

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 24pt; font-weight: bold;">2017</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2017 or fiscal plan year beginning <u>01/01/2017</u> and ending <u>12/31/2017</u>	
A	This return/report is for: <div style="display: flex; justify-content: space-between;"> <div> ☐ a multiemployer plan </div> <div> ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) </div> </div>
	☒ a single-employer plan <div style="margin-left: 100px;">☐ a DFE (specify) _____</div>
B	This return/report is: <div style="display: flex; justify-content: space-between;"> <div> ☐ the first return/report ☐ an amended return/report </div> <div> ☐ the final return/report ☐ a short plan year return/report (less than 12 months) </div> </div>
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: <div style="display: flex; justify-content: space-between;"> <div> ☒ Form 5558 ☐ special extension (enter description) </div> <div> ☐ automatic extension </div> <div> ☐ the DFVC program </div> </div>

Part II	Basic Plan Information—enter all requested information									
1a	Name of plan <u>LUVATA OHIO, INC. RETIREMENT PLAN</u>									
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;">1b</td> <td>Three-digit plan number (PN) ▶</td> <td><u>001</u></td> </tr> <tr> <td>1c</td> <td>Effective date of plan</td> <td><u>01/01/1973</u></td> </tr> </table>	1b	Three-digit plan number (PN) ▶	<u>001</u>	1c	Effective date of plan	<u>01/01/1973</u>			
1b	Three-digit plan number (PN) ▶	<u>001</u>								
1c	Effective date of plan	<u>01/01/1973</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>LUVATA OHIO, INC.</u> <u>1376 PITTSBURGH DRIVE</u> <u>DELAWARE, OH 43015</u>									
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;">2b</td> <td>Employer Identification Number (EIN)</td> <td><u>31-4358696</u></td> </tr> <tr> <td>2c</td> <td>Plan Sponsor's telephone number</td> <td><u>740-363-1981</u></td> </tr> <tr> <td>2d</td> <td>Business code (see instructions)</td> <td><u>331400</u></td> </tr> </table>	2b	Employer Identification Number (EIN)	<u>31-4358696</u>	2c	Plan Sponsor's telephone number	<u>740-363-1981</u>	2d	Business code (see instructions)	<u>331400</u>
2b	Employer Identification Number (EIN)	<u>31-4358696</u>								
2c	Plan Sponsor's telephone number	<u>740-363-1981</u>								
2d	Business code (see instructions)	<u>331400</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.	09/10/2018	CARLA GRISPINO
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	09/10/2018	CARLA GRISPINO
	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

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

Form 5500 (2017)
v. 170203

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 or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 274
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).	
a(1) Total number of active participants at the beginning of the plan year	6a(1) 80
a(2) Total number of active participants at the end of the plan year	6a(2) 80
b Retired or separated participants receiving benefits	6b 98
c Other retired or separated participants entitled to future benefits	6c 70
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 248
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 17
f Total. Add lines 6d and 6e	6f 265
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6h 4
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

1A 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
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1)** ☒ **R** (Retirement Plan Information)
- (2)** ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3)** ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☐ **A** (Insurance Information)
- (4)** ☐ **C** (Service Provider Information)
- (5)** ☐ **D** (DFE/Participating Plan Information)
- (6)** ☐ **G** (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2017 Form M-1 annual report. If the plan was not required to file the 2017 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).</div> <div>▶ File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>2017</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

▶ 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 LUVATA OHIO, INC. RETIREMENT PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF LUVATA OHIO, INC.	D Employer Identification Number (EIN) 31-4358696

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

1 Enter the valuation date: Month 01 Day 01 Year 2017			
2 Assets:			
a Market value	2a	17371036	
b Actuarial value	2b	17666048	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	124	7927873	7927873
b For terminated vested participants	70	3481713	3481713
c For active participants	85	5057690	5094870
d Total	279	16467276	16504456
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	5.94 %	
6 Target normal cost	6	352007	

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

SIGN HERE		
Signature of actuary	09/10/2018	Date
MICHAEL A. CARNEY	17-05647	Most recent enrollment number
BURKE GROUP	585-624-5500	Telephone number (including area code)
80 LINDEN OAKS DRIVE SUITE 210 ROCHESTER, NY 14625		
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 ☐

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	1039435
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	360853
9 Amount remaining (line 7 minus line 8)	0	678582
10 Interest on line 9 using prior year's actual return of <u>8.84</u> %	0	59987
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		1106503
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.12</u> %		45634
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		31899
c Total available at beginning of current plan year to add to prefunding balance		1184036
d Portion of (c) to be added to prefunding balance		1184036
12 Other reductions in balances due to elections or deemed elections	0	761013
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	1161592

Part III Funding Percentages

14 Funding target attainment percentage	14	100.00%
15 Adjusted funding target attainment percentage	15	107.03%
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	100.00%
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
12/27/2017	300000				
04/12/2018	300000				
07/12/2018	300000				
08/29/2018	300000				
Totals ►			18(b)	1200000	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	1109445

20 Quarterly contributions and liquidity shortfalls:

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

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

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

21 Discount rate:				
a Segment rates:	1st segment: 4.16 %	2nd segment: 5.72 %	3rd segment: 6.48 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age.....				22 63
23 Mortality table(s) (see instructions)	☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	352007	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment.....	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....	34	352007	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35)	36	352007	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	1109445	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	757438	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

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

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years	☐ 15 years	
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008	☐ 2009	☐ 2010 ☐ 2011
42 Amount of acceleration adjustment	42	0	
43 Excess installment acceleration amount to be carried over to future plan years	43	0	

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor 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.	OMB No. 1210-0110 2017 This Form is Open to Public Inspection
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For calendar plan year 2017 or fiscal plan year beginning <u>01/01/2017</u> and ending <u>12/31/2017</u>		
A Name of plan <u>LUVATA OHIO, INC. RETIREMENT 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>LUVATA OHIO, INC.</u>	D Employer Identification Number (EIN) <u>31-4358696</u>	

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	900000	900000
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	28244	23277
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	267195	311740
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(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)	16201912	19475310
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:		
(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	17397351 20710327
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	17397351 20710327

Part II Income and Expense Statement

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

		(a) Amount	(b) Total
Income			
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers	2a(1)(A)	1200000
	(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)	1200000
b	Earnings on investments:		
(1)	Interest:		
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	1606
	(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)	1606
(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)	833483
	(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)	833483
(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)		
(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)		2040077
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		4075166

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	762190	
(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)		762190
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)		
(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		762190

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		3312976
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: SZYMKOWIAK & ASSOCIATES CPAS, PC

(2) EIN: 16-1600045

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		2000000
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			

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

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 4079871. (See instructions.)

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 2017 This Form is Open to Public Inspection.
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For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

A Name of plan <u>LUVATA OHIO, INC. RETIREMENT 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>LUVATA OHIO, INC.</u>	D Employer Identification Number (EIN) <u>31-4358696</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>25-1211909</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>0</u>

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

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

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

Schedule R (Form 5500) 2017
v. 170203

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): _____

**Luvata Ohio, Inc.
Retirement Plan**

**Financial Statements and
Supplemental Schedule**

December 31, 2017 and 2016

Luvata Ohio, Inc.
Retirement Plan
Financial Statements
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Supplemental Schedule *

Schedule H, line 4i – Schedule of Assets (Held at End of Year) December 31, 2017	13
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- * Other supplemental schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA") have been omitted because they are not required.

Independent Auditor's Report

To the Participants and Plan Administrator
of the Luvata Ohio, Inc. Retirement Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Luvata Ohio, Inc., Retirement Plan (the "Plan") which comprise the statements of net assets available for benefits as of December 31, 2017 and 2016, the related statements of changes in net assets available for benefits for the years then ended, the statement of accumulated plan benefits as of December 31, 2016, the related statement of changes in accumulated plan benefits for the year 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 conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's 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 4, which was certified by PNC Bank, the trustee of the Plan, except for comparing the 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 December 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.

Other Matter

The supplemental schedule of assets held (at end of year) as of December 31, 2017 is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule referred to above.

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

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the 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.

Szygalski & Associates CPAs

Williamsville, New York
September 7, 2018

Luvata Ohio, Inc.
Retirement Plan
Statements of Net Assets Available for Benefits
December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<i>Investments at Fair Value</i>		
Cash and cash equivalents	\$ 311,740	\$ 267,195
Mutual funds	<u>19,475,310</u>	<u>16,201,912</u>
Total investments	19,787,050	16,469,107
<i>Receivables</i>		
Employer contributions	900,000	900,000
Accrued interest and dividends	<u>23,277</u>	<u>28,244</u>
Total receivables	<u>923,277</u>	<u>928,244</u>
Net assets available for benefits	<u>\$ 20,710,327</u>	<u>\$ 17,397,351</u>

See accompanying notes and auditor's report

Luvata Ohio, Inc.
Retirement Plan
Statements of Changes in Net Assets Available for Benefits
for the years ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<i>Investment Income</i>		
Net appreciation in fair value of investments	\$ 2,040,077	\$ 688,109
Dividends	833,483	607,605
Interest	<u>1,606</u>	<u>398</u>
Total investment income	2,875,166	1,296,112
<i>Employer Contributions</i>	1,200,000	1,200,000
<i>Deductions</i>		
Benefits paid to participants	<u>762,190</u>	<u>769,466</u>
Total deductions	<u>762,190</u>	<u>769,466</u>
Net increase	3,312,976	1,726,646
<i>Net Assets Available for Benefits</i>		
Beginning of year	<u>17,397,351</u>	<u>15,670,705</u>
End of year	<u><u>\$ 20,710,327</u></u>	<u><u>\$ 17,397,351</u></u>

See accompanying notes and auditor's report

Luvata Ohio, Inc.
Retirement Plan
Statement of Accumulated Plan Benefits
December 31, 2016

Actuarial Present Value of Accumulated Plan Benefits

Vested benefits

Participants currently receiving payments	\$ 7,455,519
Other vested participants	<u>7,629,486</u>

Total vested benefits 15,085,005

Non-vested benefits 70,495

Total actuarial present value of accumulated
plan benefits \$ 15,155,500

See accompanying notes and auditor's report

Luvata Ohio, Inc.
Retirement Plan
Statement of Changes in Accumulated Plan Benefits
for the year ended December 31, 2016

Changes in Accumulated Plan Benefits

Actuarial present value of accumulated plan benefits, beginning of year	\$ 14,761,898
Increase (decrease) during the year attributable to:	
Benefits accumulated and reserves released	342,863
Increase for interest due to decrease in discount period	1,006,857
Benefits paid	(769,466)
Changes in assumptions	<u>(186,652)</u>
Net increase	<u>393,602</u>
Actuarial present value of accumulated plan benefits, end of year	<u>\$ 15,155,500</u>

See accompanying notes and auditor's report

Luvata Ohio, Inc.
Retirement Plan
Notes to Financial Statements
December 31, 2017 and 2016

1. Description of the Plan

The following brief description of the Luvata Ohio, Inc. Retirement Plan (the "Plan") is provided for general information purposes only. For more complete information, participants should refer to the plan document.

General – The Plan is a noncontributory defined benefit pension plan covering substantially all employees of Luvata Ohio, Inc. (the "Company"). Employees over the age of 20 become eligible to participate in the Plan on the date on which they complete six months of service. The Plan was established effective January 1, 1973 and is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Pension Benefits – Employees with five or more years of service are entitled to annual pension benefits beginning at normal retirement age (65). The Plan permits early retirement at ages 60 to 64 if the employee has completed at least 10 years of service. If an employee terminates before rendering five years of service or reaching age 65, they forfeit the right to receive the portion of their accumulated plan benefits attributable to the Company's contributions. Employees may elect to receive the value of their accumulated plan benefits as a life annuity, a joint and survivor annuity, a life annuity with 60 or 120 guaranteed payments, a life annuity with a contingent annuitant benefit payable monthly at retirement, or a lump-sum payment provided the present value of the accrued benefit is less than \$5,000.

Death and Disability Benefits – If an active employee dies after becoming vested, but prior to retirement, a death benefit equal to 50% of the participant's accrued benefit is payable to the surviving spouse. Active employees who become totally disabled are eligible for disability benefits. The amount of their disability benefit is their accrued benefit, actuarially reduced to reflect payments prior to normal retirement.

Income Taxes – The Plan received a determination letter from the Internal Revenue Service dated December 18, 2017 stating that the Plan is qualified under Section 401(a) and the trust is exempt from taxation under Section 501(a) of the Internal Revenue Code. The plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in accordance with the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the Plan's financial statements.

Luvata Ohio, Inc.
Retirement Plan
Notes to Financial Statements (continued)
December 31, 2017 and 2016

1. Description of the Plan (continued)

Income Taxes (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 the applicable taxing authorities. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

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 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.

Should the Plan terminate at some future time, its net assets may not be available on a pro-rata basis to provide participants' benefits. Whether a particular participant's accumulated plan benefits will be paid depends on both the priority of those benefits and the level of benefits guaranteed by the Pension Benefit Guaranty Corporation ("PBGC") at that time. Some benefits may be fully or partially provided for by the then existing assets and the PBGC guaranty while other benefits may not be provided for at all. Participants should refer to the plan document for further discussion on the priority of participant claims.

2. Significant Accounting Policies

Basis of Accounting – The financial statements of the Plan are prepared on the accrual basis of accounting.

Cash and Cash Equivalents – The Plan considers all liquid investments with original maturities of three months or less to be cash equivalents.

Valuation of Investments – Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for further discussion of fair value measurements.

Luvata Ohio, Inc.
Retirement Plan
Notes to Financial Statements (continued)
December 31, 2017 and 2016

2. Significant Accounting Policies (continued)

Investment Income – Net appreciation or depreciation in the fair value of investments includes both realized gains and losses and unrealized appreciation and depreciation on the fair value of investments. Interest and dividend income is recognized as earned. Investment transactions are accounted for on the trade date.

Benefit Payments – Benefits are recorded when paid.

Party-in-Interest Transactions – Certain plan investments are shares of mutual funds managed by PNC Bank, the trustee and, accordingly, qualify as party-in-interest transactions.

Expenses – In 2017 and 2016, the necessary expenses to administer the Plan were paid by the Company. Investment related expenses are included in net appreciation or depreciation in fair value of investments in the accompanying statements of changes in net assets available for benefits.

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

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 statements of net assets available for benefits.

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

Luvata Ohio, Inc.
Retirement Plan
Notes to Financial Statements (continued)
December 31, 2017 and 2016

2. Significant Accounting Policies (continued)

Actuarial Present Value of Accumulated Plan Benefits – 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 (by means of decrement such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The following actuarial cost method and significant actuarial assumptions were used in the valuation as of December 31, 2016.

Actuarial Cost Method – Traditional unit credit cost method was used for purposes of the valuation. Projected unit credit cost method was used for purposes of developing the maximum contribution and the at-risk liabilities, if applicable.

Mortality – Optional combined table of RP-2000 static annuitant and non-annuitant tables, projected from 2016 for Pension Protection Act (“PPA”) funding. RP-2014 mortality table for males and females projected by scale MP-2016 on a generational basis for Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 960 accounting. In the prior valuation, scale MP-2015 was used.

Retirement Age – The following retirement rate assumptions were used:

<u>Age</u>	<u>Rate</u>
60	10%
61	10%
62	20%
63	20%
64	20%
65+	100%

Disability – None assumed. In the prior valuation, the 1985 Pension Disability Table was used.

Luvata Ohio, Inc.
Retirement Plan
Notes to Financial Statements (continued)
December 31, 2017 and 2016

2. Significant Accounting Policies (continued)

Actuarial Present Value of Accumulated Plan Benefits (continued) –

Discount Rates – The discount rate assumptions utilize the Moving Ahead for Progress in the 21st Century Act ("MAP-21"), as modified by the Highway and Transportation Funding Act ("HATFA") alternative basis for interest rates to value pension liabilities for minimum contribution purposes. The Plan's effective rate, based upon the segment rates, is 5.94%. The interest rate assumption is 7.0% for FASB ASC 960 accounting purposes.

Expected Rate of Return on Plan Assets – The expected return assumption is the applicable third segment rate as detailed in Internal Revenue Bulletin Notice 2009-22 and was 6.48%.

Asset Valuation Method – The actuarial value of the assets is determined by using the average fair market value of the Plan's assets at the valuation date over a 24-month period adjusted for contributions, distributions, expected earnings and includes discounted contributions receivable. The asset value determined under this method is adjusted to be no greater than 110% and no less than 90% of the fair market value of assets.

Funding Policy – The Company's funding policy is to make annual contributions to the Plan in amounts sufficient to ensure participant benefits will be fully provided for by the time they retire. The Company's contributions for 2017 and 2016 met the minimum funding requirements of ERISA.

Subsequent Events – The Plan has evaluated subsequent events through September 7, 2018, the date the financial statements were available to be issued and has identified no subsequent events for recognition or disclosure.

Luvata Ohio, Inc.
Retirement Plan
Notes to Financial Statements (continued)
December 31, 2017 and 2016

3. Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The three levels of the fair value hierarchy under Topic 820 are described as follows:

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

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

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

Level 3 – Inputs that are unobservable for the asset or liability.

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

The Plan's investments are stated at fair value, based on the following methodology.

Mutual Funds – Valued at current market value as measured by quoted market prices.

Classification within the fair value hierarchy table is based on the lowest level of any input that is significant to the fair value measurement.

Luvata Ohio, Inc.
Retirement Plan
Notes to Financial Statements (continued)
December 31, 2017 and 2016

3. Fair Value Measurements (continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2017.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents	\$ 311,740	\$ -	\$ -	\$ 311,740
Mutual funds	<u>19,475,310</u>	<u>-</u>	<u>-</u>	<u>19,475,310</u>
Investments at fair value	<u>\$ 19,787,050</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,787,050</u>

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2016.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents	\$ 267,195	\$ -	\$ -	\$ 267,195
Mutual funds	<u>16,201,912</u>	<u>-</u>	<u>-</u>	<u>16,201,912</u>
Investments at fair value	<u>\$ 16,469,107</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,469,107</u>

Transfers between Levels

In 2017 and 2016, there were no significant transfers between Levels 1 and 2 and no transfers in or out of Level 3.

Supplemental Schedule

Luvata Ohio, Inc.
Retirement Plan
Notes to Financial Statements (continued)
December 31, 2017 and 2016

4. Information Certified by the Trustee (Unaudited)

The following information has been certified by PNC Bank to be complete and accurate as of December 31, 2017 and 2016.

	<u>2017</u>	<u>2016</u>
Delaware Extended Duration Bond Fund	\$ 5,786,933	\$ 4,824,405
PIMCO Long Term Credit Fund	5,787,770	4,804,995
Oppenheimer International Growth Fund I	1,582,589	1,315,940
Harbor Capital Appreciation Fund	984,828	851,661
Dodge & Cox Stock Fund	984,654	835,224
Parametric Emerging Markets Fund	997,626	819,323
Nuveen NWQ Small Cap Value Fund	789,103	644,313
Ivy Small Cap Growth Fund	785,620	643,233
Harbor International Fund	591,062	488,499
Dodge & Cox International Stock Fund	594,279	488,071
Vanguard 500 Index Admiral Fund	590,846	486,248
PNC Government Money Market Fund	<u>311,740</u>	<u>267,195</u>
	<u>\$ 19,787,050</u>	<u>\$ 16,469,107</u>
Accrued interest and dividends	<u>\$ 23,277</u>	<u>\$ 28,244</u>

Additionally, the investment income reported on the statements of changes in net assets available for benefits and information in the supplemental schedule was certified by PNC Bank.

Luvata Ohio, Inc.
Retirement Plan
Schedule H, Line 4i
Schedule of Assets (Held at End of Year)
December 31, 2017

EIN: 31-4358696

Plan No.: 001

(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
<i>PNC Bank</i>				
	Delaware Extended Duration Bond Fund	Mutual Fund, 853,530 shares	\$ 5,412,612	\$ 5,786,933
	PIMCO Long Term Credit Fund	Mutual Fund, 468,645 shares	5,605,348	5,787,770
	Oppenheimer International Growth Fund I	Mutual Fund, 36,273 shares	1,029,793	1,582,589
	Parametric Emerging Markets Fund	Mutual Fund, 63,181 shares	841,648	997,626
	Dodge & Cox Stock Fund	Mutual Fund, 4,836 shares	636,872	984,654
	Harbor Capital Appreciation Fund	Mutual Fund, 14,182 shares	604,933	984,828
	Nuveen NWQ Small Cap Value Fund	Mutual Fund, 14,654 shares	453,057	789,103
	Ivy Small Cap Growth Fund	Mutual Fund, 35,710 shares	630,823	785,620
*	PNC Government Money Market Fund	Cash Equivalents, 311,740 shares	311,740	311,740
	Vanguard 500 Index Admiral Fund	Mutual Fund, 2,394 shares	316,817	590,846
	Dodge & Cox International Stock Fund	Mutual Fund, 12,830 shares	461,240	594,279
	Harbor International Fund	Mutual Fund, 8,754 shares	532,027	591,062
			\$ 16,836,910	\$ 19,787,050

*Party-in-Interest

See auditor's report

ATTACHMENT TO 2017 SCHEDULE SB
 PLAN: LUVATA OHIO, INC. RETIREMENT PLAN
 EIN/PN: 31-4358696 / 001

Schedule SB, Line 26 – Schedule of Active Participant Data

	Years of Credited Service										
Attained Age	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	Total Number
Under 25	1	3	1	0	0	0	0	0	0	0	5
25 to 29	0	4	2	0	0	0	0	0	0	0	6
30 to 34	0	0	0	0	0	0	0	0	0	0	0
35 to 39	0	3	2	1	3	0	0	0	0	0	9
40 to 44	0	1	4	1	2	1	0	0	0	0	9
45 to 49	0	5	1	0	3	2	3	0	0	0	14
50 to 54	0	1	0	1	4	4	4	2	0	0	16
55 to 59	0	1	2	1	2	0	0	2	1	0	9
60 to 64	0	0	3	1	1	2	2	1	0	3	13
65 to 69	0	0	0	1	0	1	0	0	0	0	2
70 & up	0	1	0	0	0	0	0	1	0	0	2
Total	1	19	15	6	15	10	9	6	1	3	85

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 2017 This Form is Open to Public Inspection
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For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017	
▶ 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 LUVATA OHIO, INC. RETIREMENT PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF LUVATA OHIO, INC.	D Employer Identification Number (EIN) 31-4358696
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☒ 101-500 ☐ More than 500

Part I	Basic Information		
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2017</u>			
2 Assets:			
a Market value		2a	17371036
b Actuarial value		2b	17666048
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	124	7927873	7927873
b For terminated vested participants	70	3481713	3481713
c For active participants	85	5057690	5094870
d Total	279	16467276	16504456
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	5.94 %	
6 Target normal cost	6	352007	

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	Michael A. Carney <i>MAC</i> Signature of actuary	09/10/2018 Date
MICHAEL A. CARNEY	Type or print name of actuary	17-05647 Most recent enrollment number
BURKE GROUP	Firm name	585-624-5500 Telephone number (including area code)
80 LINDEN OAKS DRIVE SUITE 210 ROCHESTER, NY 14625 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 ☐

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	1039435
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	360853
9 Amount remaining (line 7 minus line 8)	0	678582
10 Interest on line 9 using prior year's actual return of <u>8.84</u> %	0	59987
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		1106503
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.12</u> %		45634
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		31899
c Total available at beginning of current plan year to add to prefunding balance		1184036
d Portion of (c) to be added to prefunding balance		1184036
12 Other reductions in balances due to elections or deemed elections	0	761013
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	1161592

Part III Funding Percentages		
14 Funding target attainment percentage	14	100.00%
15 Adjusted funding target attainment percentage	15	107.03%
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	100.00%
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
12/27/2017	300000				
04/12/2018	300000				
07/12/2018	300000				
08/29/2018	300000				
Totals ▶			18(b)	1200000	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	1109445
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No		
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No		
c If line 20a is "Yes," see instructions and complete the following table as applicable:		
Liquidity shortfall as of end of quarter of this plan year		
(1) 1st	(2) 2nd	(3) 3rd
		(4) 4th

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

21 Discount rate:			
a Segment rates:	1st segment: 4.16%	2nd segment: 5.72%	3rd segment: 6.48%
			☐ N/A, full yield curve used
b Applicable month (enter code).....			21b 4
22 Weighted average retirement age.....			22 63
23 Mortality table(s) (see instructions)	☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute		

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	352007	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment.....	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....	34	352007	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35)	36	352007	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	1109445	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	757438	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

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

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42	0	
43 Excess installment acceleration amount to be carried over to future plan years	43	0	

Luvata Ohio, Inc.
Retirement Plan
Schedule H, Line 4i
Schedule of Assets (Held at End of Year)
December 31, 2017

EIN: 31-4358696
Plan No.: 001

(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
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			\$ 16,836,910	\$ 19,787,050

*Party-in-Interest

See auditor's report

Schedule SB, Part V – Summary of Plan Provisions

Eligibility

All regular, full-time employees are eligible on the January 1 following six months of continuous employment and attainment of age 20.

Benefit Service

Credited service prior to January 1, 1976 is granted in accordance with the provisions of the prior plan. Credited service after January 1, 1976, for employees hired before January 1, 1985, is granted for the years and months of employment. For employees hired on or after January 1, 1985, credited service is granted for the years and months of service as an active participant.

Final average compensation

Monthly average of highest five consecutive calendar years of the last ten calendar years prior to date of retirement or termination.

Normal Retirement

Eligibility

Age 65 with 5 years of service

Amount of Benefit

The accrued benefit at time of normal retirement is: (0.95% of final average salary + 0.75% of the excess of final average salary over covered compensation) multiplied by credited service at normal retirement to a maximum of 25 years.

If the participant's year of birth is between 1938 and 1954, the 0.95% in the above formula is changed to 1.0% and the 0.75% is changed to 0.70%.

If the participant's year of birth is after 1954, the 0.95% in the above formula is changed to 1.05% and the 0.75% is changed to 0.65%.

For employees who were participants on or before December 31, 1985, the normal retirement benefit is the greater of the above benefit and (0.75% of the final average salary multiplied by credited service at normal retirement to a maximum of 40 years) + (0.65% of the excess of final average salary over covered compensation multiplied by credited service at normal retirement to a maximum of 35 years of service).

If a participant's year of birth is between 1938 and 1954, the 0.75% in the above formula is changed to 0.80% and the 0.65% is changed to 0.60%. If a participant's year of birth is after 1954, the 0.75% in the above formula is changed to 0.85% and the 0.65% is changed to 0.55%.

Normal retirement benefit will be no less than 0.75% of the final average salary multiplied by credited service earned after December 31, 1993.

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

Early Retirement

Eligibility

Age 60 with 10 years of service.

Amount of Benefit

The accrued benefit, reduced 1/180 for each month that early retirement date precedes the normal retirement date.

Deferred Vested Benefit

Eligibility

Five years of service

Amount of Benefit

A monthly retirement income commencing at normal retirement date equal to the accrued retirement income.

Disability Benefit

Eligibility

Total and permanent disability prior to age 65 and receiving disability benefits under the Federal Social Security Act from date of disability to age 65.

Amount of Benefit

For participants eligible for long-term disability payments, a normal retirement benefit starting at normal retirement date assuming credited service to that date and further assuming that compensation remains at the level of the calendar year prior to disability.

Pre-retirement Death Benefit

A married vested participant who dies shall be eligible for a death benefit. The amount of the death benefit shall be the monthly pension due to the spouse had the joint and 50% survivor option been elected immediately before the death of the participant.

Normal Form of Payment

A monthly pension payable for life. For married participants the benefit is paid in an actuarially equivalent Joint and 50% Survivor form, unless otherwise elected.

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

Optional Forms of Payment

In lieu of the pension otherwise payable under the normal form, a participant may elect to receive a reduced pension in the form of a life annuity with 60 or 120 payments guaranteed or a life annuity with a contingent annuitant benefit of 50%, 66-2/3%, 75%, or 100% of the benefit amount payable upon the participant's death, or a lump sum distribution if the value is less than \$5,000. In December, 2014 the lump sum threshold was temporarily raised to \$100,000.

Assumptions for Optional Forms of Payment

Optional forms of payment are actuarially equivalent to the normal form of payment for single participants, i.e. the life annuity. The conversion factors are based on the RP-2000 Combined Active/Retiree Healthy Mortality Table for Males Blended 75% Blue Collar and Projected to Year 2015, and an interest rate of 7.0%.

The lump sum value is calculated using the IRS 2017 Lump Sum Mortality Table and the 417(e) segment rates published for October, 2016 (1.57% / 3.45% / 4.39%).

Accrued retirement benefit

The participant's normal retirement pension based on service-to-date, and final average compensation determined at the date of termination.

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

Retirement Rates

<u>AGE</u>	<u>RATE</u>
60	0.100
61	0.100
62	0.200
63	0.200
64	0.200
65	1.000

<u>AGE</u>	<u>NOT RETIRED</u>	<u>RETIREMENT RATE</u>	<u>PRODUCT</u>
60	1.000	0.100	6.0000
61	0.900	0.100	5.4900
62	0.810	0.200	10.0440
63	0.648	0.200	8.1648
64	0.518	0.200	6.6355
65	0.415	1.000	26.9568

Weighted
average
retirement
age 63.29

Nearest age 63.00

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

Actuarial Cost Methods:

Traditional Unit Credit

The actuarial cost method used in the valuation was the traditional unit credit cost method.

The normal cost is the sum of all the individual normal costs for each participant. For active participants, the individual normal cost is the present value of the benefit earned during the year being valued. The normal cost is zero for active participants whose credited service equals or exceeds the plan maximum, and for non-active participants.

The actuarial accrued liability is the sum of the individual accrued liabilities for all participants. The individual accrued liability for an active participant is the present value of the accrued benefit as of the valuation date. For non-active participants, the individual accrued liability is the present value at the current age of future benefits. The unfunded liability is the actuarial accrued liability less the valuation assets.

The total annual cost of the plan is the normal cost plus an amount to amortize the shortfall amount.

The mortality table assumption is based upon the RP-2000 Mortality Table for males and females and is projected with mortality improvements by scale AA seven years beyond the valuation date for annuitants and fifteen years beyond the valuation date for non-annuitants. Plans with less than 500 participants can use an optional combined table which is the table incorporated in this report. An additional year of mortality improvements is reflected in the mortality assumptions.

Projected Unit Credit

The actuarial cost method used in the development of the maximum contribution and the at-risk liabilities, if applicable, was projected unit credit cost method.

Under this method, the normal cost is the sum of the individual normal costs for all participants. For an active participant, the individual normal cost is the present value at the current age of the projected benefit at the assumed retirement age, based on the actuarial assumptions, divided by the participant's expected years of credited service at that age. For a non-active participant, the normal cost is zero.

The actuarial accrued liability is the sum of the individual accrued liabilities for all plan participants. For an active participant, the individual accrued liability is the product of the normal cost and the total years of credited service at the current age. For non-active participants, the individual accrued liability is the present value at the current age of future benefits. The unfunded actuarial accrued liability equals the actuarial accrued liability less the valuation assets.

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

Asset Valuation Method:

The actuarial value of the assets is determined by using the average value of the fair market value of the plan's assets at the valuation date over a 24 month period adjusted for contributions, distributions, expected earnings, and includes discounted contributions receivable. The asset value determined under this method is adjusted to be no greater than 110% and no less than 90% of the fair market value of assets.

Participants included in valuation:

All employees who are eligible to participate as of the valuation date, plus retirees, beneficiaries and terminated participants entitled to current or future benefits.

Discount Rates: *HATFA basis* Interest rate basis for the 2017 valuation is 4.16% / 5.72% / 6.48%. The Plan's effective rate, based on the segment rates, is 5.94% for 2017.

Expected Rate of Return on Plan Assets: The expected rate of return on plan assets is the applicable 3rd segment rate each year as detailed in Notice 2009-22 (6.48% for 2017).

Mortality: Optional combined table of RP-2000 annuitant and non-annuitant tables, projected by scale AA seven years beyond the valuation date for PPA funding.

Retirement Rates:	<u>Age</u>	<u>Rate</u>
	60	10%
	61	10
	62	20
	63	20
	64	20
	65	100

Turnover: 50% and 95% of the 2003 Society of Actuaries Small Plan turnover table for Salaried and Hourly employees, respectively

Sample Rates:

<u>Age</u>	<u>Salaried Rate</u>	<u>Hourly Rate</u>
25	9.75%	18.53%
30	7.75	14.73
35	6.05	11.50
40	4.70	8.93
45	3.65	6.94
50	2.80	5.32
55	2.10	3.99

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

<i>Salary Scale:</i>	3.00% per year
<i>Disability:</i>	None
<i>Percent Married:</i>	80%; a male is assumed to be three years older than his spouse
<i>Social Security Taxable Wage Base:</i>	3.00% per year
<i>Frequency of Optional Forms:</i>	100% of participants are assumed to elect the life annuity option upon retirement.