

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2018 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2018 or fiscal plan year beginning <u>01/01/2018</u> and ending <u>12/31/2018</u>			
A	This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)	
	☒ a single-employer plan	☐ a DFE (specify) ____	
B	This return/report is:	☒ the first return/report ☐ the final return/report	
	☒ an amended return/report	☐ a short plan year return/report (less than 12 months)	
C	If the plan is a collectively-bargained plan, check here. ☒		
D	Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program	
	☐ special extension (enter description)		

Part II	Basic Plan Information —enter all requested information		
1a	Name of plan <u>LIQUIDPOWER SPECIALTY PRODUCTS INC. 401(K) AND PROFIT SHARING PLAN</u>	1b	Three-digit plan number (PN) ▶ <u>001</u>
		1c	Effective date of plan <u>01/01/2018</u>
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>LIQUIDPOWER SPECIALTY PRODUCTS INC.</u> <u>2000 W. SAM HOUSTON PKWY S, SUITE 4</u> <u>HOUSTON, TX 77042</u>	2b	Employer Identification Number (EIN) <u>73-6091775</u>
		2c	Plan Sponsor's telephone number <u>713-339-8700</u>
		2d	Business code (see instructions) <u>325900</u>

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	07/31/2019	MIKE ROBLES
	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.

Form 5500 (2018)
v. 171027

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 271
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) 244
a(2) Total number of active participants at the end of the plan year	6a(2) 285
b Retired or separated participants receiving benefits.....	6b 0
c Other retired or separated participants entitled to future benefits	6c 25
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 310
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 1
f Total. Add lines 6d and 6e	6f 311
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g 304
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: 2K 2S 2A 2E 2F 2G 2J 3D 2T	
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

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

b General Schedules

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

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2018 Form M-1 annual report. If the plan was not required to file the 2018 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

<div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	OMB No. 1210-0110
		2018
		This Form is Open to Public Inspection.

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018		
A Name of plan LIQUIDPOWER SPECIALTY PRODUCTS INC. 401(K) AND PROFIT SHARING PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 LIQUIDPOWER SPECIALTY PRODUCTS INC.	D Employer Identification Number (EIN) 73-6091775	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL
04-2647786

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

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
37 60 64 65 71	RECORDKEEPER	6031	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

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

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
BAIRD AGGR BOND INST - US BANCORP 39-0281260	0.02%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
STATE ST TR 2025 I - DST ASSET MAN PO BOX 219432 KANSAS CITY, MO 64121	0.15%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2018
		This Form is Open to Public Inspection

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018		
A Name of plan LIQUIDPOWER SPECIALTY PRODUCTS INC. 401(K) AND PROFIT SHARING PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 LIQUIDPOWER SPECIALTY PRODUCTS INC.	D Employer Identification Number (EIN) 73-6091775	

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other.....	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	0	897999
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other.....	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common.....	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property).....	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans.....	1c(8)	0	1014483
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities.....	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	0	17649804
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)	0	0

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	3136339
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	0	22698625

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	0	22698625
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	2829505	
(B) Participants	2a(1)(B)	2255586	
(C) Others (including rollovers)	2a(1)(C)	1186854	
(2) Noncash contributions	2a(2)	0	6271945
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	15118	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	46880	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		61998
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	832784	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		832784
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	624855	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	609863	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		14992
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	54124	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		54124

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		-2303352
c Other income.....	2c		0
d Total income. Add all income amounts in column (b) and enter total.....	2d		4932491

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1181616	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		1181616
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense.....	2h		0
i Administrative expenses: (1) Professional fees.....	2i(1)	0	
(2) Contract administrator fees.....	2i(2)	0	
(3) Investment advisory and management fees.....	2i(3)	2868	
(4) Other	2i(4)	6037	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		8905
j Total expenses. Add all expense amounts in column (b) and enter total	2j		1190521

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		3741970
l Transfers of assets:			
(1) To this plan.....	2l(1)		18956655
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

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

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

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

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

☐ Yes ☒ No

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

(1) Name: PKF TEXAS

(2) EIN: 76-0356844

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

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

Part IV Compliance Questions

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

During the plan year:

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

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

	Yes	No	Amount
4a		X	
4b		X	

		Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e Was this plan covered by a fidelity bond?	4e	X		2000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n		X	

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 _____. (See instructions.)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2018 This Form is Open to Public Inspection.
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For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

A Name of plan <u>LIQUIDPOWER SPECIALTY PRODUCTS INC. 401(K) AND PROFIT SHARING PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>LIQUIDPOWER SPECIALTY PRODUCTS INC.</u>	D Employer Identification Number (EIN) <u>73-6091775</u>

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

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

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

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

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

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

Schedule R (Form 5500) 2018
v. 171027

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

b The plan year immediately preceding the current plan year

c The second preceding plan year

14a**14b****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

b The corresponding number for the second preceding plan year

15a**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

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

16a**16b**

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

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

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: _____ % Investment-Grade Debt: _____ % High-Yield Debt: _____ % Real Estate: _____ % Other: _____ %

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate line 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

**LiquidPower Specialty Products Inc. 401(k)
and Profit Sharing Plan**

**Financial Statements
and Supplementary Information**

December 31, 2018

LiquidPower Specialty Products Inc. 401(k) and Profit Sharing Plan

December 31, 2018

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INDEPENDENT AUDITORS' REPORT

To the Plan Administrator of
LiquidPower Specialty Products Inc. 401(k) and Profit Sharing Plan

We have audited the accompanying financial statements of LiquidPower Specialty Products Inc. 401(k) and Profit Sharing Plan (the "Plan"), which comprise the statement of net assets available for benefits as of December 31, 2018, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan'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 Plan'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 the Plan as of December 31, 2018, and the change in net assets available for benefits for the year then ended in accordance with U.S. generally accepted accounting principles.

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule, Schedule H, line 4i, referred to as "supplemental information," is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Dannell Ken Foster of Texas, P.C.

June 28, 2019

LIQUIDPOWER SPECIALTY PRODUCTS INC. 401(k) AND PROFIT SHARING PLAN

Statement of Net Assets Available for Benefits

December 31, 2018

Assets:

Investments, at fair value	\$	21,684,142
Notes receivable from participants		<u>1,014,900</u>
Total assets		22,699,042

Liabilities:

Excess participants' contributions refundable		<u>105,263</u>
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Net assets available for benefits	\$	<u><u>22,593,779</u></u>
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See notes to financial statements

LIQUIDPOWER SPECIALTY PRODUCTS INC. 401(k) AND PROFIT SHARING PLAN

Statement of Changes in Net Assets Available for Benefits

Year Ending December 31, 2018

Additions:

Dividends and interest	\$	847,387
Interest income on notes receivable from participants		46,904
Contributions:		
Participants		2,150,323
Company		2,829,505
Rollovers		1,186,854
Total contributions		<u>6,166,682</u>
Transfer in from another qualified plan:		18,957,047
Total additions		<u>26,018,020</u>

Deductions:

Benefit and withdrawal payments		1,180,512
Net depreciation in fair value of investments		2,234,824
Administrative expenses		8,905
Total deductions		<u>3,424,241</u>
Net increase in net assets available for benefits		22,593,779
Net assets available for benefits		
Beginning of year		-
End of year	\$	<u>22,593,779</u>

See notes to financial statements

LIQUIDPOWER SPECIALTY PRODUCTS INC. 401(k) AND PROFIT SHARING PLAN

Notes to Financial Statements
Year Ended December 31, 2018

1. DESCRIPTION OF PLAN

The following description of the LiquidPower Specialty Products Inc. 401(k) and Profit Sharing Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions. The Plan is sponsored and administered by LiquidPower Specialty Products Inc. (the "Company"). The Company is a wholly-owned subsidiary of Berkshire Hathaway, Inc. (the "Parent").

- a. *General.* The Plan is a defined contribution plan which covers all employees. Employees are eligible to participate in the Plan as of the first day of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Fidelity Management Trust Company is the trustee for the Plan.
- b. *Contributions.* Employees, except for lease employees, nonresident aliens, and any employee who is an active participant in and accruing benefits under the LSPI Pension Plan, are eligible to participate in the Plan. Participants are automatically enrolled at a deferral rate of 3% after 30 days of employment and the rate increases by 1% annually up to a rate of 6%. Employees may make voluntary pre-tax contributions or after-tax Roth 401(k) contributions through salary deferrals, limited to 75% of each employee's eligible earnings, but not more than the maximum allowed by law. Employee contributions are subject to Internal Revenue Code (the "IRC") limitations. The maximum contribution allowed by the Plan was \$18,500 in 2018. Employees who are 50 or older as of December 31, 2018 and reach either the maximum before-tax contribution limit of 75% or maximum contribution allowed by the Plan may make catch-up contributions. The catch-up contribution limit was \$6,000 for 2018.

The Company adopted the Safe Harbor Provision of the IRC. The Company contributes and allocates to each eligible participant's account a safe harbor matching contribution equal to 100% of elective salary deferrals up to the first 6% of compensation. The Company may also make discretionary profit sharing contribution to participants who are employed at the end of the year and have 1,000 hours of service. The discretionary profit sharing contribution is divided among allocations groups as defined in the Plan document. Discretionary profit sharing contributions for the year ended December 31, 2018 was \$1,212,677.

Any employee of the Company may roll over distributions made from a previous employer's qualified retirement plan into the Plan.

- c. *Participant Accounts.* Each participant's account is credited with the employee's contributions and an allocation of the Company's contributions, investment earnings and charged with an allocation of administrative expenses. Allocations are based on participants' earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.
- d. *Vesting.* Participants have a fully vested, nonforfeitable right to employee and Company contributions.
- e. *Investment Options.* All employee and Company contributions are participant-directed among twenty-five investment funds and Berkshire Hathaway Class B common stock.
- f. *Payment of Benefits.* Withdrawals of employer contributions from the Plan by participants can be made at the Plan designated normal retirement (age 55), when a participant dies or becomes disabled. Distributions upon withdrawal are made in accordance with the Plan document.
- g. *Hardship Distributions:* A participant may receive a hardship distribution from salary reduction contributions and rollover contributions if the distribution is: (1) on account of uninsured medical expenses incurred by the participant, their spouse or dependents; (2) to purchase (excluding mortgage payments) a principal residence of the participant; (3) for the payment of post-secondary tuition expenses for the participant, their spouse or dependents; (4) needed to prevent eviction of the participant from his or her principal residence or foreclosure upon the mortgage of the participant's principal residence; (5) for burial or funeral expenses for the participant's parent, spouse, children or dependents; or, (6) for expenses for the repair of damage to the participant's principal residence caused by fire, storm, or other casualty. When a participant reaches the age of 59 ½, the hardship distribution may occur from all vested accounts.

LIQUIDPOWER SPECIALTY PRODUCTS INC. 401(k) AND PROFIT SHARING PLAN

Notes to Financial Statements - Continued

- h. *Notes Receivable from Participants.* Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of 50% of the participant's vested account balance or \$50,000 reduced by the participant's highest outstanding note balance during the prior twelve-month period. Participants can have two notes outstanding at a time. Participant notes are secured by the participant's account balance, and bear interest at a reasonable rate of interest which shall remain fixed throughout the duration of the note. All notes require that repayment be amortized in level payments, not less than quarterly, over a period not extending beyond five years from the date of the note or ten years for notes to acquire a principal residence. Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes receivable from participants are recorded as distributions, based upon terms of the Plan Document, upon liquidation of their account balance.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. *Basis of accounting.* The financial statements of the Plan are prepared under the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").
- b. *Estimates.* The preparation of the financial statements in conformity with GAAP requires the plan administrator to make estimates and assumptions that affect the reported amounts of net assets available for benefits at the date of the financial statements and the changes in net assets available for benefits during the reporting period and disclosures of contingent assets and liabilities at the date of the financial statements. Actual results may, in some instances, differ from previously estimated amounts.
- c. *Investments.* The Plan's investments are stated at fair value. Shares of money market fund, registered investment companies and common stock are valued based on published market prices, which represent the net asset value of shares held by the Plan at the end of year. Gains and losses on the sale of investments are accounted for on an average cost basis. The Plan presents net changes in the fair value of mutual funds and common stock, which consists of realized gains and losses, unrealized appreciation (depreciation), and any income or capital gain distributions from such investments in the accompanying statement of changes in net assets available for benefits. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded on the accrual basis. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participant account balances and the amounts reported in the Plan's financial statements.
- d. *Notes Receivable from Participants.* Participant loans are valued at unpaid principal balance plus accrued interest.
- e. *Contributions.* Contributions by participants and the Company are accounted for on the accrual basis once determined.
- f. *Benefit payments.* Benefit payments are recorded when paid.

LIQUIDPOWER SPECIALTY PRODUCTS INC. 401(k) AND PROFIT SHARING PLAN

Notes to Financial Statements - Continued

3. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC Topic No. 820, *Fair Value Measurements*, are described as follows:

- Level 1 — inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2 — inputs to the valuation methodology include
 - quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in inactive markets;
 - inputs other than quoted prices that are observable for the asset or liability;
 - inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 — inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of December 31, 2018. These methodologies were consistently applied to all assets and liabilities of the Plan.

Money market fund and mutual funds

Money market fund and mutual funds - these investments are valued daily at the net asset value of shares or units held by the Plan based on the quoted market value of the underlying assets.

Common stock

The common stock of Company's Parent is an investment option in the Plan. Berkshire Hathaway common stock trades on an active market. This investment option also includes a cash component that accounts for the purchase and sale of fractional shares.

The investments are categorized as Level 1 investments in the fair value hierarchy.

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

LIQUIDPOWER SPECIALTY PRODUCTS INC. 401(k) AND PROFIT SHARING PLAN

Notes to Financial Statements - Continued

4. TAX STATUS OF PLAN

The volume submitter plan adopted by the Company received its latest favorable advisory letter dated March 31, 2014, stating that the Plan is qualified under Section 401(a) of the Code and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification.

Management evaluates tax positions taken by the Plan and recognizes a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan sponsor has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2018, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

5. NEW ACCOUNTING PRONOUNCEMENTS

The Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2018-14 in August 2018, which amends Accounting Standards Codification ("ASC") 715 to add, remove, and clarify disclosure requirements related to defined benefit pension and other postretirement plans. The ASU adds requirements for an entity to disclose, the weighted average interest crediting rates used in the entity's cash balance pension plans and other similar plans, a narrative description of the reasons for significant gains and losses affecting the benefit obligation for the period, and an explanation of any other significant changes in the benefit obligation or plan assets that are not otherwise apparent in the other disclosures required by ASC 715. The provisions of the ASU will be effective for the fiscal years ending after December 31, 2021, and amendments will be applied retrospectively to each period presented. The provisions of the ASU are not expected to have a material impact on the Plan's financial statements.

The FASB issued ASU 2018-13, *Fair Value Measurement* (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement in August 2018. The ASU modifies the disclosure requirements for the fair value measurements in Topic 820, including the removal, modification to, and addition of certain disclosure requirements. The ASU will be effective for the Plan's fiscal year beginning after December 15, 2019. The provisions of the ASU are not expected to have a material impact on the Plan's financial statements.

The FASB issued ASU 2018-09, *Codification Improvements* in July 2018. Specific to employee benefit plans, this ASU includes an amendment to Subtopic 962-325, *Plan Accounting - Defined Contribution Pension Plans - Investments - Other*. This amendment updates the consideration for whether a certain type of investment should be considered to be eligible to use the net asset value per share practical expedient when there is actually a readily determinable fair value. Investments that have a readily determinable fair value are precluded from using the net asset value per share practical expedient and should be included in the fair value hierarchy disclosure. The ASU will be effective for the Plan's fiscal year beginning after December 15, 2019. The provisions of the ASU are not expected to have a material impact on the Plan's fair value disclosures, nor an impact on the fair value measurements of the investments.

6. EXCESS PARTICIPANTS' CONTRIBUTIONS REFUNDABLE

As a result of nondiscrimination requirements relating to contributions, certain "highly compensated" employees will receive refunds of excess contributions. The amount has been accrued in the accompanying financial statements for 2018 as a liability of the Plan as of the end of the year.

7. ADMINISTRATIVE EXPENSES

Certain expenses of the Plan are paid by the Company directly or through Company contributions. Transaction-related fees are paid by participants.

LIQUIDPOWER SPECIALTY PRODUCTS INC. 401(k) AND PROFIT SHARING PLAN

Notes to Financial Statements - Continued

8. PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. Upon termination, all participants would become 100% vested and Plan assets would be distributed accordingly.

9. RELATED PARTIES AND PARTIES-IN-INTEREST

The Plan holds investments in the common stock of Berkshire Hathaway Inc., the Company's parent. Transactions in this investment qualify as party-in-interest transactions, which are exempt from the prohibited transaction rules. Certain Plan investments are funds managed by Fidelity Management Trust Company, the trustee of the Plan. Transactions associated with these investments qualify as party-in-interest transactions, which are exempt from the prohibited transaction rules.

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The Company is currently researching the application of participant and employer matching contributions to compensation as defined in the Plan document. The Company had not determined the extent and nature of adjustments at the time the report was issued, thus no adjustments have been made to the financial statements for any possible amounts owed to participants. The Company intends to make any required corrections to the Plan.

11. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500 as of December 31, 2018:

Net assets available for benefits per the financial statements	\$	22,593,779
Excess participants' contributions refundable		105,263
Deemed loan distributions		(417)
Net assets available for benefits per Form 5500	\$	<u>22,698,625</u>

The following is a reconciliation of the net increase in net assets available for benefits per the financial statements to net income per Form 5500 for the year ended December 31, 2018:

Net increase in net assets available for benefits per the financial statements	\$	22,593,779
Transfer in from another qualified plan		(18,957,047)
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Other		(25)
Net income per Form 5500	\$	<u>3,741,970</u>

12. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 28, 2019, which was the date the financial statements were available to be issued and has determined that there are no subsequent events to be disclosed.

LiquidPower Specialty Products Inc. 401(k) and Profit Sharing Plan

EIN: 73-6091775

Plan Number: 001

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

December 31, 2018

(a)	(b)	(c)		(e)	
	Identity of Issue, Borrower Lessor or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value		Current Value	
	DFA Emerging Markets Core Equity Portfolio Institutional Class	9,592	Shares	\$	184,637
	Vanguard Selected Value Fund Investor Shares	17,396	Shares		391,063
	Gabelli U.S. Treasury Money Market Fund Class AAA	897,999	Shares		897,999
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	BERKSHIRE HATHAWAY				
*	Berkshire Hathaway Stock	15,355	Shares		3,135,237
*	Berkshire Hathaway Stock Purchase Account		Cash		1,102
*	Fidelity 500 Index Fund	27,863	Shares		2,426,903
*	Fidelity Blue Chip Growth K6 Fund	110,303	Shares		1,223,262
*	Fidelity Diversified International K6 Fund	39,811	Shares		361,082
*	Participant loans	Principal balances ranging up to \$41,134 at 4.25% to 7.25% per annum, secured by participants individual vested accrued benefits maturing through 2032.		\$	22,699,042

* Denotes an investment issued or managed by an entity known to be a party-in-interest to the Plan, as defined by ERISA.
Column (d) cost information omitted for participant-directed investments.

**LiquidPower Specialty Products Inc. 401(k)
and Profit Sharing Plan**

**Financial Statements
and Supplementary Information**

December 31, 2018

LiquidPower Specialty Products Inc. 401(k) and Profit Sharing Plan

December 31, 2018

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INDEPENDENT AUDITORS' REPORT

To the Plan Administrator of
LiquidPower Specialty Products Inc. 401(k) and Profit Sharing Plan

We have audited the accompanying financial statements of LiquidPower Specialty Products Inc. 401(k) and Profit Sharing Plan (the "Plan"), which comprise the statement of net assets available for benefits as of December 31, 2018, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan'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 Plan'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 the Plan as of December 31, 2018, and the change in net assets available for benefits for the year then ended in accordance with U.S. generally accepted accounting principles.

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule, Schedule H, line 4i, referred to as "supplemental information," is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Dannell Ken Foster of Texas, P.C.

June 28, 2019

LIQUIDPOWER SPECIALTY PRODUCTS INC. 401(k) AND PROFIT SHARING PLAN

Statement of Net Assets Available for Benefits

December 31, 2018

Assets:

Investments, at fair value	\$	21,684,142
Notes receivable from participants		<u>1,014,900</u>
Total assets		<u>22,699,042</u>

Liabilities:

Excess participants' contributions refundable		<u>105,263</u>
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Net assets available for benefits	\$	<u><u>22,593,779</u></u>
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See notes to financial statements

LIQUIDPOWER SPECIALTY PRODUCTS INC. 401(k) AND PROFIT SHARING PLAN

Statement of Changes in Net Assets Available for Benefits

Year Ending December 31, 2018

Additions:

Dividends and interest	\$	847,387
Interest income on notes receivable from participants		46,904
Contributions:		
Participants		2,150,323
Company		2,829,505
Rollovers		1,186,854
Total contributions		<u>6,166,682</u>
Transfer in from another qualified plan:		18,957,047
Total additions		<u>26,018,020</u>

Deductions:

Benefit and withdrawal payments		1,180,512
Net depreciation in fair value of investments		2,234,824
Administrative expenses		8,905
Total deductions		<u>3,424,241</u>
Net increase in net assets available for benefits		22,593,779
Net assets available for benefits		
Beginning of year		-
End of year	\$	<u>22,593,779</u>

See notes to financial statements

LIQUIDPOWER SPECIALTY PRODUCTS INC. 401(k) AND PROFIT SHARING PLAN

Notes to Financial Statements
Year Ended December 31, 2018

1. DESCRIPTION OF PLAN

The following description of the LiquidPower Specialty Products Inc. 401(k) and Profit Sharing Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions. The Plan is sponsored and administered by LiquidPower Specialty Products Inc. (the "Company"). The Company is a wholly-owned subsidiary of Berkshire Hathaway, Inc. (the "Parent").

- a. *General.* The Plan is a defined contribution plan which covers all employees. Employees are eligible to participate in the Plan as of the first day of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Fidelity Management Trust Company is the trustee for the Plan.
- b. *Contributions.* Employees, except for lease employees, nonresident aliens, and any employee who is an active participant in and accruing benefits under the LSPI Pension Plan, are eligible to participate in the Plan. Participants are automatically enrolled at a deferral rate of 3% after 30 days of employment and the rate increases by 1% annually up to a rate of 6%. Employees may make voluntary pre-tax contributions or after-tax Roth 401(k) contributions through salary deferrals, limited to 75% of each employee's eligible earnings, but not more than the maximum allowed by law. Employee contributions are subject to Internal Revenue Code (the "IRC") limitations. The maximum contribution allowed by the Plan was \$18,500 in 2018. Employees who are 50 or older as of December 31, 2018 and reach either the maximum before-tax contribution limit of 75% or maximum contribution allowed by the Plan may make catch-up contributions. The catch-up contribution limit was \$6,000 for 2018.

The Company adopted the Safe Harbor Provision of the IRC. The Company contributes and allocates to each eligible participant's account a safe harbor matching contribution equal to 100% of elective salary deferrals up to the first 6% of compensation. The Company may also make discretionary profit sharing contribution to participants who are employed at the end of the year and have 1,000 hours of service. The discretionary profit sharing contribution is divided among allocations groups as defined in the Plan document. Discretionary profit sharing contributions for the year ended December 31, 2018 was \$1,212,677.

Any employee of the Company may roll over distributions made from a previous employer's qualified retirement plan into the Plan.

- c. *Participant Accounts.* Each participant's account is credited with the employee's contributions and an allocation of the Company's contributions, investment earnings and charged with an allocation of administrative expenses. Allocations are based on participants' earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.
- d. *Vesting.* Participants have a fully vested, nonforfeitable right to employee and Company contributions.
- e. *Investment Options.* All employee and Company contributions are participant-directed among twenty-five investment funds and Berkshire Hathaway Class B common stock.
- f. *Payment of Benefits.* Withdrawals of employer contributions from the Plan by participants can be made at the Plan designated normal retirement (age 55), when a participant dies or becomes disabled. Distributions upon withdrawal are made in accordance with the Plan document.
- g. *Hardship Distributions:* A participant may receive a hardship distribution from salary reduction contributions and rollover contributions if the distribution is: (1) on account of uninsured medical expenses incurred by the participant, their spouse or dependents; (2) to purchase (excluding mortgage payments) a principal residence of the participant; (3) for the payment of post-secondary tuition expenses for the participant, their spouse or dependents; (4) needed to prevent eviction of the participant from his or her principal residence or foreclosure upon the mortgage of the participant's principal residence; (5) for burial or funeral expenses for the participant's parent, spouse, children or dependents; or, (6) for expenses for the repair of damage to the participant's principal residence caused by fire, storm, or other casualty. When a participant reaches the age of 59 ½, the hardship distribution may occur from all vested accounts.

LIQUIDPOWER SPECIALTY PRODUCTS INC. 401(k) AND PROFIT SHARING PLAN

Notes to Financial Statements - Continued

- h. *Notes Receivable from Participants.* Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of 50% of the participant's vested account balance or \$50,000 reduced by the participant's highest outstanding note balance during the prior twelve-month period. Participants can have two notes outstanding at a time. Participant notes are secured by the participant's account balance, and bear interest at a reasonable rate of interest which shall remain fixed throughout the duration of the note. All notes require that repayment be amortized in level payments, not less than quarterly, over a period not extending beyond five years from the date of the note or ten years for notes to acquire a principal residence. Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes receivable from participants are recorded as distributions, based upon terms of the Plan Document, upon liquidation of their account balance.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. *Basis of accounting.* The financial statements of the Plan are prepared under the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").
- b. *Estimates.* The preparation of the financial statements in conformity with GAAP requires the plan administrator to make estimates and assumptions that affect the reported amounts of net assets available for benefits at the date of the financial statements and the changes in net assets available for benefits during the reporting period and disclosures of contingent assets and liabilities at the date of the financial statements. Actual results may, in some instances, differ from previously estimated amounts.
- c. *Investments.* The Plan's investments are stated at fair value. Shares of money market fund, registered investment companies and common stock are valued based on published market prices, which represent the net asset value of shares held by the Plan at the end of year. Gains and losses on the sale of investments are accounted for on an average cost basis. The Plan presents net changes in the fair value of mutual funds and common stock, which consists of realized gains and losses, unrealized appreciation (depreciation), and any income or capital gain distributions from such investments in the accompanying statement of changes in net assets available for benefits. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded on the accrual basis. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participant account balances and the amounts reported in the Plan's financial statements.
- d. *Notes Receivable from Participants.* Participant loans are valued at unpaid principal balance plus accrued interest.
- e. *Contributions.* Contributions by participants and the Company are accounted for on the accrual basis once determined.
- f. *Benefit payments.* Benefit payments are recorded when paid.

LIQUIDPOWER SPECIALTY PRODUCTS INC. 401(k) AND PROFIT SHARING PLAN

Notes to Financial Statements - Continued

3. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC Topic No. 820, *Fair Value Measurements*, are described as follows:

- Level 1 — inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2 — inputs to the valuation methodology include
 - quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in inactive markets;
 - inputs other than quoted prices that are observable for the asset or liability;
 - inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 — inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of December 31, 2018. These methodologies were consistently applied to all assets and liabilities of the Plan.

Money market fund and mutual funds

Money market fund and mutual funds - these investments are valued daily at the net asset value of shares or units held by the Plan based on the quoted market value of the underlying assets.

Common stock

The common stock of Company's Parent is an investment option in the Plan. Berkshire Hathaway common stock trades on an active market. This investment option also includes a cash component that accounts for the purchase and sale of fractional shares.

The investments are categorized as Level 1 investments in the fair value hierarchy.

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

LIQUIDPOWER SPECIALTY PRODUCTS INC. 401(k) AND PROFIT SHARING PLAN

Notes to Financial Statements - Continued

4. TAX STATUS OF PLAN

The volume submitter plan adopted by the Company received its latest favorable advisory letter dated March 31, 2014, stating that the Plan is qualified under Section 401(a) of the Code and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification.

Management evaluates tax positions taken by the Plan and recognizes a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan sponsor has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2018, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

5. NEW ACCOUNTING PRONOUNCEMENTS

The Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2018-14 in August 2018, which amends Accounting Standards Codification ("ASC") 715 to add, remove, and clarify disclosure requirements related to defined benefit pension and other postretirement plans. The ASU adds requirements for an entity to disclose, the weighted average interest crediting rates used in the entity's cash balance pension plans and other similar plans, a narrative description of the reasons for significant gains and losses affecting the benefit obligation for the period, and an explanation of any other significant changes in the benefit obligation or plan assets that are not otherwise apparent in the other disclosures required by ASC 715. The provisions of the ASU will be effective for the fiscal years ending after December 31, 2021, and amendments will be applied retrospectively to each period presented. The provisions of the ASU are not expected to have a material impact on the Plan's financial statements.

The FASB issued ASU 2018-13, *Fair Value Measurement* (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement in August 2018. The ASU modifies the disclosure requirements for the fair value measurements in Topic 820, including the removal, modification to, and addition of certain disclosure requirements. The ASU will be effective for the Plan's fiscal year beginning after December 15, 2019. The provisions of the ASU are not expected to have a material impact on the Plan's financial statements.

The FASB issued ASU 2018-09, *Codification Improvements* in July 2018. Specific to employee benefit plans, this ASU includes an amendment to Subtopic 962-325, *Plan Accounting - Defined Contribution Pension Plans - Investments - Other*. This amendment updates the consideration for whether a certain type of investment should be considered to be eligible to use the net asset value per share practical expedient when there is actually a readily determinable fair value. Investments that have a readily determinable fair value are precluded from using the net asset value per share practical expedient and should be included in the fair value hierarchy disclosure. The ASU will be effective for the Plan's fiscal year beginning after December 15, 2019. The provisions of the ASU are not expected to have a material impact on the Plan's fair value disclosures, nor an impact on the fair value measurements of the investments.

6. EXCESS PARTICIPANTS' CONTRIBUTIONS REFUNDABLE

As a result of nondiscrimination requirements relating to contributions, certain "highly compensated" employees will receive refunds of excess contributions. The amount has been accrued in the accompanying financial statements for 2018 as a liability of the Plan as of the end of the year.

7. ADMINISTRATIVE EXPENSES

Certain expenses of the Plan are paid by the Company directly or through Company contributions. Transaction-related fees are paid by participants.

LIQUIDPOWER SPECIALTY PRODUCTS INC. 401(k) AND PROFIT SHARING PLAN

Notes to Financial Statements - Continued

8. PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. Upon termination, all participants would become 100% vested and Plan assets would be distributed accordingly.

9. RELATED PARTIES AND PARTIES-IN-INTEREST

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