| Form 5500 | Annual Return/Report of Employee Benefit Plan | OMB Nos. 1210-0110 1210-0089 |
|---|---|---|
| Department of the Treasury Internal Revenue Service<br>Department of Labor Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).<br>▶ **Complete all entries in accordance with the instructions to the Form 5500.** | **2017**<br>**This Form is Open to Public Inspection** |

## Part I Annual Report Identification Information

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

**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.)
- [x] 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:
- [x] Form 5558
- [ ] automatic extension
- [ ] the DFVC program
- [ ] special extension (enter description)

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
LORD CORPORATION SALARIED EMPLOYEES' PENSION PLAN

**1b** Three-digit plan number (PN) ▶ 001

**1c** Effective date of plan 01/01/1954

**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)
LORD CORPORATION

PO BOX 8012
CARY, NC 27512-8012

**2b** Employer Identification Number (EIN) 25-0626921

**2c** Plan Sponsor's telephone number 919-468-5979

**2d** Business code (see instructions) 325500

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

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

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/16/2018 | DOUGLAS STEIN |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

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

**3a** Plan administrator's name and address [X] Same as Plan Sponsor

**3b** Administrator's EIN

**3c** Administrator's telephone number

**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** | 2463 |
| **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)** | 647 |
| **a(2)** | Total number of active participants at the end of the plan year | **6a(2)** | 584 |
| **b** | Retired or separated participants receiving benefits | **6b** | 1061 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 549 |
| **d** | Subtotal. Add lines **6a(2)**, **6b**, and **6c** | **6d** | 2194 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 228 |
| **f** | Total. Add lines **6d** and **6e**. | **6f** | 2422 |
| **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** | 0 |
| **7** | Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

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

1A

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

**b General Schedules**

- **(1)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [ ] 0 **A** (Insurance Information)
- **(4)** [ ] **C** (Service Provider Information)
- **(5)** [X] **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_____

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

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
LORD CORPORATION SALARIED EMPLOYEES' PENSION PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
LORD CORPORATION

**D** Employer Identification Number (EIN)
25-0626921

**E** Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

**F** Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

## Part I Basic Information

**1** Enter the valuation date: Month 01 Day 01 Year 2017

**2** Assets:

| | | |
|---|---|---|
| **a** Market value | **2a** | 204195296 |
| **b** Actuarial value | **2b** | 208624203 |

**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 | 1235 | 140782832 | 140782832 |
| **b** For terminated vested participants | 581 | 28893124 | 28893124 |
| **c** For active participants | 647 | 39939214 | 43074828 |
| **d** Total | 2463 | 209615170 | 212750784 |

**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** | 5.82 % |
| **6** Target normal cost | **6** | 1715556 |

**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 | 10/02/2018<br>Date |
| LORI A VALIS<br>Type or print name of actuary | 17-07091<br>Most recent enrollment number |
| FIDELITY INVESTMENTS<br>Firm name | 617-563-7000<br>Telephone number (including area code) |
| 200 SEAPORT BLVD, ZW10B<br>BOSTON, MA 02210<br>Address of the firm | |

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

## 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 | 8659829 |
| 8 | Portion elected for use to offset prior year's funding requirement (line 35 from prior year) | 0 | 0 |
| 9 | Amount remaining (line 7 minus line 8) | 0 | 8659829 |
| 10 | Interest on line 9 using prior year's actual return of 7.37 % | 0 | 638229 |
| 11 | Prior year's excess contributions to be added to prefunding balance: | | |
| a | Present value of excess contributions (line 38a from prior year) | | 586063 |
| b(1) | Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.03% | | 35340 |
| b(2) | Interest on line 38b from prior year Schedule SB, using prior year's actual return | | 0 |
| c | Total available at beginning of current plan year to add to prefunding balance | | 621403 |
| d | Portion of (c) to be added to prefunding balance | | 621403 |
| 12 | Other reductions in balances due to elections or deemed elections | 0 | 0 |
| 13 | Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) | 0 | 9919461 |

## Part III Funding Percentages

| | | | |
|---|---|---|---|
| 14 | Funding target attainment percentage | 14 | 93.39% |
| 15 | Adjusted funding target attainment percentage | 15 | 93.39% |
| 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 | 97.33% |
| 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 |
|---|---|---|---|---|---|
| 12/21/2017 | 3100000 | 0 | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | Totals ► 18(b) | 3100000 | 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 | 2934501 |

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

| (1) 1st | (2) 2nd | (3) 3rd | (4) 4th |
|---|---|---|---|
| 0 | 0 | 0 | 0 |

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

**21** Discount rate:

**a** Segment rates:

| 1st segment: | 2nd segment: | 3rd segment: | ☐ N/A, full yield curve used |
|---|---|---|---|
| 4.16 % | 5.72 % | 6.48 % | |

| | | |
|---|---|---|
| **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** | 1715556 |
| **b** Excess assets, if applicable, but not greater than line 31a | **31b** | 0 |

**32** Amortization installments:

| | Outstanding Balance | Installment |
|---|---|---|
| **a** Net shortfall amortization installment | 14046042 | 2306527 |
| **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** | 4022083 |

| | Carryover balance | Prefunding balance | Total balance |
|---|---|---|---|
| **35** Balances elected for use to offset funding requirement | 0 | 1220434 | 1220434 |

| | | |
|---|---|---|
| **36** Additional cash requirement (line 34 minus line 35) | **36** | 2801649 |
| **37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) | **37** | 2934501 |

**38** Present value of excess contributions for current year (see instructions)

| | | |
|---|---|---|
| **a** Total (excess, if any, of line 37 over line 36) | **38a** | 132852 |
| **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** | |
| **43** Excess installment acceleration amount to be carried over to future plan years | **43** | |

| SCHEDULE D (Form 5500) | DFE/Participating Plan Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury Internal Revenue Service<br>Department of Labor Employee Benefits Security Administration | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2017**<br>**This Form is Open to Public Inspection.** |

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

**A** Name of plan
LORD CORPORATION SALARIED EMPLOYEES' PENSION PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan or DFE sponsor's name as shown on line 2a of Form 5500
LORD CORPORATION

**D** Employer Identification Number (EIN)
25-0626921

## Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)

(Complete as many entries as needed to report all interests in DFEs)

**a** Name of MTIA, CCT, PSA, or 103-12 IE: SALARIED & HOURLY PENSION TRUST

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

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 25-0626921-021 | M | 224485159 |

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**a** Plan name

**b** Name of plan sponsor

**c** EIN-PN

**a** Plan name

**b** Name of plan sponsor

**c** EIN-PN

**a** Plan name

**b** Name of plan sponsor

**c** EIN-PN

**a** Plan name

**b** Name of plan sponsor

**c** EIN-PN

**a** Plan name

**b** Name of plan sponsor

**c** EIN-PN

**a** Plan name

**b** Name of plan sponsor

**c** EIN-PN

**a** Plan name

**b** Name of plan sponsor

**c** EIN-PN

**a** Plan name

**b** Name of plan sponsor

**c** EIN-PN

**a** Plan name

**b** Name of plan sponsor

**c** EIN-PN

**a** Plan name

**b** Name of plan sponsor

**c** EIN-PN

**a** Plan name

**b** Name of plan sponsor

**c** EIN-PN

**a** Plan name

**b** Name of plan sponsor

**c** EIN-PN

| SCHEDULE H (Form 5500) | Financial Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury Internal Revenue Service<br>Department of Labor Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).<br>▶ **File as an attachment to Form 5500.** | **2017**<br>**This Form is Open to Public Inspection** |

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

**A** Name of plan
LORD CORPORATION SALARIED EMPLOYEES' PENSION PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
LORD CORPORATION

**D** Employer Identification Number (EIN)
25-0626921

## 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) | 2500000 | 0 |
| **(2)** Participant contributions | 1b(2) | | |
| **(3)** Other | 1b(3) | | |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | | |
| **(2)** U.S. Government securities | 1c(2) | | |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | | |
| **(B)** All other | 1c(3)(B) | | |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | | |
| **(B)** Common | 1c(4)(B) | | |
| **(5)** Partnership/joint venture interests | 1c(5) | | |
| **(6)** Real estate (other than employer real property) | 1c(6) | | |
| **(7)** Loans (other than to participants) | 1c(7) | | |
| **(8)** Participant loans | 1c(8) | | |
| **(9)** Value of interest in common/collective trusts | 1c(9) | | |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | | |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | 200574882 | 224485159 |
| **(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) | | |

| | | (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 | 203074882 | 224485159 |
| **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 through1j) | 1k | 0 | 0 |
| **Net Assets** | | | |
| **l** Net assets (subtract line 1k from line 1f) | 1l | 203074882 | 224485159 |

## 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) | 3100000 | |
| **(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) | | 3100000 |
| **b Earnings on investments:** | | | |
| **(1)** Interest: | | | |
| **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | | |
| **(B)** U.S. Government securities | 2b(1)(B) | | |
| **(C)** Corporate debt instruments | 2b(1)(C) | | |
| **(D)** Loans (other than to participants) | 2b(1)(D) | | |
| **(E)** Participant loans | 2b(1)(E) | | |
| **(F)** Other | 2b(1)(F) | | |
| **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 0 |
| **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | | |
| **(B)** Common stock | 2b(2)(B) | | |
| **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | | |
| **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 0 |
| **(3)** Rents | 2b(3) | | |
| **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | | |
| **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | | |
| **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 0 |
| **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | 2b(5)(A) | | |
| **(B)** Other | 2b(5)(B) | | |
| **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | 0 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | 33056765 |
| (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 | | 36156765 |

## Expenses

| | | | |
|---|---|---|---|
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 14746488 | |
| (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) | | 14746488 |
| 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 | | 14746488 |

## Net Income and Reconciliation

| | | | |
|---|---|---|---|
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | 21410277 |
| 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)** [X] 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 [X] No

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

**(1)** Name: ERNST & YOUNG, LLP **(2)** EIN: 34-6565596

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

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

## Part IV Compliance Questions

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

During the plan year:

| | | Yes | No | Amount |
|---|---|---|---|---|
| **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.) | 4a | | X | |
| **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.) | 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 | | 3000000 |
| 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 4068737. (See instructions.)

| SCHEDULE R (Form 5500) | Retirement Plan Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury Internal Revenue Service<br>Department of Labor Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).<br>▶ **File as an attachment to Form 5500.** | **2017**<br>**This Form is Open to Public Inspection.** |

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

**A** Name of plan
LORD CORPORATION SALARIED EMPLOYEES' PENSION PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
LORD CORPORATION

**D** Employer Identification Number (EIN)
25-0626921

## 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** 0

**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): 04-3275867 _____

**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** 8

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

**4** Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☒ **No** ☐ **N/A**

**If the plan is a defined benefit plan, go to line 8.**

**5** If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

**If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.**

**6 a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) ..... **6a**

**b** Enter the amount contributed by the employer to the plan for this plan year ..... **6b**

**c** Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) ..... **6c**

**If you completed line 6c, skip lines 8 and 9.**

**7** Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**8** If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

## Part III Amendments

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

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

**10** Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

**11 a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

**b** If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

**12** Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

## 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: 51.0 % Investment-Grade Debt: 20.0 % High-Yield Debt: 0.0 % Real Estate: 0.0 % Other: 29.0 %

**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):

# AUDITED FINANCIAL STATEMENTS

LORD Corporation
Salaried Employees' Pension Plan

Years Ended December 31, 2017 and 2016
With Report of Independent Auditors

LORD Corporation
Salaried Employees' Pension Plan

Audited Financial Statements

Years Ended December 31, 2017 and 2016

## Contents

Independent Auditor's Report ..... 1

Audited Financial Statements

Statements of Net Assets Available For Benefits ..... 3
Statements of Changes in Net Assets Available for Benefits ..... 4
Notes to Financial Statements ..... 5

Ernst & Young LLP
4131 ParkLake Ave.
Suite 500
Raleigh, NC 27612

Tel: +1 919 981 2800
ey.com

# Report of Independent Auditors

Investments and Benefits Committee
LORD Corporation

We have audited the accompanying financial statements of LORD Corporation Salaried Employees' Pension Plan, which comprise the statements of net assets available for benefits as of December 31, 2017 and 2016, and the related statements 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 conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

## Auditor's Responsibility

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

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

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

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of LORD Corporation Salaried Employees' Pension Plan at December 31, 2017, and the changes in its net assets available for benefits for the year then ended, and the financial status of LORD Corporation Salaried Employees' Pension Plan at

Building a better working world

December 31, 2016, and the changes in its financial status for the year then ended, in conformity with U.S. generally accepted accounting principles.

Very truly yours,

Ernst + Young LLP

October 15, 2018

LORD Corporation
Salaried Employees' Pension Plan

Statements of Net Assets Available For Benefits

| | December 31 | |
|---|---|---|
| | **2017** | **2016** |
| **Assets** | | |
| Investments: | | |
| Plan interest in LORD Corporation Master Pension Trust *(Note 3)* | $ 224,485,159 | $ 200,574,882 |
| Receivables: | | |
| Employer contribution receivable | - | 2,500,000 |
| Net assets available for benefits | $ 224,485,159 | $ 203,074,882 |

*See accompanying notes.*

LORD Corporation
Salaried Employees' Pension Plan

Statements of Changes in Net Assets Available for Benefits

| | Year Ended December 31 | |
|---|---|---|
| | **2017** | **2016** |
| **Additions** | | |
| Investment income: | | |
| Plan interest in net investment income of LORD Corporation Master Pension Trust *(Note 3)* | $ 35,624,353 | $ 14,791,570 |
| Contributions: | | |
| Employer | 3,100,000 | 2,500,000 |
| Total additions | 38,724,353 | 17,291,570 |
| **Deductions** | | |
| Benefits paid to participants | 14,746,488 | 14,647,188 |
| Operating expenses | 2,567,588 | 2,372,339 |
| Total deductions | 17,314,076 | 17,019,527 |
| Net increase | 21,410,277 | 272,043 |
| Net assets available for benefits: | | |
| Beginning of year | 203,074,882 | 202,802,839 |
| End of year | $ 224,485,159 | $ 203,074,882 |

*See accompanying notes.*

LORD Corporation
Salaried Employees' Pension Plan

Notes to Financial Statements

December 31, 2017

## 1. Description of the Plan and Benefits

The following brief description of the LORD Corporation Salaried Employees' Pension Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

### General

The Plan is a non-contributory defined benefit pension plan covering substantially all salaried employees of LORD Corporation (Company). Effective January 1, 2005, the Plan was amended whereby future benefit accruals under the Plan were frozen and a new tier of employer contribution funding was added to the existing salaried defined contribution plans called the "Retirement Investment Account". All participants in this existing Plan on December 31, 2004, became 100% vested in their accrued benefit, which will remain payable under the terms of the Plan agreement. Active participants with less than 10 years of vesting service as of December 31, 2004, do not accrue any additional benefits under the Plan. For purposes of Plan transition, eligible float employees, those participants with 10 or more years of service, will continue to receive credit for eligible earnings for prescribed periods beyond December 31, 2004, as follows:

To December 31, 2009, for eligible float employees with 10, but less than 20 years of vesting service at December 31, 2004, or

To December 31, 2014, for eligible float employees with 20 or more years of vesting service at December 31, 2004.

After December 31, 2004, no new participants entered the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

## 1. Description of the Plan and Benefits (continued)

### Pension Benefits

Participants with five or more years of service are entitled to annual pension benefits beginning at normal retirement age 65 based on the highest five consecutive years wages (Pension Compensation Base) and the number of years of benefit service earned up to December 31, 2004. Participants attaining minimum age 60 and length of vesting service combination equaling or exceeding 95 are eligible to retire at full pension. Effective January 1, 2016, the age requirement is removed and an employee is eligible to retire at full pension when any combination of their age plus years of service equal or exceed 95. The Plan permits early retirement beginning at ages 55 with benefits reduced by 5/12% for each month the early retirement date precedes the normal retirement date. If participants terminate before rendering five years of vesting service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to the Company's contributions. Married participants receive their pension benefits in the form of a 50% joint and survivor annuity, unless they elect to receive other annuity options. In 2016, a mandatory cash out provision was introduced for any participant with accumulated plan benefits equal to or less than $5,000. Participants with accumulated plan benefits in excess of $5,000 but not exceeding $10,000 may elect to receive the value of their benefits as a lump-sum distribution upon retirement or termination.

### Death and Disability Benefits

If an active participant dies at age 55 or older, a death benefit equal to the value of the participant's accumulated pension benefits (50% joint & survivor annuity) and is paid immediately to the participant's surviving spouse. If an active participant dies on or before age 55, the benefit payment is based on the amount that would have been payable if the participant had reached age 55 and retired with a 50% joint & survivor annuity. This survivor benefit is payable on the date the deceased participant would have reached age 55. Active participants who become totally disabled may receive disability benefits under the LORD Corporation Long Term Disability Plan, if enrolled, which are paid until normal retirement age, at which time disabled participants begin receiving normal retirement benefits.

## 2. Significant Accounting Policies

### Basis of Accounting

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

## 2. Significant Accounting Policies (continued)

### Recent Accounting Pronouncements

In February 2017, the Financial Accounting Standard Board (FASB) issued Accounting Standard Update (ASU) 2017-06, *Employee Benefit Plan Master Trust Reporting*, (ASU 2017-06). ASU 2017-06 requires a plan's interest in a master trust and any change in that interest to be presented in separate line items in the statement of net assets available for benefits and in the statement of changes in net assets available for benefits, respectively. Further, ASU 2017-06 removes the requirement to disclose the percentage interest in the master trust for plans with divided interests and requires that all plans disclose the dollar amount of their interest in each of the master trust's general types of investments. ASU 2017-06 is effective for fiscal years beginning after December 15, 2018, with retrospective application to all periods presented. Early application is permitted. Management adopted ASU 2017-06 in fiscal year 2016.

### Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

### Payment of Benefits

Benefit payments to participants are recorded upon distribution.

### Investment Valuation

The Plan's investments are held in the LORD Corporation Master Pension Trust (the Master Pension Trust) and are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). See Note 3 for further discussion and disclosures related to fair value measurements.

## 2. Significant Accounting Policies (continued)

### Funding Policy

The Company's policy is to contribute amounts recommended by its consulting actuaries as are necessary to provide the Plan with assets sufficient to fund the benefits to be paid and to meet or exceed the minimum funding requirements of ERISA. The Company's contributions for 2017 and 2016 exceeded these minimum funding requirements.

Effective January 1, 1978, the Board of Directors discontinued employee contributions and authorized that accumulated employee contributions could be withdrawn from the Plan upon requests from participants. Present employees' accumulated contributions at the actuarial valuation dates for Plan years ending December 31, 2017 and 2016, were $47,813 and $50,535, respectively, including an interest credit based on interest rates of 2.36% and 2.17% for the 2017 and 2016 Plan years, respectively. Interest applied to these balances is based on annual compounding, at a rate 120% of the Federal Mid-Term AFR, and is determined each January.

### Subsequent Events

The Plan has evaluated subsequent events through October 15, 2018, the date the financial statements were available to be issued.

## 3. Investment in Master Pension Trust

Investments of the Plan are in the LORD Corporation Master Pension Trust, which was established for the purpose of receiving, holding, investing and disbursing the assets of the employee pension plans sponsored by LORD Corporation. Each participating retirement plan has an undivided interest in the Master Pension Trust. The assets of the Master Pension Trust are held by Northern Trust.

Investment income earned and indirect expenses paid by the Master Pension Trust are allocated monthly to the individual plans based upon the beginning balances of each Plan. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. At December 31, 2017 and 2016, the Plan's interest in the net assets of the Master Pension Trust was 82.64% and 83.67%, respectively.

**3. Investment in Master Pension Trust (continued)**

From time to time, participants of the Hourly Pension Plan transfer into the Salaried Pension Plan and vice versa. Since all benefits are paid from the Plan in which the participant most recently participated, the transfer of an appropriate amount of assets is required, representing the present value of benefits for those participants transferred. There were no transfers between plans during 2017 and 2016.

The following tables present the net assets of the Master Pension Trust and the Plan's interest in those balances at December 31, 2017 and 2016:

| | 2017 | |
|---|---|---|
| | **Master Pension Trust Balances** | **Plan's Interest in Master Pension Trust Balances** |
| Investment, at fair value: | | |
| Interest in collective investment trusts | **$ 271,630,683** | $ 224,485,159 |

| | 2016 | |
|---|---|---|
| | **Master Pension Trust Balances** | **Plan's Interest in Master Pension Trust Balances** |
| Investment, at fair value: | | |
| Interest in collective investment trusts | **$ 239,735,475** | $ 200,574,882 |

Investment income for the Master Pension Trust for the years ended December 31, 2017 and 2016 is as follows:

| | 2017 | 2016 |
|---|---|---|
| Net appreciation in fair value of collective investment funds | $ 41,445,327 | $ 17,004,206 |
| Interest income | 3,144 | 1,642 |
| Increase in interest in Master Pension Trust | $ 41,448,471 | $ 17,005,848 |

**3. Investment in Master Pension Trust (continued)**

**Fair Value Measurement of Investments in Master Pension Trust**

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

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

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

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

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

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

**3. Investment in Master Pension Trust (continued)**

Following is a description of the valuation methodologies used for assets measured at fair value. The Plan's Investment & Benefits Committee determines the Plan's valuation policies utilizing information provided by the investment advisors and the custodian. There have been no changes in the methodologies used at December 31, 2017 and 2016.

*Collective Investment Trusts:* Valued at the Net Asset Value (NAV) of units of a collective trust. The NAV, as provided by the custodian, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Each of the collective investment trusts are comprised of multiple managers that make up the collective trust, with varying weights between the managers held in each trust. The investment strategy of the collective trusts are consistent with each trusts specific mandate, identified in the name of the collective trust. Each fund provides for daily redemptions by the Plan with no advance notice requirements, and has redemption prices that are determined by the fund's net asset value per unit. Participant transactions (purchases and sales) may occur daily.

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

In accordance with the Plan's adoption of ASU 2015-07, investments valued using the NAV practical expedient are no longer required to be presented in a level in the fair value hierarchy table. Therefore, no table is presented.

**3. Investment in Master Pension Trust (continued)**

**Fair Value of Investments in Entities That Use NAV**

The following table summarizes investments measured at fair value based on the net asset value as a practical expedient.

| Collective Trusts | Fair Value | Unfunded Commitments | Redemption Frequency | Redemption Notice Period |
|---|---|---|---|---|
| December 31, 2017 | $ 271,630,683 | N/A | Daily | None |
| December 31, 2016 | $ 239,735,475 | N/A | Daily | None |

**Master Pension Trust Related-Party Transactions**

Northern Trust performs the investment advisory and trustee services for the Master Pension Trusts. Fees paid to Northern Trust were $1,095,379 and $634,648 in 2017 and 2016, respectively.

**4. Plan Termination**

On May 19, 2004, the Board of Directors approved a change to the Plan which froze service for all participants as of December 31, 2004, while allowing future pay recognition for those participants meeting certain criteria. Each participant in the existing Plan on December 31, 2004, became fully vested in their accrued benefit. Even though this Plan is frozen with respect to the accrual of future credit for benefit service, the Plan will continue in operation in accordance with the Plan agreement.

**4. Plan Termination (continued)**

In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

1. Benefits attributable to employee contributions, taking into account those paid out before termination.

2. Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under Plan provisions in effect at any time during the five years preceding Plan termination.

3. Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC) (a U.S. government agency) up to the applicable limitations.

4. All other vested benefits (that is, vested benefits not insured by the PBGC).

5. All nonvested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Plan sponsor and the level of benefits guaranteed by the PBGC. Some benefits may be fully or partially provided for by the then-existing net assets of the Plan and the PBGC guarantee, while other benefits may not be provided for at all.

**5. Actuarial Present Value of Accumulated Plan Benefits**

Accumulated plan benefits are those future periodic payments, including lump sum distributions, which are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died and (c) present employees or their beneficiaries. Benefits payable under all circumstances (retirement, death, disability and termination of employment) are included to the extent they are deemed attributable to employee service rendered to the respective freeze dates discussed in Note 1.

The actuarial present value of accumulated plan benefits is determined by an independent actuary from Fidelity Investments 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 decrements such as for death, withdrawal or retirement) between the valuation date and the expected date of payments.

The significant actuarial assumptions utilized in determining the actuarial present value of accumulated plan benefits are as follows:

| | |
|---|---|
| Interest rate | 6.8% in 2017 and 7.0% in 2016, compounded annually |
| Life expectancy of participants | RP-2014 total mortality tables adjusted backward to 2006 with Scale MP-2014 and projected with MP-2016 improvement scale applied on a generational basis (previously RP-2014 total mortality table with MP-2015 improvement scale applied on a generational basis) |
| Retirement rates | For 2016, zero retirement rates assumed because retirements from the 2016 voluntary retirement program were reflected in the liability as of January 1, 2016. For 2017, rates vary by age and Rule of 95 eligibility based on a study of experience under the Plan. |

**5. Actuarial Present Value of Accumulated Plan Benefits (continued)**

The actuarial present value of accumulated plan benefits was calculated by the consulting actuaries as of December 31, 2016 (the valuation date) as follows:

| | 2016 |
|---|---|
| Vested benefits: | |
| Participants currently receiving payments | $ 134,555,344 |
| Other participants | 63,726,189 |
| | 198,281,533 |
| Non-vested benefits | 2,790,424 |
| Total actuarial present value of accumulated plan benefits | $ 201,071,957 |

The increase in the actuarial present value of the accumulated plan benefits resulted from the following:

| | 2016 |
|---|---|
| Balance at December 31, 2015 | $ 200,172,359 |
| Increase (decrease) attributable to: | |
| Benefits accumulated | 614,629 |
| Interest due to decrease in the discount period | 13,513,278 |
| Assumption changes | 1,267,924 |
| Plan amendments | - |
| Benefits paid | (14,496,233) |
| Balance at December 31, 2016 | $ 201,071,957 |

The accumulated plan benefits presented above do not reflect any amendments to the Plan that became effective after December 31, 2016.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

The actuary estimated the accumulated plan benefits as of January 1, 2017. There are no significant changes to the Plan that would have changed the valuation had it been performed as of December 31, 2016.

**6. Tax Status**

The Plan has received a determination letter from the Internal Revenue Service (IRS) dated October 30, 2017, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and therefore, the related trust is exempt from taxation. Subsequent to this determination by the IRS, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualified status. The plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and therefore believes that the Plan, as amended, is qualified and the related trust is tax-exempt.

Accounting principles generally accepted in the United States require plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2017, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

**7. Risks and Uncertainties**

The Master Pension Trust 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 change 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 actuarial assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

**8. Reconciliation of Financial Statements to Form 5500**

The following is a reconciliation of investment activity per the financial statements at December 31, 2017, to Form 5500, line 2b(8) net investment gain from master trust investment accounts:

| | **2017** |
|---|---|
| Investment activity – per the financial statements | $ 35,624,353 |
| Less – plan operating expenses | |
| (reported at master trust level for 5500 purposes) | (2,567,589) |
| Per Form 5500 | $ 33,056,764 |

**2017 Form 5500 Schedule SB Attachments**
**Schedule SB, Line 26 – Schedule of Active Participant Data**
**LORD Corporation** **EIN: 25-0626921**
**Salaried Employees' Pension Plan** **Plan Number: 001**
**For Plan Year Ended December 31, 2017**

## Schedule of Active Participants

| | Completed Years of Service on January 1, 2017 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Attained Age** | **<1** | **1-4** | **5-9** | **10-14** | **15-19** | **20-24** | **25-29** | **30-34** | **35-39** | **40+** | **Total** |
| **Under 25** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **25-29** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **30-34** | 5 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9 |
| **35-39** | 8 | 17 | 11 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 36 |
| **40-44** | 11 | 20 | 45 | 9 | 0 | 0 | 0 | 0 | 0 | 0 | 85 |
| **45-49** | 5 | 20 | 48 | 32 | 4 | 0 | 0 | 0 | 0 | 0 | 109 |
| **50-54** | 17 | 16 | 37 | 32 | 37 | 7 | 0 | 0 | 0 | 0 | 146 |
| **55-59** | 7 | 10 | 45 | 18 | 39 | 29 | 12 | 0 | 0 | 0 | 160 |
| **60-64** | 10 | 13 | 20 | 8 | 16 | 13 | 9 | 2 | 0 | 0 | 91 |
| **65-69** | 3 | 1 | 3 | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 11 |
| **Over 69** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **66** | **101** | **209** | **101** | **98** | **49** | **21** | **2** | **0** | **0** | **647** |

**2017 Form 5500 Schedule SB Attachments**
**Schedule SB, Part V – Statement of Actuarial Assumptions/Methods**
**LORD Corporation** **EIN: 25-0626921**
**Salaried Employees' Pension Plan** **Plan Number: 001**
**For Plan Year Ended December 31, 2017**

## Actuarial Assumptions and Methods

**ERISA Interest Rates** as required by IRC Section 430 based on plan sponsor election of the look-back month for the segment rates:

"Minimum" means for the purpose of calculating the PPA funding liability and normal cost for the minimum required contribution.

"Maximum" means for the purpose of calculating the PPA funding liability and normal cost for the maximum tax-deductible contribution.

| | **2017 Plan Year** | | **2016 Plan Year** | |
|---|---|---|---|---|
| Purpose | Minimum | Maximum | Minimum | Maximum |
| Segment rates or full yield curve | Segment | Segment | Segment | Segment |
| Look-back months | 4 | 4 | 4 | 4 |
| First 5 years | 4.16% | 1.52% | 4.43% | 1.34% |
| Next 15 years | 5.72% | 3.80% | 5.91% | 4.03% |
| Over 20 years | 6.48% | 4.79% | 6.65% | 5.06% |
| Applicable Law for the segment rates corridor | BBA | Not Applicable | BBA | Not Applicable |

**Administrative Expenses:** Plan expenses expected to be paid out of the plan's assets estimated based on the average of the non-investment administrative expenses excluding PBGC premiums paid from the trust in the prior three years plus the current year PBGC premium.

**Mortality:** IRS 2017 Static Mortality Table using separate tables for annuitants and non-annuitants (previously IRS 2016 Static Mortality Table using separate tables for annuitants and non-annuitants). These tables include future mortality improvement of 7 years for annuitants and 15 years for non-annuitants.

**Assumptions and Methods** (continued)

**Retirement Rates:** Rates varying by age and Rule of 95 eligibility based on a study of experience under this plan conducted in 2016. We will monitor for patterns of significant consistent gains or consistent losses related to this decrement.

| Age | Not Eligible for Rule of 95 | Rule of 95 Eligible |
|---|---|---|
| 55 | 3% | 3% |
| 56 | 3 | 5 |
| 57 | 3 | 5 |
| 58 | 3 | 10 |
| 59 | 3 | 20 |
| 60 | 10 | 25 |
| 61 | 10 | 25 |
| 62 | 15 | 40 |
| 63 | 20 | 25 |
| 64 | 20 | 45 |
| 65 | 25 | 50 |
| 66 | 25 | 50 |
| 67 | 100 | 100 |

**Termination:** Rates varying by age and service based on the assumption used by the prior actuary for this plan. There has been no pattern of significant consistent gains or consistent losses related to this decrement.

Sample rates are shown below:

| Years of Service | Age 25 | Age 40 | Age 50 |
|---|---|---|---|
| < 5 | 15.44% | 10.30% | 5.13% |
| ≥ 5 | 7.72% | 5.15% | 2.56% |

## **Actuarial Assumptions and Methods** (continued)

**Disability:** Rates varying by age and service based on the assumption used by the prior actuary for this plan. There has been no pattern of significant consistent gains or consistent losses related to this decrement. Sample rates are shown below:

| Age | Male | Female |
|---|---|---|
| 25 | 0.06% | 0.06% |
| 40 | 0.16% | 0.32% |
| 55 | 0.91% | 0.81% |

**Marital Status:** 80% of males and females are assumed married, with females 3 years younger than males. Based on the assumption used by the prior actuary for this plan and checked for reasonability each year.

**Maximum Benefit:** $215,000 for 2017.

**Form of Payment:** It has been assumed benefits will be paid in the normal annuity form applicable to the particular benefit (5-year certain and continuous annuity). To the extent optional forms of payment are elected and conversions are determined under an actuarial basis, which differs from the basis funded in the valuation, gains or losses will occur. These gains or losses will be recognized through the routine application of the actuarial cost method.

## **Actuarial Assumptions and Methods** (continued)

### Actuarial Value of Plan Assets for Funding Purposes:

The actuarial value of assets is equal to:

a) the market value of assets, including discounted receivables, on the valuation date, less

b) the following percentages of prior years' investment gains (losses):

   i) 67% of the prior year, and
   ii) 33% of the second prior year

   Investment gains and losses are defined as the excess or deficiency of the expected return on the market value (at an assumed rate of 7.00%, not to exceed the third segment rate for that year) over the actual return on the market value of assets, including discounted receivables, for any given year.

c) The actuarial value of assets can be neither less than 90% nor greater than 110% of the market value of assets, including discounted receivables.

**Shortfall Amortization Charge for ERISA Funding Purposes:** Per IRC Section 430(c), the shortfall amortization charge for any plan year is the aggregate total (not less than zero) of the shortfall amortization installments for such plan year with respect to any shortfall amortization base which has not been fully amortized. The shortfall amortization installments are the amounts necessary to amortize the shortfall amortization base of the plan for any plan year in level annual installments over the 7-year period beginning with such plan year.

## **Actuarial Assumptions and Methods** (continued)

**Actuarial Cost Method:** The unit credit cost method is used for ERISA funding target (FT) purposes. Under this method, accrued pension benefits are determined for all eligible active participants. These benefits reflect service, salary and negotiated benefit increases to date. The liability is then equal to the present value of all benefits (PVAB) for inactive participants plus the PVAB for active participants.

The normal cost is determined on an individual basis for all active participants who have not attained the assumed retirement age and is equal to the present value of the difference between the current accrued benefit and the anticipated accrued benefit one year later, with the accrued benefit based upon earnings, or negotiated benefit increases, to date in both cases. The total normal cost is based upon the sum of the individual normal costs. The target normal cost for funding is equal to the total normal cost plus assumed administrative expenses expected to be paid from the trust.

The projected unit credit method is used for IRS maximum deductible limit cushion amount purposes. Under this method, accrued pension benefits are determined for all eligible active participants. These benefits reflect service to date and anticipated salary and negotiated benefit increases to the assumed retirement age. The liability is then equal to the present value of all benefits for inactive participants plus the PVAB for active participants.

The normal cost is determined on an individual basis for all active participants who have not attained the assumed retirement age and is equal to the present value of the difference between the current accrued benefit and the anticipated accrued benefit one year later, with the accrued benefit based upon earnings and negotiated benefit increases projected to assumed retirement age in both cases. The total normal cost is based upon the sum of the individual normal costs.

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

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
LORD CORPORATION SALARIED EMPLOYEES' PENSION PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
LORD CORPORATION

**D** Employer Identification Number (EIN)
25-0626921

**E** Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

**F** Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

## Part I Basic Information

**1** Enter the valuation date: Month 01 Day 01 Year 2017

**2** Assets:

| | | |
|---|---|---|
| **a** Market value | 2a | 204195296 |
| **b** Actuarial value | 2b | 208624203 |

**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 | 1235 | 140782832 | 140782832 |
| **b** For terminated vested participants | 581 | 28893124 | 28893124 |
| **c** For active participants | 647 | 39939214 | 43074828 |
| **d** Total | 2463 | 209615170 | 212750784 |

**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 | 5.82% |
| **6** Target normal cost | 6 | 1715556 |

**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 — Date: 10/2/2018

LORI A VALIS — Type or print name of actuary

1707091 — Most recent enrollment number

FIDELITY INVESTMENTS — Firm name

617-563-7000 — Telephone number (including area code)

200 SEAPORT BLVD, ZW10B
BOSTON MA 02210
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 | 8659829 |
| 8 | Portion elected for use to offset prior year's funding requirement (line 35 from prior year) | 0 | 0 |
| 9 | Amount remaining (line 7 minus line 8) | 0 | 8659829 |
| 10 | Interest on line 9 using prior year's actual return of 7.37% | 0 | 638229 |
| 11 | Prior year's excess contributions to be added to prefunding balance: | | |
| | a Present value of excess contributions (line 38a from prior year) | | 586063 |
| | b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.03% | | 35340 |
| | b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return | | 0 |
| | c Total available at beginning of current plan year to add to prefunding balance | | 621403 |
| | d Portion of (c) to be added to prefunding balance | | 621403 |
| 12 | Other reductions in balances due to elections or deemed elections | 0 | 0 |
| 13 | Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) | 0 | 9919461 |

## Part III Funding Percentages

| | | | |
|---|---|---|---|
| 14 | Funding target attainment percentage | 14 | 93.39% |
| 15 | Adjusted funding target attainment percentage | 15 | 93.39% |
| 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 | 97.33% |
| 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 |
|---|---|---|---|---|---|
| 12/21/2017 | 3100000 | 0 | | | |
| | | | Totals ▶ 18(b) | 3100000 | 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 | 2934501 |

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

| (1) 1st | (2) 2nd | (3) 3rd | (4) 4th |
|---|---|---|---|
| 0 | 0 | 0 | 0 |

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

**21** Discount rate:

**a** Segment rates:

| 1st segment: | 2nd segment: | 3rd segment: | ☐ N/A, full yield curve used |
|---|---|---|---|
| 4.16 % | 5.72 % | 6.48% | |

| | | |
|---|---|---|
| **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 | 1715556 |
| **b** Excess assets, if applicable, but not greater than line 31a | 31b | 0 |

**32** Amortization installments:

| | Outstanding Balance | Installment |
|---|---|---|
| **a** Net shortfall amortization installment | 14046042 | 2306527 |
| **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 | 0 |
| **34** Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) | 34 | 4022083 |

| | Carryover balance | Prefunding balance | Total balance |
|---|---|---|---|
| **35** Balances elected for use to offset funding requirement | 0 | 1220434 | 1220434 |

| | | |
|---|---|---|
| **36** Additional cash requirement (line 34 minus line 35) | 36 | 2801649 |
| **37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) | 37 | 2934501 |
| **38** Present value of excess contributions for current year (see instructions) | | |
| **a** Total (excess, if any, of line 37 over line 36) | 38a | 132852 |
| **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 | |
| **43** Excess installment acceleration amount to be carried over to future plan years | 43 | |

## Development of Weighted Average Retirement Age

Weighted Average of the 2 Sets of Retirement Rates

| | Average Retirement Age* | Weight |
|---|---|---|
| Rule of 95 Eligible | 60.5 | 10% |
| Not Eligible for Rule of 95 | 63.0 | 90% |

Weighted Average of the 2 Groups : 63
(rounded to the nearest year)

## **Development of Weighted Average Retirement Age** (continued)

Rule of 95 Eligible Retirement Rates

| Age | Rates of Retirement | lx | # Retire | # Ret x Age |
|---|---|---|---|---|
| 55 | 0.03 | 1000 | 30 | 1650 |
| 56 | 0.05 | 970 | 49 | 2744 |
| 57 | 0.05 | 921 | 46 | 2622 |
| 58 | 0.10 | 875 | 88 | 5104 |
| 59 | 0.20 | 787 | 157 | 9263 |
| 60 | 0.25 | 630 | 158 | 9480 |
| 61 | 0.25 | 472 | 118 | 7198 |
| 62 | 0.40 | 354 | 142 | 8804 |
| 63 | 0.25 | 212 | 53 | 3339 |
| 64 | 0.45 | 159 | 72 | 4608 |
| 65 | 0.50 | 87 | 44 | 2860 |
| 66 | 0.50 | 43 | 22 | 1452 |
| 67 | 1.00 | 21 | 21 | 1407 |
| | | | 1000 | 60531 |

**Weighted Average Retirement Age: 60.5**

## **Development of Weighted Average Retirement Age** (continued)

Not Eligible for Rule of 95 Retirement Rates

| Age | Rates of Retirement | lx | # Retire | | # Ret x Age |
|---|---|---|---|---|---|
| 55 | 0.03 | 1000 | 30 | | 1650 |
| 56 | 0.03 | 970 | 29 | | 1624 |
| 57 | 0.03 | 941 | 28 | | 1596 |
| 58 | 0.03 | 913 | 27 | | 1566 |
| 59 | 0.03 | 886 | 27 | | 1593 |
| 60 | 0.10 | 859 | 86 | | 5160 |
| 61 | 0.10 | 773 | 77 | | 4697 |
| 62 | 0.15 | 696 | 104 | | 6448 |
| 63 | 0.20 | 592 | 118 | | 7434 |
| 64 | 0.20 | 474 | 95 | | 6080 |
| 65 | 0.25 | 379 | 95 | | 6175 |
| 66 | 0.25 | 284 | 71 | | 4686 |
| 67 | 1.00 | 213 | 213 | | 14271 |
| | | | | 1000 | 62980 |

**Weighted Average Retirement Age:** **63.0**

## Plan Provisions

**Name of Plan:** LORD Corporation Salaried Employees' Pension Plan.

**Employer Identification Number / Plan Number:** 25-0626921/001.

**Effective Date:** Original plan effective date January 1, 1954. Amended and restated as of January 1, 2017.

**Covered Employees:** All members as of December 31, 2004. This plan is closed as of this date. New hires after December 31, 2004, and members who transfer from the Hourly Employees' Pension Plan (the hourly plan) after that date shall not be members of this plan.

**Participation Date:** Date of becoming a covered employee.

**Definitions:**

*Vesting service:*

Prior to January 1, 1976: Continuous service in years and months from date employed.

After January 1, 1976: One year of vesting service is credited if 900 or more hours of service are completed. If under 900 hours, then one month is credited for each 150 hours and an additional one month is credited if remaining hours are 120 hours or more.

Vesting service prior to July 1, 1978 for Nichols Engineering employees is credited from date of hire. Vesting service after July 1, 1978 is credited according to the previous paragraph.

Vesting service prior to January 1, 1987 for Dayton, Ohio is credited from date of hire. Vesting service after January 1, 1987 for these employees is credited according to the paragraph regarding service after January 1, 1976, as stated above.

Vesting service includes vesting service with the hourly plan.

## **Plan Provisions** (continued)

*Benefit service:*

Prior to January 1, 1976: Service equals years and months of credited service as calculated under prior plan.

After January 1, 1976: One year of benefit service is credited if 1,800 or more hours of service are completed. If under 1,800 hours, then one month is credited for each 150 hours and an additional one month is credited if remaining hours are 120 or more. A minimum of one month is credited if any employee contributions were made during the year.

Benefit service for Nichols Engineering employees is credited from July 1, 1978.

Benefit service for Dayton, Ohio employees is credited from January 1, 1987.

Benefit service includes benefit service with the hourly plan.

Benefit service is frozen as of December 31, 2004. No additional benefit service will be earned by any participants after this date.

*Pensionable pay:* All pay through the calculation date. Effective with payouts after December 31, 2004, awards from the long term incentive plan will be excluded from pensionable pay.

*Eligible float employee:* Any active employee (including participants receiving long-term disability) who has 10 or more completed years of vesting service as of December 31, 2004.

*Calculation date:* This date is the earliest of termination, death, transfer (to the hourly plan) and:

- December 31, 2004, for employees who are not eligible float employees.
- December 31, 2009, for eligible float employees with 10, but not 20, years of vesting service at December 31, 2004.
- December 31, 2014, for Eligible Float Employees with 20 or more years of Vesting Service at December 31, 2004.

*Average earnings:* The greater of the average of the highest five consecutive calendar years of pensionable pay during the ten year period preceding the calculation date or the average of the sixty months immediately prior to the calculation date.

## **Plan Provisions** (continued)

*Covered compensation:* Based on the Social Security Act in effect at date of computation, the average annual earnings subject to Social Security taxes, assuming that the participants earn an amount at least equal to the Social Security taxable wage base for each year until reaching Social Security retirement age.

*Normal retirement date (NRD):* The last day of the month of the participant's 65th birthday.

*Monthly pension benefit:* (i) plus (ii) plus (iii), minimum (iv) or (v):

i. 1.1% of average earnings with a maximum of covered compensation multiplied by the benefit service to date (maximum 35 years).

ii. 1.5% of average earnings in excess of covered compensation multiplied by benefit service to date (maximum 35 years).

iii. 1.4% of average earnings multiplied by benefit service to date in excess of 35 years.

iv. Accrued benefit as of 12/31/1993 plus (i), (ii) and (iii) above using benefit service after 12/31/1993 only.

v. Benefit accrued under prior plan formula with a minimum of the benefit the participant would accrue if a participant in the LORD Corporation Hourly Employees' Pension Plan based on service and multiplier as of December 31, 2004.

   In any event, the benefit will not be less than the benefit earned as of August 31, 2002, or the benefit earned as of December 31, 2004.

*Monthly pre-retirement spouse death benefit:* Greater of (i) or (ii):

i. Refund of contributions with interest; or

ii. 50% of the monthly pension benefit as of the date of death, reduced for the 50% joint and survivor election and early retirement.

## **Plan Provisions** (continued)

### Eligibility for Benefits:

*NRD:* Retirement on NRD.

*Early retirement:* Optional retirement - Age 55 and five years of Vesting Service. Rule of 95 -age plus service equals 95, no minimum age.

*Postponed retirement:* Retirement after NRD.

*Deferred vested:* Terminations for reasons other than death, disability, or retirement after completing five years of vesting service. All participants are 100% vested in their December 31, 2004 accrued benefit.

*Pre-retirement spouse benefit:* Die while eligible for deferred vested, early, normal or postponed retirement benefits, with a surviving spouse.

### Monthly Benefits Paid Upon the Following Events:

*Normal retirement:* Monthly pension benefit determined as of NRD.

*Early retirement:* Monthly pension benefit payable at age 65. Optional retirement benefit reduced 5/12 of 1% for each month commencement of benefits precedes age 65. Rule of 95 retirements are unreduced for early commencement.

*Postponed retirement:* Monthly pension benefit determined as of actual retirement date.

*Termination with deferred vested benefit:* Monthly pension benefit determined as of termination date, reduced 5/12 of 1% for each month that commencement of benefits precedes the participant's NRD.

*Death with pre-retirement spouse benefit:* Monthly preretirement spouse benefit is payable. If the participant was eligible for early retirement, the benefit is payable immediately. Otherwise, the benefit is payable when the participant would have been eligible for early retirement.

### Forms of Payment:

*Normal form (single participants):* Five year certain and continuous annuity.

*Normal form (married participants:)* Actuarially reduced 50% joint and survivor annuity with spouse as beneficiary.

**Plan Provisions** (continued)

*Optional forms:* Married participants may elect five year certain and continuous annuity with spousal consent.

Participants who retire under the plan may elect a ten-year certain and continuous annuity, life annuity, joint and survivor annuity, or, if the present value of their benefit is $10,000 or less, a lump sum distribution. Participants with lump sum values under $5,000 are mandatorily cashed out.

**Maximum on Benefits and Pay:** All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective.

**Future Plan Changes:** No future plan changes were recognized in determining pension cost or in determining minimum and maximum contributions.

**2017 Form 5500 Schedule SB Attachments**
**Schedule SB, Line 32 – Schedule of Amortization Bases**
**LORD Corporation** **EIN: 25-0626921**
**Salaried Employees' Pension Plan** **Plan Number: 001**
**For Plan Year Ended December 31, 2017**

## Schedule of Amortization Bases

| Type of Base | Present Value of Any Remaining Installments | Valuation Date | Years Remaining | Amortization Installment |
|---|---|---|---|---|
| 2017 Shortfall | $ 14,046,042 | January 1, 2017 | 7 | $ 2,306,527 |