small Cap Value/Kennedy Capital	33,620	69,551
*	Prudential Retirement Insurance ---and Annuity Company	International Blend/AQR	199,747	195,659
*	Prudential Retirement Insurance ---and Annuity Company	Core Plus Bond/PGIM Fund	1,333,622	1,436,180
*	Prudential Retirement Insurance ---and Annuity Company	Prudential Short-Term	11,325	11,325
*	Prudential Retirement Insurance ---and Annuity Company	Real Estate/Am Century Fund	57,772	80,136
			<u>\$ 2,347,297</u>	<u>\$ 2,927,342</u>
*	Party-in-interest, as defined by ERISA.			

See independent auditor's report on supplemental schedules.

API FOILS NORTH AMERICA PENSION PLAN

Employer Identification # 48-1199126, Plan No. 001
Schedule H, Part IV, Line 4(j) of Form 5500
Schedule of Reportable Transactions
Year Ended March 31, 2017

(a)	(b)	(c)	(d)	(g)	(h) Current Value of Asset on Transaction Date	(i)
Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Cost of Asset		Net Gain (Loss)
Prudential Retirement Insurance Annuity Company	Core Plus Bond/PGIM Fund	\$ 81,666	\$ -	\$ 81,666	\$ 81,666	\$ -
Prudential Retirement Insurance Annuity Company	Core Plus Bond/PGIM Fund	-	75,000	67,518	75,000	7,482
Prudential Retirement Insurance Annuity Company	Prudential Short-Term	191,656	-	191,656	191,656	-
Prudential Retirement Insurance Annuity Company	Prudential Short-Term	-	242,817	242,817	242,817	-

See independent auditor's report on supplemental schedules.



**API FOILS NORTH AMERICA
PENSION PLAN**

**FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REPORT**

**MARCH 31, 2017 and 2016
(with supplementary information)**

API FOILS NORTH AMERICA PENSION PLAN

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MONTGOMERY COSCIA GREILICH LLP

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INDEPENDENT AUDITOR'S REPORT

To the Participants and Administrative Committee of
API Foils North America Pension Plan:

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of API Foils North America Pension Plan (the "Plan") which comprise the statements of net assets available for benefits as of March 31, 2017 and 2016, and the related statements of changes in net assets available for benefits for the years ended March 31, 2017 and 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 accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note E, which was certified by Prudential Retirement Insurance and Annuity Company, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan Administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the Trustee, as of and for the years ended March 31, 2017 and 2016, that the information provided to the Plan Administrator by the Trustee is complete and accurate.

Disclaimer of Opinion

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

MONTGOMERY COSCIA GREILICH LLP

Other Matter – Supplemental Schedules

The supplemental schedules of Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of March 31, 2017 and Schedule H, Line 4j – Schedule of Reportable Transactions For the Year Ended March 31, 2017, are required by the Department of Labor’s (“DOL”) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

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

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

Montgomery Coscia Greulich LLP

MONTGOMERY COSCIA GREILICH LLP

Plano, Texas

January 11, 2018

2500 Dallas Parkway, Suite 300
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API FOILS NORTH AMERICA PENSION PLAN

Statements of Net Assets Available For Benefits March 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Investments, at fair value:		
Pooled separate accounts	\$ 2,927,342	\$ 2,761,657
Receivables:		
Employer contributions	<u>54,689</u>	<u>37,934</u>
Net assets available for benefits	<u>\$ 2,982,031</u>	<u>\$ 2,799,591</u>

API FOILS NORTH AMERICA PENSION PLAN

Statements of Changes in Net Assets Available For Benefits For the Years Ended March 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Additions to/(deductions from) net assets:		
Investment income/(loss):		
Net realized/unrealized appreciation/(depreciation) in fair value of investments	\$ 245,170	\$ (36,555)
Employer contributions	180,087	151,369
Benefits paid to participants	(194,829)	(630,786)
Administrative fees	<u>(47,988)</u>	<u>(33,159)</u>
Net increase/(decrease)	182,440	(549,131)
Net assets available for benefits – beginning of year	<u>2,799,591</u>	<u>3,348,722</u>
Net assets available for benefits – end of year	<u>\$ 2,982,031</u>	<u>\$ 2,799,591</u>

API FOILS NORTH AMERICA PENSION PLAN

Notes to Financial Statements March 31, 2017 and 2016

NOTE A - DESCRIPTION OF PLAN

The following brief description of API Foils North America Pension Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

[1] General:

The Plan is a noncontributory defined benefit pension plan covering substantially all nonunion employees of API Foils, Inc. (the "Company"), who meet certain eligibility requirements as to length of service and age. Former employees of Astor Universal, ICI American Holdings, Inc., Imperial Chemical Industries of Canada, Limited, API America Ltd. and Dri-Print Foils, Inc. are eligible for participation in the Plan, as defined. Effective September 30, 2004, the Plan was amended to discontinue the addition of new participants to the Plan and cease all future benefit accruals under the Plan.

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). The trustee of the Plan is Prudential Bank & Trust, FSB. The Company is the Plan sponsor. In March 2015, the Company became a wholly owned indirect subsidiary of Steel Partners Holdings LP. The Plan is administered by the Investment Committee (the "Committee"). The Committee has overall responsibility for the operation and administration of the Plan. The Committee determines the appropriateness of the Plan's investments and monitors investment performance.

The effective date of the Plan is November 1, 1985. The Plan was restated effective October 1, 2006.

[2] Pension benefits:

The Plan provides participants or their beneficiaries with benefits in accordance with a benefit formula. The benefit amount is based on age, years of service, compensation, and other relevant factors. Full vesting is provided after five years of service have been completed.

Employees are entitled to receive benefit payments at the normal retirement age of 65, although earlier retirement with lesser benefits is permitted. Benefit payments are paid in the following forms: (1) immediate survivorship annuity; (2) straight life annuity; (3) single life annuities with certain periods of five, ten or fifteen years; (4) survivorship life annuities with survivorship percentages of 50, 66 2/3, 75 or 100%; or (5) lump-sum distribution.

[3] Death benefits:

If an active participant dies before their normal retirement date, no benefit will become payable unless the participant is survived by a spouse on the date they die and the participant has a vesting percentage larger than zero. If both conditions are met a Qualified Preretirement Survivor Annuity will become payable. Death benefits will be calculated in like manner if the participant dies after normal retirement age and before annuity starting date. If any death occurs after the participant's annuity starting date the death benefit will be determined by the form of retirement benefit in effect at such date.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[1] Basis of accounting:

The financial statements of the Plan are prepared on the accrual method of accounting.

API FOILS NORTH AMERICA PENSION PLAN

Notes to Financial Statements March 31, 2017 and 2016

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[2] Subsequent events:

The Plan has evaluated subsequent events through January 11, 2018, the date the financial statements were available to be issued.

[3] Use of estimates:

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

[4] Investment valuation and income recognition:

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

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

[5] Payment of benefits:

Benefits are recorded when paid.

[6] Administrative expenses:

The Plan's expenses are paid either by the Plan or the Company, as provided by the Plan document. Expenses that are paid directly by the Company are excluded from the Plan's financial statements. Certain expenses incurred in connection with the general administration of the Plan that are paid by the Plan are recorded as deductions in the accompanying statements of changes in net assets available for benefits.

[7] Recent accounting pronouncement ASU 2015-07:

In May 2015 the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2015-07 ("ASU 2015-07"), Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent), an amendment to Fair Value Measurement Topic 820. ASU 2015-07 removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. ASU 2015-07 is effective for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. Early adoption is permitted. The Plan elected to adopt ASU 2015-07 as of and for the year ended March 31, 2016. Accordingly, investments measured using the net asset value per share practical expedient have not been categorized within the fair value hierarchy.

API FOILS NORTH AMERICA PENSION PLAN

Notes to Financial Statements March 31, 2017 and 2016

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[8] Recent accounting pronouncement ASU 2015-12:

In July 2015 the FASB issued Accounting Standards Update No. 2015-12 ("ASU 2015-12"), Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962) and Health and Welfare Benefit Plans (Topic 965) (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, and (Part III) Measurement Date Practical Expedient. Part I does not apply to defined benefit plans. Part II 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. Part II 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 allows an employee benefit plan with a fiscal year end that does not coincide with the end of a calendar month to measure its investments using the month end closest to its fiscal year end. The amendments are effective for fiscal years beginning after December 15, 2015. Earlier application is permitted. The Plan elected to adopt ASU 2015-12 as of and for the year ended March 31, 2016.

NOTE C - FUNDING POLICY

The Plan's funding policy is for the Company to contribute an amount that will meet or exceed the annual ERISA minimum funding requirement. During the years ended March 31, 2017 and 2016, the Company made contributions of \$180,087 and \$151,369, respectively. The Company's contributions for the years ended March 31, 2017 and 2016 exceeded the minimum funding requirements of ERISA.

NOTE D - FAIR VALUE MEASUREMENTS

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

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

Level 2 – Inputs to the valuation methodology include: (1) quoted prices for similar assets or liabilities in active markets; (2) quoted prices for identical or similar assets or liabilities in inactive markets; (3) inputs other than quoted prices that are observable for the asset or liability; or (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

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

API FOILS NORTH AMERICA PENSION PLAN

Notes to Financial Statements March 31, 2017 and 2016

NOTE D - FAIR VALUE MEASUREMENTS (CONTINUED)

Following is a description of the valuation methodologies used for investment assets measured at fair value. There have been no changes in the methodologies used at March 31, 2017 and 2016.

Pooled separate accounts: Valued at the net asset value ("NAV"), as a practical expedient, based on the market value of the underlying investments. The NAV is not a publicly-quoted price in an active market. The pooled separate accounts are comprised of a wide variety of underlying investments.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth, by level, within the fair value hierarchy, the Plan's investment assets at fair value as of March 31, 2017 and 2016:

Investment Assets at Fair Value as of March 31, 2017

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments measured at net asset value (A)				
Pooled separate accounts	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 2,927,342</u>
Total investment assets measured at net asset value				<u>2,927,342</u>
Total investment assets, at fair value				<u>\$ 2,927,342</u>

Investment Assets at Fair Value as of March 31, 2016

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments measured at net asset value (A)				
Pooled separate accounts	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 2,761,657</u>
Total investment assets measured at net asset value				<u>2,761,657</u>
Total investment assets, at fair value				<u>\$ 2,761,657</u>

- (A) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of net assets available for benefits.

API FOILS NORTH AMERICA PENSION PLAN

Notes to Financial Statements March 31, 2017 and 2016

NOTE D - FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value of Investments in Entities that Use Net Asset Value

The following tables summarize investments for which fair value is measured using the net asset value per share practical expedient as of March 31, 2017 and 2016, respectively.

	Fair Value March 31, 2017	Fair Value March 31, 2016	Unfunded Commitments	Redemption Frequency (if currently eligible)	Plan Level Redemption Notice Period
Pooled separate accounts	\$ 2,927,342	\$2,761,657	n/a	Daily	0 days

NOTE E – INVESTMENT CERTIFICATION

The Plan Administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, Prudential Retirement Insurance and Annuity Company has certified to the completeness and accuracy of all investments and related investment activity in the accompanying statements of net assets available for benefits as of March 31, 2017 and 2016, the statements of changes in net assets available for benefits for the years ended March 31, 2017 and 2016, the accompanying supplemental schedule of assets (held at end of year) as of March 31, 2017, and the supplemental schedule of reportable transactions for the year ended March 31, 2017. The Plan's independent certified public account did not perform auditing procedures with respect to this information, except comparing such information to the related information included in the financial statements.

NOTE F - ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

The accumulated plan benefits are those future periodic payments, including lump-sum distributions, which are attributable, under the Plan's provisions, to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are accumulated based on employees' compensation during each year of credited service. The accumulated plan benefits for active employees will equal the accumulation, with interest, of the annual benefit accruals as of the benefit information date, less any accrued benefit under the ICI Specialty Chemicals Pension Plan. On September 30, 2004, the accrued benefit was frozen and no additional benefits accrue after such date. Benefits payable under all circumstances (retirement, death, disability, and termination of employment) are included, to the extent they are deemed attributable to employee service rendered to the valuation date. The actuarial present value of accumulated plan benefits is determined by the Plan's actuary, and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment between the valuation date and the expected date of payment.

API FOILS NORTH AMERICA PENSION PLAN

Notes to Financial Statements March 31, 2017 and 2016

NOTE F - ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS (CONTINUED)

The effect of plan amendments on accumulated plan benefits is recognized during the year in which such amendments become effective. The actuarial present value of accumulated plan benefits as of March 31, 2016 is as follows:

Vested benefits:	
Participants current receiving benefits	\$ 716,866
Other participants	<u>2,890,608</u>
Total vested benefits	3,607,474
Non-vested benefits	<u>-</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 3,607,474</u>

Reconciliation of changes in the actuarial present value of accumulated plan benefits as of March 31, 2016 is as follows:

Actuarial present value of accumulated plan benefits as of March 31, 2015	<u>\$ 3,898,662</u>
Increase (decrease) during the year attributable to:	
Increase for interest	240,097
Benefits accumulated and actuarial (gain)/loss	(3,759)
Changes in actuarial assumption (interest rate)	103,260
Benefits paid	<u>(630,786)</u>
Net decrease	<u>(291,188)</u>
Actuarial present value of accumulated plan benefits as of March 31, 2016 plan benefits as of end of year	<u>\$ 3,607,474</u>

Significant actuarial assumptions used in the valuation of the actuarial present value of accumulated plan benefits as of March 31, 2016 were:

- Interest (discount) rate: 6.25% as of March 31, 2016; 6.75% as of March 31, 2015
- Mortality table: RP-2014 Total Dataset Mortality with Scale MP-2015
- Expected retirement age: Age 65

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits. The computations of the actuarial present value of accumulated plan benefits were made as of April 1, 2016. Had the valuations been performed as of March 31, 2016 there would be no material differences.

NOTE G - TAX STATUS

The Internal Revenue Service ("IRS") has determined and informed the Company by a letter dated December 11, 2007 that the Plan is qualified under the Internal Revenue Code ("IRC") and therefore the related trust is exempt from taxation. The Plan has been amended since receiving the tax determination letter. However, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and therefore, believes that the Plan is qualified, and the related trust is tax-exempt.

API FOILS NORTH AMERICA PENSION PLAN

Notes to Financial Statements March 31, 2017 and 2016

NOTE G - TAX STATUS (CONTINUED)

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability if the plan has taken an uncertain position that more likely than not would not be sustained upon examination by a government authority. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of March 31, 2017, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine examinations by taxing jurisdictions; however, there are currently no examinations for any tax periods in progress.

NOTE H - RELATED-PARTY TRANSACTIONS AND PARTY IN INTEREST TRANSACTIONS

Certain investments are pooled separate accounts managed by Prudential Retirement Insurance and Annuity Company; therefore, transactions related to these investments qualify as party-in-interest transactions.

NOTE I - RISKS AND UNCERTAINTIES

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

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

Volatility in the financial markets may significantly impact the subsequent valuation of the Plan's investments. Accordingly, the valuation of investments at March 31, 2017 may not necessarily be indicative of amounts that could be realized in a current market exchange.

NOTE J - PLAN TERMINATION

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions as set forth in ERISA. In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

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

API FOILS NORTH AMERICA PENSION PLAN

Notes to Financial Statements March 31, 2017 and 2016

NOTE J - PLAN TERMINATION (CONTINUED)

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. The maximum guarantee is set by law and it is updated each calendar year. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. A statutory ceiling exists, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees. For Plan terminations occurring during 2017, that ceiling is approximately \$5,369 per month. That ceiling applies to those pensioners who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or Plan termination (whichever comes later). The amount is higher for those who retire later and lower for those that retire earlier or elect joint and survivor benefits. Further limitations apply for plans created or amended to increase benefits within five years before the plan's termination date.

PBGC guarantees the larger of 20% of the benefit increase, or \$20 per month for each full year the benefit increase was in effect.

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

API FOILS NORTH AMERICA PENSION PLAN

Employer Identification # 48-1199126 Plan No. 001
Schedule H, Part IV, Line 4i of Form 5500
Schedule of Assets (Held at End of Year)
March 31, 2017

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
*	Prudential Retirement Insurance ---and Annuity Company	Large Cap Blend/MFS	\$ 266,126	\$ 415,868
*	Prudential Retirement Insurance ---and Annuity Company	Large Cap Growth/JP Morgan	198,963	325,442
*	Prudential Retirement Insurance ---and Annuity Company	Large Cap Value/LSV Asset Mgmt	208,814	328,151
*	Prudential Retirement Insurance ---and Annuity Company	Small Cap Growth/RBC	37,308	65,030
*	Prudential Retirement Insurance ---and Annuity Company	Small Cap Value/Kennedy Capital	33,620	69,551
*	Prudential Retirement Insurance ---and Annuity Company	International Blend/AQR	199,747	195,659
*	Prudential Retirement Insurance ---and Annuity Company	Core Plus Bond/PGIM Fund	1,333,622	1,436,180
*	Prudential Retirement Insurance ---and Annuity Company	Prudential Short-Term	11,325	11,325
*	Prudential Retirement Insurance ---and Annuity Company	Real Estate/Am Century Fund	57,772	80,136
			<u>\$ 2,347,297</u>	<u>\$ 2,927,342</u>
*	Party-in-interest, as defined by ERISA.			

See independent auditor's report on supplemental schedules.

API FOILS NORTH AMERICA PENSION PLAN

Employer Identification # 48-1199126, Plan No. 001
Schedule H, Part IV, Line 4(j) of Form 5500
Schedule of Reportable Transactions
Year Ended March 31, 2017

(a)	(b)	(c)	(d)	(g)	(h) Current Value of Asset on Transaction Date	(i)
Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Cost of Asset		Net Gain (Loss)
Prudential Retirement Insurance Annuity Company	Core Plus Bond/PGIM Fund	\$ 81,666	\$ -	\$ 81,666	\$ 81,666	\$ -
Prudential Retirement Insurance Annuity Company	Core Plus Bond/PGIM Fund	-	75,000	67,518	75,000	7,482
Prudential Retirement Insurance Annuity Company	Prudential Short-Term	191,656	-	191,656	191,656	-
Prudential Retirement Insurance Annuity Company	Prudential Short-Term	-	242,817	242,817	242,817	-

See independent auditor's report on supplemental schedules.



**API FOILS NORTH AMERICA
PENSION PLAN**

**FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REPORT**

**MARCH 31, 2017 and 2016
(with supplementary information)**

API FOILS NORTH AMERICA PENSION PLAN

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INDEPENDENT AUDITOR'S REPORT

To the Participants and Administrative Committee of
API Foils North America Pension Plan:

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of API Foils North America Pension Plan (the "Plan") which comprise the statements of net assets available for benefits as of March 31, 2017 and 2016, and the related statements of changes in net assets available for benefits for the years ended March 31, 2017 and 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 accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note E, which was certified by Prudential Retirement Insurance and Annuity Company, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan Administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the Trustee, as of and for the years ended March 31, 2017 and 2016, that the information provided to the Plan Administrator by the Trustee is complete and accurate.

Disclaimer of Opinion

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

MONTGOMERY COSCIA GREILICH LLP

Other Matter – Supplemental Schedules

The supplemental schedules of Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of March 31, 2017 and Schedule H, Line 4j – Schedule of Reportable Transactions For the Year Ended March 31, 2017, are required by the Department of Labor’s (“DOL”) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

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

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

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January 11, 2018

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API FOILS NORTH AMERICA PENSION PLAN

Statements of Net Assets Available For Benefits March 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Investments, at fair value:		
Pooled separate accounts	\$ 2,927,342	\$ 2,761,657
Receivables:		
Employer contributions	<u>54,689</u>	<u>37,934</u>
Net assets available for benefits	<u>\$ 2,982,031</u>	<u>\$ 2,799,591</u>

API FOILS NORTH AMERICA PENSION PLAN

Statements of Changes in Net Assets Available For Benefits For the Years Ended March 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Additions to/(deductions from) net assets:		
Investment income/(loss):		
Net realized/unrealized appreciation/(depreciation) in fair value of investments	\$ 245,170	\$ (36,555)
Employer contributions	180,087	151,369
Benefits paid to participants	(194,829)	(630,786)
Administrative fees	(47,988)	(33,159)
Net increase/(decrease)	182,440	(549,131)
Net assets available for benefits – beginning of year	<u>2,799,591</u>	<u>3,348,722</u>
Net assets available for benefits – end of year	<u>\$ 2,982,031</u>	<u>\$ 2,799,591</u>

API FOILS NORTH AMERICA PENSION PLAN

Notes to Financial Statements March 31, 2017 and 2016

NOTE A - DESCRIPTION OF PLAN

The following brief description of API Foils North America Pension Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

[1] General:

The Plan is a noncontributory defined benefit pension plan covering substantially all nonunion employees of API Foils, Inc. (the "Company"), who meet certain eligibility requirements as to length of service and age. Former employees of Astor Universal, ICI American Holdings, Inc., Imperial Chemical Industries of Canada, Limited, API America Ltd. and Dri-Print Foils, Inc. are eligible for participation in the Plan, as defined. Effective September 30, 2004, the Plan was amended to discontinue the addition of new participants to the Plan and cease all future benefit accruals under the Plan.

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). The trustee of the Plan is Prudential Bank & Trust, FSB. The Company is the Plan sponsor. In March 2015, the Company became a wholly owned indirect subsidiary of Steel Partners Holdings LP. The Plan is administered by the Investment Committee (the "Committee"). The Committee has overall responsibility for the operation and administration of the Plan. The Committee determines the appropriateness of the Plan's investments and monitors investment performance.

The effective date of the Plan is November 1, 1985. The Plan was restated effective October 1, 2006.

[2] Pension benefits:

The Plan provides participants or their beneficiaries with benefits in accordance with a benefit formula. The benefit amount is based on age, years of service, compensation, and other relevant factors. Full vesting is provided after five years of service have been completed.

Employees are entitled to receive benefit payments at the normal retirement age of 65, although earlier retirement with lesser benefits is permitted. Benefit payments are paid in the following forms: (1) immediate survivorship annuity; (2) straight life annuity; (3) single life annuities with certain periods of five, ten or fifteen years; (4) survivorship life annuities with survivorship percentages of 50, 66 2/3, 75 or 100%; or (5) lump-sum distribution.

[3] Death benefits:

If an active participant dies before their normal retirement date, no benefit will become payable unless the participant is survived by a spouse on the date they die and the participant has a vesting percentage larger than zero. If both conditions are met a Qualified Preretirement Survivor Annuity will become payable. Death benefits will be calculated in like manner if the participant dies after normal retirement age and before annuity starting date. If any death occurs after the participant's annuity starting date the death benefit will be determined by the form of retirement benefit in effect at such date.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[1] Basis of accounting:

The financial statements of the Plan are prepared on the accrual method of accounting.

API FOILS NORTH AMERICA PENSION PLAN

Notes to Financial Statements March 31, 2017 and 2016

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[2] Subsequent events:

The Plan has evaluated subsequent events through January 11, 2018, the date the financial statements were available to be issued.

[3] Use of estimates:

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

[4] Investment valuation and income recognition:

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

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

[5] Payment of benefits:

Benefits are recorded when paid.

[6] Administrative expenses:

The Plan's expenses are paid either by the Plan or the Company, as provided by the Plan document. Expenses that are paid directly by the Company are excluded from the Plan's financial statements. Certain expenses incurred in connection with the general administration of the Plan that are paid by the Plan are recorded as deductions in the accompanying statements of changes in net assets available for benefits.

[7] Recent accounting pronouncement ASU 2015-07:

In May 2015 the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2015-07 ("ASU 2015-07"), Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent), an amendment to Fair Value Measurement Topic 820. ASU 2015-07 removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. ASU 2015-07 is effective for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. Early adoption is permitted. The Plan elected to adopt ASU 2015-07 as of and for the year ended March 31, 2016. Accordingly, investments measured using the net asset value per share practical expedient have not been categorized within the fair value hierarchy.

API FOILS NORTH AMERICA PENSION PLAN

Notes to Financial Statements March 31, 2017 and 2016

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[8] Recent accounting pronouncement ASU 2015-12:

In July 2015 the FASB issued Accounting Standards Update No. 2015-12 ("ASU 2015-12"), Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962) and Health and Welfare Benefit Plans (Topic 965) (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, and (Part III) Measurement Date Practical Expedient. Part I does not apply to defined benefit plans. Part II 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. Part II 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 allows an employee benefit plan with a fiscal year end that does not coincide with the end of a calendar month to measure its investments using the month end closest to its fiscal year end. The amendments are effective for fiscal years beginning after December 15, 2015. Earlier application is permitted. The Plan elected to adopt ASU 2015-12 as of and for the year ended March 31, 2016.

NOTE C - FUNDING POLICY

The Plan's funding policy is for the Company to contribute an amount that will meet or exceed the annual ERISA minimum funding requirement. During the years ended March 31, 2017 and 2016, the Company made contributions of \$180,087 and \$151,369, respectively. The Company's contributions for the years ended March 31, 2017 and 2016 exceeded the minimum funding requirements of ERISA.

NOTE D - FAIR VALUE MEASUREMENTS

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

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

Level 2 – Inputs to the valuation methodology include: (1) quoted prices for similar assets or liabilities in active markets; (2) quoted prices for identical or similar assets or liabilities in inactive markets; (3) inputs other than quoted prices that are observable for the asset or liability; or (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

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

API FOILS NORTH AMERICA PENSION PLAN

Notes to Financial Statements March 31, 2017 and 2016

NOTE D - FAIR VALUE MEASUREMENTS (CONTINUED)

Following is a description of the valuation methodologies used for investment assets measured at fair value. There have been no changes in the methodologies used at March 31, 2017 and 2016.

Pooled separate accounts: Valued at the net asset value ("NAV"), as a practical expedient, based on the market value of the underlying investments. The NAV is not a publicly-quoted price in an active market. The pooled separate accounts are comprised of a wide variety of underlying investments.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth, by level, within the fair value hierarchy, the Plan's investment assets at fair value as of March 31, 2017 and 2016:

Investment Assets at Fair Value as of March 31, 2017

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments measured at net asset value (A)				
Pooled separate accounts	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 2,927,342</u>
Total investment assets measured at net asset value				<u>2,927,342</u>
Total investment assets, at fair value				<u>\$ 2,927,342</u>

Investment Assets at Fair Value as of March 31, 2016

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments measured at net asset value (A)				
Pooled separate accounts	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 2,761,657</u>
Total investment assets measured at net asset value				<u>2,761,657</u>
Total investment assets, at fair value				<u>\$ 2,761,657</u>

- (A) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of net assets available for benefits.

API FOILS NORTH AMERICA PENSION PLAN

Notes to Financial Statements March 31, 2017 and 2016

NOTE D - FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value of Investments in Entities that Use Net Asset Value

The following tables summarize investments for which fair value is measured using the net asset value per share practical expedient as of March 31, 2017 and 2016, respectively.

	Fair Value March 31, 2017	Fair Value March 31, 2016	Unfunded Commitments	Redemption Frequency (if currently eligible)	Plan Level Redemption Notice Period
Pooled separate accounts	\$ 2,927,342	\$2,761,657	n/a	Daily	0 days

NOTE E – INVESTMENT CERTIFICATION

The Plan Administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, Prudential Retirement Insurance and Annuity Company has certified to the completeness and accuracy of all investments and related investment activity in the accompanying statements of net assets available for benefits as of March 31, 2017 and 2016, the statements of changes in net assets available for benefits for the years ended March 31, 2017 and 2016, the accompanying supplemental schedule of assets (held at end of year) as of March 31, 2017, and the supplemental schedule of reportable transactions for the year ended March 31, 2017. The Plan's independent certified public account did not perform auditing procedures with respect to this information, except comparing such information to the related information included in the financial statements.

NOTE F - ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

The accumulated plan benefits are those future periodic payments, including lump-sum distributions, which are attributable, under the Plan's provisions, to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are accumulated based on employees' compensation during each year of credited service. The accumulated plan benefits for active employees will equal the accumulation, with interest, of the annual benefit accruals as of the benefit information date, less any accrued benefit under the ICI Specialty Chemicals Pension Plan. On September 30, 2004, the accrued benefit was frozen and no additional benefits accrue after such date. Benefits payable under all circumstances (retirement, death, disability, and termination of employment) are included, to the extent they are deemed attributable to employee service rendered to the valuation date. The actuarial present value of accumulated plan benefits is determined by the Plan's actuary, and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment between the valuation date and the expected date of payment.

API FOILS NORTH AMERICA PENSION PLAN

Notes to Financial Statements March 31, 2017 and 2016

NOTE F - ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS (CONTINUED)

The effect of plan amendments on accumulated plan benefits is recognized during the year in which such amendments become effective. The actuarial present value of accumulated plan benefits as of March 31, 2016 is as follows:

Vested benefits:	
Participants current receiving benefits	\$ 716,866
Other participants	<u>2,890,608</u>
Total vested benefits	3,607,474
Non-vested benefits	<u>-</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 3,607,474</u>

Reconciliation of changes in the actuarial present value of accumulated plan benefits as of March 31, 2016 is as follows:

Actuarial present value of accumulated plan benefits as of March 31, 2015	<u>\$ 3,898,662</u>
Increase (decrease) during the year attributable to:	
Increase for interest	240,097
Benefits accumulated and actuarial (gain)/loss	(3,759)
Changes in actuarial assumption (interest rate)	103,260
Benefits paid	<u>(630,786)</u>
Net decrease	<u>(291,188)</u>
Actuarial present value of accumulated plan benefits as of March 31, 2016 plan benefits as of end of year	<u>\$ 3,607,474</u>

Significant actuarial assumptions used in the valuation of the actuarial present value of accumulated plan benefits as of March 31, 2016 were:

- Interest (discount) rate: 6.25% as of March 31, 2016; 6.75% as of March 31, 2015
- Mortality table: RP-2014 Total Dataset Mortality with Scale MP-2015
- Expected retirement age: Age 65

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits. The computations of the actuarial present value of accumulated plan benefits were made as of April 1, 2016. Had the valuations been performed as of March 31, 2016 there would be no material differences.

NOTE G - TAX STATUS

The Internal Revenue Service ("IRS") has determined and informed the Company by a letter dated December 11, 2007 that the Plan is qualified under the Internal Revenue Code ("IRC") and therefore the related trust is exempt from taxation. The Plan has been amended since receiving the tax determination letter. However, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and therefore, believes that the Plan is qualified, and the related trust is tax-exempt.

API FOILS NORTH AMERICA PENSION PLAN

Notes to Financial Statements March 31, 2017 and 2016

NOTE G - TAX STATUS (CONTINUED)

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability if the plan has taken an uncertain position that more likely than not would not be sustained upon examination by a government authority. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of March 31, 2017, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine examinations by taxing jurisdictions; however, there are currently no examinations for any tax periods in progress.

NOTE H - RELATED-PARTY TRANSACTIONS AND PARTY IN INTEREST TRANSACTIONS

Certain investments are pooled separate accounts managed by Prudential Retirement Insurance and Annuity Company; therefore, transactions related to these investments qualify as party-in-interest transactions.

NOTE I - RISKS AND UNCERTAINTIES

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

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

Volatility in the financial markets may significantly impact the subsequent valuation of the Plan's investments. Accordingly, the valuation of investments at March 31, 2017 may not necessarily be indicative of amounts that could be realized in a current market exchange.

NOTE J - PLAN TERMINATION

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions as set forth in ERISA. In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

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

API FOILS NORTH AMERICA PENSION PLAN

Notes to Financial Statements March 31, 2017 and 2016

NOTE J - PLAN TERMINATION (CONTINUED)

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. The maximum guarantee is set by law and it is updated each calendar year. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. A statutory ceiling exists, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees. For Plan terminations occurring during 2017, that ceiling is approximately \$5,369 per month. That ceiling applies to those pensioners who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or Plan termination (whichever comes later). The amount is higher for those who retire later and lower for those that retire earlier or elect joint and survivor benefits. Further limitations apply for plans created or amended to increase benefits within five years before the plan's termination date.

PBGC guarantees the larger of 20% of the benefit increase, or \$20 per month for each full year the benefit increase was in effect.

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

API FOILS NORTH AMERICA PENSION PLAN

Employer Identification # 48-1199126 Plan No. 001
Schedule H, Part IV, Line 4i of Form 5500
Schedule of Assets (Held at End of Year)
March 31, 2017

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
*	Prudential Retirement Insurance ---and Annuity Company	Large Cap Blend/MFS	\$ 266,126	\$ 415,868
*	Prudential Retirement Insurance ---and Annuity Company	Large Cap Growth/JP Morgan	198,963	325,442
*	Prudential Retirement Insurance ---and Annuity Company	Large Cap Value/LSV Asset Mgmt	208,814	328,151
*	Prudential Retirement Insurance ---and Annuity Company	Small Cap Growth/RBC	37,308	65,030
*	Prudential Retirement Insurance ---and Annuity Company	Small Cap Value/Kennedy Capital	33,620	69,551
*	Prudential Retirement Insurance ---and Annuity Company	International Blend/AQR	199,747	195,659
*	Prudential Retirement Insurance ---and Annuity Company	Core Plus Bond/PGIM Fund	1,333,622	1,436,180
*	Prudential Retirement Insurance ---and Annuity Company	Prudential Short-Term	11,325	11,325
*	Prudential Retirement Insurance ---and Annuity Company	Real Estate/Am Century Fund	<u>57,772</u>	<u>80,136</u>
			<u>\$ 2,347,297</u>	<u>\$ 2,927,342</u>
*	Party-in-interest, as defined by ERISA.			

See independent auditor's report on supplemental schedules.

API FOILS NORTH AMERICA PENSION PLAN

Employer Identification # 48-1199126, Plan No. 001
Schedule H, Part IV, Line 4(j) of Form 5500
Schedule of Reportable Transactions
Year Ended March 31, 2017

(a)	(b)	(c)	(d)	(g)	(h) Current Value of Asset on Transaction Date	(i)
Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Cost of Asset		Net Gain (Loss)
Prudential Retirement Insurance Annuity Company	Core Plus Bond/PGIM Fund	\$ 81,666	\$ -	\$ 81,666	\$ 81,666	\$ -
Prudential Retirement Insurance Annuity Company	Core Plus Bond/PGIM Fund	-	75,000	67,518	75,000	7,482
Prudential Retirement Insurance Annuity Company	Prudential Short-Term	191,656	-	191,656	191,656	-
Prudential Retirement Insurance Annuity Company	Prudential Short-Term	-	242,817	242,817	242,817	-

See independent auditor's report on supplemental schedules.