

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>10/01/2016</u> and ending <u>09/29/2017</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>KENDALL ELECTRIC, INCORPORATED EMPLOYEE STOCK OWNERSHIP PLAN</u>	1b	Three-digit plan number (PN) ► <u>003</u>
		1c	Effective date of plan <u>09/30/1989</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>KENDALL ELECTRIC, INCORPORATED</u> <u>5101 S. SPRINKLE RD.</u> <u>PORTAGE, MI 49002-2049</u>	2b	Employer Identification Number (EIN) <u>38-2023622</u>
		2c	Plan Sponsor's telephone number <u>269-978-3838</u>
		2d	Business code (see instructions) <u>423600</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.	04/27/2018	MARTY LEHMAN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number)			Preparer's telephone number

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 1150
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year..... a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	<div style="background-color: #cccccc; height: 20px; width: 100%;"></div> 6a(1) 1059 6a(2) 961 6b 0 6c 74 6d 1035 6e 2 6f 1037 6g 984 6h 29
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: 2I 2P 2K 2Q 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>0</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 H (Form 5500) <small>Internal Revenue Service</small> <small>Department of Labor</small> <small>Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2016 This Form is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning <u>10/01/2016</u> and ending <u>09/29/2017</u>		
A Name of plan <u>KENDALL ELECTRIC, INCORPORATED EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ►	<u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>KENDALL ELECTRIC, INCORPORATED</u>	D Employer Identification Number (EIN) <u>38-2023622</u>	

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	857978	2951534
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	915252	566433
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	3037	3241
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	1048559	81155
(2) U.S. Government securities	1c(2)	2002420	1499871
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(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)	358372298	359121086
(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	363199544	364223320

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i	1100250	250784
j Other liabilities	1j	36757	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	1137007	250784

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	362062537	363972536
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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)	566433	
(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)		566433
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	980	
(B) U.S. Government securities	2b(1)(B)	8060	
(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)		9040
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	54346412	
(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)		54346412
(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)	28260134	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		28260134

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(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		83182019

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	29822896	
(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)		29822896
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		28439
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)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total	2j		29851335

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		53330684
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		51420685

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: PLANTE & MORAN, PLLC

(2) EIN: 38-1357951

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

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

Part IV Compliance Questions

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

During the plan year:

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

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

	Yes	No	Amount
4a		X	
4b		X	

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

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

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

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)
KENDALL ELECTRIC, INC. PROFIT SHARING PLAN	38-2023622	002

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

Part V Trust Information

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

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2016 This Form is Open to Public Inspection.
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For calendar plan year 2016 or fiscal plan year beginning 10/01/2016 and ending 09/29/2017

A Name of plan <u>KENDALL ELECTRIC, INCORPORATED EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>KENDALL ELECTRIC, INCORPORATED</u>	D Employer Identification Number (EIN) <u>38-2023622</u>

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>38-3120831</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	

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

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

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

Schedule R (Form 5500) 2016
v. 160205

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

Part VI	Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans
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18	If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment
19	If the total number of participants is 1,000 or more, complete lines (a) through (c) a Enter the percentage of plan assets held as: Stock: <u>0.0</u> % 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 ____ / ____ / ____.	

Kendall Electric, Inc. Employee Stock Ownership Plan and Trust

Financial Report
September 29, 2017

Kendall Electric, Inc. Employee Stock Ownership Plan and Trust

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Independent Auditor's Report

To the Plan Administrator
Kendall Electric, Inc. Employee
Stock Ownership Plan and Trust

We have audited the accompanying financial statements of Kendall Electric, Inc. Employee Stock Ownership Plan and Trust (the "Plan"), which comprise the statement of net assets available for benefits as of September 29, 2017 and September 30, 2016 and the related statement of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of the Plan as of September 29, 2017 and September 30, 2016 and the changes in net assets for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 9, the financial statements include Kendall Electric, Inc. company stock valued at approximately \$359,121,000 at September 29, 2017 and \$358,372,000 at September 30, 2016. The fair value of this investment has been estimated by management in the absence of readily determinable fair values based on valuation reports prepared by an independent appraisal firm. Our report is not modified with respect to this matter.

To the Plan Administrator
Kendall Electric, Inc. Employee
Stock Ownership Plan and Trust

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of assets held at end of year as of September 29, 2017 and reportable transactions for the year ended September 29, 2017 are presented for the purpose of additional analysis and are not a required part of the financial statements but are supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Plante & Moran, PLLC

Kalamazoo, Michigan
April 20, 2018

Kendall Electric, Inc. Employee Stock Ownership Plan and Trust

Statement of Net Assets Available for Benefits

September 29, 2017 and September 30, 2016

	2017			2016		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Assets						
Investments:						
Money market fund	\$ 81,155	\$ -	\$ 81,155	\$ 45,964	\$ -	\$ 45,964
U.S. government securities	748,710	-	748,710	2,002,420	-	2,002,420
Certificates of deposit	748,978	-	748,978	1,000,430	-	1,000,430
Company common stock	355,246,354	3,874,732	359,121,086	347,266,964	11,105,334	358,372,298
GMAC demand note	2,183	-	2,183	2,165	-	2,165
Total investments	356,827,380	3,874,732	360,702,112	350,317,943	11,105,334	361,423,277
Contributions receivable	566,433	-	566,433	915,252	-	915,252
Accrued income	3,241	-	3,241	3,037	-	3,037
Cash	2,951,534	-	2,951,534	857,978	-	857,978
Total assets	360,348,588	3,874,732	364,223,320	352,094,210	11,105,334	363,199,544
Liabilities						
Committed to be released	-	-	-	311,471	(311,471)	-
Loan payable (Note 6)	-	250,784	250,784	-	1,100,250	1,100,250
Other payables	-	-	-	36,757	-	36,757
Total liabilities	-	250,784	250,784	348,228	788,779	1,137,007
Net Assets Available for Benefits	\$ 360,348,588	\$ 3,623,948	\$ 363,972,536	\$ 351,745,982	\$ 10,316,555	\$ 362,062,537

Kendall Electric, Inc. Employee Stock Ownership Plan and Trust

Statement of Changes in Net Assets Available for Benefits

Years Ended September 29, 2017 and September 30, 2016

	2017			2016		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Additions to Net Assets						
Contributions	\$ 566,433	\$ -	\$ 566,433	\$ -	\$ 915,252	\$ 915,252
Investment income:						
Interest and dividends:						
Interest	9,040	-	9,040	13,981	-	13,981
Dividends	52,522,277	1,824,135	54,346,412	8,806,593	611,864	9,418,457
Net realized and unrealized gains on investments	27,388,789	871,345	28,260,134	78,830,970	2,499,263	81,330,233
Total investment income	79,920,106	2,695,480	82,615,586	87,651,544	3,111,127	90,762,671
Allocation of shares of company common stock - At market value	9,359,648	-	9,359,648	10,023,915	-	10,023,915
Net additions	89,846,187	2,695,480	92,541,667	97,675,459	4,026,379	101,701,838
Deductions from Net Assets						
Benefits paid directly to participants or beneficiaries	29,822,896	-	29,822,896	25,759,509	-	25,759,509
Interest expense	-	28,439	28,439	-	96,086	96,086
Allocation of shares of common stock of Company - At market value	-	9,359,648	9,359,648	-	10,023,915	10,023,915
Total deductions	29,822,896	9,388,087	39,210,983	25,759,509	10,120,001	35,879,510
Net Increase (Decrease) Before Other Changes	60,023,291	(6,692,607)	53,330,684	71,915,950	(6,093,622)	65,822,328
Transfers Out	(51,420,685)	-	(51,420,685)	(8,627,065)	-	(8,627,065)
Net Increase (Decrease)	8,602,606	(6,692,607)	1,909,999	63,288,885	(6,093,622)	57,195,263
Net Assets Available for Benefits						
Beginning of year	351,745,982	10,316,555	362,062,537	288,457,097	16,410,177	304,867,274
End of year	<u>\$ 360,348,588</u>	<u>\$ 3,623,948</u>	<u>\$ 363,972,536</u>	<u>\$ 351,745,982</u>	<u>\$ 10,316,555</u>	<u>\$ 362,062,537</u>

See notes to financial statements.

September 29, 2017 and September 30, 2016

Note 1 - Plan Description

The following description of Kendall Electric, Inc. Employee Stock Ownership Plan and Trust (the "Plan") provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General

Kendall Electric, Inc. (the "Company") established Kendall Electric, Inc. Employee Stock Ownership Plan and Trust, effective September 30, 1989. The Plan operates as a leveraged employee stock ownership plan and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended (the "Code" or the "IRC"), and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended. The Plan is administered by Kendall Electric, Inc. A trustee committee, as appointed by the Company's board of directors, is the Plan's trustee. Kendall Electric, Inc. Employee Stock Ownership Plan and Trust is the sole stockholder of Kendall Electric, Inc.

Eligibility

Employees of the Company are generally eligible to participate in the Plan at age 18, providing they have worked at least 1,000 hours during the plan year. Participants who do not have at least 1,000 hours of service during such a plan year or are not actively employed on the last working day of a plan year are generally not eligible for an allocation of company contributions for such year. Contribution allocations are based upon a participant's proportional share of total eligible compensation.

Vesting

Employee accounts vest with years of service. Employees are fully vested in their accounts after seven years of service. Employees are immediately fully vested when termination is due to death, disability, or normal retirement.

Benefit Distributions

No benefit distributions from the Plan will be made until a participant terminates employment with the Company. Benefit distributions are made in cash, with the maximum annual payout to any participant being the greater of \$25,000 or one-fifth of his or her account balance at termination. If the participant dies before retirement, the maximum annual payout is the greater of \$50,000 or one-fifth of the account balance at death. Beginning in 2014, the benefit distribution process changed to the "put option," as outlined in the following paragraph.

Put Option

For participants who terminated during the fiscal year or elected to diversify during the fiscal year, the "put option" is exercised by the Company instead of the ESOP, as had been done in prior years. Because of this change, the payments to participants are now made in a single payment instead of five annual installments, as was done historically. During fiscal year 2017, the Company concluded to repurchase 903,789 shares of common stock from the participants. The purchase price per share was \$30.44, which was the fair value per share as of September 30, 2016. During fiscal year 2016, the Company concluded to repurchase 965,991 shares of common stock from the participants. The purchase price per share was \$23.53, which was the fair value per share as of October 2, 2015. Subsequent to the purchases, the Company retired the shares.

Diversification

Participants that have attained the age of 55 and have completed at least 10 years of participation in the Plan are eligible to receive up to 25 percent of the value of the participant's account, less any prior diversification distributions for a five-year period. At the end of the sixth year after the participant becomes eligible for diversification distributions, participants are eligible to receive up to 50 percent of the value of the participant's account, less any prior diversification distributions.

September 29, 2017 and September 30, 2016

Note 1 - Plan Description (Continued)

Voting Company Stock

Each participant is entitled to exercise, in certain matters, voting rights attributable to the shares allocated to his or her account and is notified by the trustee prior to the time that such rights are to be exercised.

Termination

The Company reserves the right to terminate the Plan at any time, subject to the Plan's provisions. Upon termination of the Plan, the Company shall direct the trustee to pay all liabilities and expenses of the Plan and to sell shares of financed stock held in the loan suspense account to the extent it determines such sale to be necessary in order to repay the loan. Upon any full or partial termination, all amounts credited to the affected participants' accounts will become 100 percent vested and all remaining unallocated amounts will be allocated to the accounts of all participants.

Upon such termination of the Plan, the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan's terms and the Code.

Basis of Presentation

The Plan purchased a significant portion of its Kendall Electric, Inc. common shares using the proceeds of loans from the Company, one of which is still outstanding, and holds the stock in a trust established under the Plan (see Note 6). The borrowings are to be repaid over a period of 20 years by the Company's contributions to the trust fund. As principal payments are made, an appropriate percentage of stock will be allocated to eligible employees' accounts in accordance with applicable regulations under the Code.

The borrowings are collateralized by the unallocated shares of stock. Accordingly, the financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to:

- a. The accounts of employees with vesting rights in allocated stock (allocated)
- b. Stock not yet allocated to employees (unallocated), including shares that are committed to be released

Year End

The Plan has adopted a 52-/53-week annual accounting period so that the last day of each fiscal year ends on the Friday nearest September 30.

Forfeitures

If a participant is not fully vested on his or her termination date, the nonvested amount of the account is forfeited. The Plan allocates forfeitures to participants based on compensation, as defined.

Note 2 - Summary of Significant Accounting Policies

Investment Valuation and Income Recognition

The common shares of the Company are valued at fair value on September 29, 2017 and September 30, 2016. Fair value is determined by an annual independent appraisal. Money market funds are valued at fair value based on quoted market prices. The demand notes and certificates of deposit are valued at fair value based on their outstanding balances. The U.S. government securities are valued using quoted market prices and/or other market data for the same or comparable instruments and transactions in establishing the prices, discounted cash flow models, and other pricing models. These models are primarily industry-standard models that consider various assumptions, including time value and yield curve as well as other relevant economic measures.

Notes to Financial Statements

September 29, 2017 and September 30, 2016

Note 2 - Summary of Significant Accounting Policies (Continued)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while 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.

Benefit Payments

Benefits are recorded when paid. Amounts allocated to accounts of participants who have elected to withdraw from the Plan or have chosen to diversify but have not yet been paid totaled \$50,290,419 and \$23,905,344 as of September 29, 2017 and September 30, 2016, respectively.

Use of Estimates

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

Risks and Uncertainties

The Plan invests in 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 participants' account balances and the amounts reported in the statement of net assets available for benefits.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including April 20, 2018, which is the date the financial statements were available to be issued.

Note 3 - Tax Status

The Plan has received a determination letter from the Internal Revenue Service indicating that the Plan, as designed, is qualified for tax-exempt treatment under the applicable section of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, management believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the trust and recognize a tax liability (or asset) if the trust has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service.

During 2012, the Plan received audit findings from the Department of Labor, which stated the Plan had entered into a prohibited transaction related to the provisions of a loan which was paid in full in 2006. The Department of Labor concluded it would take no further action; however, the Department of Labor did send its finding to the Internal Revenue Service (IRS) for possible follow-up. The Plan's trustee has not received any follow-up from the IRS and does not agree with the Department of Labor's position and will vigorously contest any liabilities that may be assessed in the future.

The plan administrator has analyzed the tax positions taken by the Plan, including the position noted above, and has concluded that as of September 29, 2017, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Kendall Electric, Inc. Employee Stock Ownership Plan and Trust

Notes to Financial Statements

September 29, 2017 and September 30, 2016

Note 4 - Administration of Plan Assets

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Other administrative expenses are paid by the Company and the Plan.

Note 5 - Investments in Common Stock

There are 50,000,000 authorized shares of Company common stock as of September 29, 2017 and September 30, 2016. There were 10,869,282 and 11,773,072 shares issued and outstanding as of September 29, 2017 and September 30, 2016, respectively.

The Plan's investments in company stock at September 29, 2017 and September 30, 2016 are presented in the following table:

	2017		2016	
	Allocated	Unallocated	Allocated	Unallocated
Number of shares	10,752,008	117,274	11,408,245	364,827
Cost	\$ 9,337,413	\$ 151,917	\$ 9,804,638	\$ 473,736
Fair value	\$ 355,246,353	\$ 3,874,733	\$ 347,266,964	\$ 11,105,334

Note 6 - Notes Payable - Employer

In 1999, the Plan obtained a loan from the Company for the purchase of 4,616,000 shares of Company stock. The original note was for \$6,000,800 and the note bears interest at 7 percent. Principal and interest payments are due annually, with the last payment scheduled in 2018 for \$250,784

Note 7 - Employer Contributions

The Company is obligated to contribute cash to the Plan which, when aggregated with the Plan's interest earnings, equals the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest on its loans. These obligations can be met in the form of employer contributions or dividends.

Note 8 - Transfers

During 2017 and 2016, the Plan made a transfer to Kendall Electric Profit Sharing Plan of \$51,420,685 and \$8,627,065, respectively. These amounts represent the participant-elected vested portion of the \$54,346,412 and \$9,418,457 dividend paid by the Company in 2017 and 2016, respectively, that relates to shares that have been allocated to participants.

Note 9 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the valuation techniques and inputs used to measure fair value.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Plan has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, and inputs other than quoted prices that are observable for the asset.

Kendall Electric, Inc. Employee Stock Ownership Plan and Trust

Notes to Financial Statements

September 29, 2017 and September 30, 2016

Note 9 - Fair Value Measurements (Continued)

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset. The company stock classified as a Level 3 investment is based on the fair value determined through a third-party appraisal, which utilized the income approach, including the discounted cash flow method. The appraiser took into account historical and projected cash flow, adjusted EBITDA, and appropriate discount rates.

In instances whereby inputs used to measure fair value fall into different levels of the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Plan's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The following tables present information about the Plan's assets measured at fair value on a recurring basis at September 29, 2017 and September 30, 2016.

Assets Measured at Fair Value on a Recurring Basis at September 29, 2017				
	Investments (at Fair Value)	Level 1	Level 2	Level 3
Money market mutual fund	\$ 81,155	\$ 81,155	\$ -	\$ -
Company stock	359,121,086	-	-	359,121,086
GMAC demand note	2,183	-	2,183	-
Certificates of deposit	748,978	-	748,978	-
U.S. government securities	748,710	-	748,710	-
Total	<u>\$ 360,702,112</u>	<u>\$ 81,155</u>	<u>\$ 1,499,871</u>	<u>\$ 359,121,086</u>

Assets Measured at Fair Value on a Recurring Basis at September 30, 2016				
	Investments (at Fair Value)	Level 1	Level 2	Level 3
Money market mutual fund	\$ 45,964	\$ 45,964	\$ -	\$ -
Company stock	358,372,298	-	-	358,372,298
GMAC demand note	2,165	-	2,165	-
Certificates of deposit	1,000,430	-	1,000,430	-
U.S. government securities	2,002,420	-	2,002,420	-
Total	<u>\$ 361,423,277</u>	<u>\$ 45,964</u>	<u>\$ 3,005,015</u>	<u>\$ 358,372,298</u>

The Plan's policy is to recognize transfers between levels of the fair value hierarchy as of the actual date of the event of change in circumstances that caused the transfer. There were no significant transfers between levels of the fair value hierarchy during the years ended September 29, 2017 and September 30, 2016.

Notes to Financial Statements**September 29, 2017 and September 30, 2016****Note 9 - Fair Value Measurements (Continued)**

Changes in Level 3 assets measured at fair value on a recurring basis for the years ended September 29, 2017 and September 30, 2016 are as follows:

	<u>Company Stock</u>
Balance at September 30, 2016	\$ 358,372,298
Distributions for stock redemptions	(27,511,346)
Total realized gains	26,722,301
Total unrealized gains	<u>1,537,833</u>
Balance at September 29, 2017	<u>\$ 359,121,086</u>
Balance at October 2, 2015	\$ 299,750,150
Distributions for stock redemptions	(22,708,085)
Total realized gains	21,886,428
Total unrealized gains	<u>59,443,805</u>
Balance at September 30, 2016	<u>\$ 358,372,298</u>

Both observable and unobservable inputs may be used to determine the fair value of positions classified as Level 3 assets. As a result, the unrealized gains for these assets presented in the tables above may include changes in fair value that were attributable to both observable and unobservable inputs. Based on the selling price of the Plan's sale of company stock, all unrealized gains for the period are reported as such on the statement of changes in net assets.

The valuation process involves plan management's selection of an independent appraiser. Plan management accumulates the data for the appraiser from the audited financial statements of the Company. The appraiser prepares a preliminary report, which plan management, along with the ESOP trustees, reviews in detail, discusses, and approves.

Kendall Electric, Inc. Employee Stock Ownership Plan and Trust**Schedule of Assets Held at End of Year**

Form 5500, Schedule H, Line 4i
EIN 38-2023622, Plan No. 003
September 29, 2017

(a)(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
Kendall Electric, Inc.	10,869,282 shares of common stock	\$ 9,489,330	\$ 359,121,086
	Certificates of deposit:		
Ally Bank (Utah)	Ally Bank, CD - 0.75% due 1/16/18	250,000	249,798
Customer's Bank (Pennsylvania)	Customer's Bank, CD - 0.75% due 1/29/18	250,000	249,725
East Boston Bank (Massachusetts)	East Boston Bank, CD - 0.80% due 3/27/18	249,000	249,455
United States Treasury	U.S. government securities - United States Treasury Note - 1.00% due 5/31/18	748,710	748,710
GMAC	GMAC demand note	2,183	2,183
Comerica Securities	Money market funds - General Money Market Fund Class B	81,155	81,155
	Total	<u><u>\$ 11,070,378</u></u>	<u><u>\$ 360,702,112</u></u>

Kendall Electric, Inc. Employee Stock Ownership Plan and Trust

Schedule of Reportable Transactions

Form 5500, Schedule H, Line 4j
EIN 38-2023622, Plan No. 003
Year Ended September 29, 2017

(a) Identity of Party Involved	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Net Gain (Loss)
Category (iii) - A series of transactions with respect to securities of the same issue that amount, in the aggregate, to more than 5 percent of the beginning value of the total plan assets:						
	Kendall Electric, Inc. common stock Sales - 903,789	\$ -	\$ 27,511,345	\$ 789,044	\$ 27,511,345	\$ 26,722,301

There were no Category (i), (ii), or (iv) reportable transactions during the year.

Kendall Electric, Inc. Employee Stock Ownership Plan and Trust

Schedule of Reportable Transactions

Form 5500, Schedule H, Line 4j
EIN 38-2023622, Plan No. 003
Year Ended September 29, 2017

(a) Identity of Party Involved	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Net Gain (Loss)
Category (iii) - A series of transactions with respect to securities of the same issue that amount, in the aggregate, to more than 5 percent of the beginning value of the total plan assets:						
	Kendall Electric, Inc. common stock Sales - 903,789	\$ -	\$ 27,511,345	\$ 789,044	\$ 27,511,345	\$ 26,722,301

There were no Category (i), (ii), or (iv) reportable transactions during the year.

Kendall Electric, Inc. Employee Stock Ownership Plan and Trust**Schedule of Assets Held at End of Year**

Form 5500, Schedule H, Line 4i
EIN 38-2023622, Plan No. 003
September 29, 2017

(a)(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
Kendall Electric, Inc.	10,869,282 shares of common stock	\$ 9,489,330	\$ 359,121,086
	Certificates of deposit:		
Ally Bank (Utah)	Ally Bank, CD - 0.75% due 1/16/18	250,000	249,798
Customer's Bank (Pennsylvania)	Customer's Bank, CD - 0.75% due 1/29/18	250,000	249,725
East Boston Bank (Massachusetts)	East Boston Bank, CD - 0.80% due 3/27/18	249,000	249,455
United States Treasury	U.S. government securities - United States Treasury Note - 1.00% due 5/31/18	748,710	748,710
GMAC	GMAC demand note	2,183	2,183
Comerica Securities	Money market funds - General Money Market Fund Class B	81,155	81,155
	Total	<u><u>\$ 11,070,378</u></u>	<u><u>\$ 360,702,112</u></u>