# Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

**2018**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

**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
VINMAR INTERNATIONAL 401(K) PLAN

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

**1c** Effective date of plan 01/01/1990

**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)
VINMAR INTERNATIONAL, LTD.

16825 NORTHCHASE DRIVE
STE. 1400
HOUSTON, TX 77060

**2b** Employer Identification Number (EIN)
98-0627211

**2c** Plan Sponsor's telephone number
281-618-1300

**2d** Business code (see instructions)
424600

**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. | 10/10/2019 | LISA HENDERSON |
| | **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 |

**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** | 182 |
| **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)** | 145 |
| **a(2)** | Total number of active participants at the end of the plan year | **6a(2)** | 170 |
| **b** | Retired or separated participants receiving benefits | **6b** | 3 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 36 |
| **d** | Subtotal. Add lines **6a(2)**, **6b**, and **6c** | **6d** | 209 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 0 |
| **f** | Total. Add lines **6d** and **6e**. | **6f** | 209 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 183 |
| **h** | Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 13 |
| **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:
2E 2F 2G 2J 2K 2T 3D 3H

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

**9a** Plan funding arrangement (check all that apply)

| | | |
|---|---|---|
| **(1)** | [ ] | Insurance |
| **(2)** | [ ] | Code section 412(e)(3) insurance contracts |
| **(3)** | [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)** | [ ] | **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)** | [ ] | **A** (Insurance Information) |
| **(4)** | [X] | **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_____

| SCHEDULE C (Form 5500) | Service Provider Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>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).<br>▶ **File as an attachment to Form 5500.** | **2018**<br>**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
VINMAR INTERNATIONAL 401(K) PLAN

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

**C** Plan sponsor's name as shown on line 2a of Form 5500
VINMAR INTERNATIONAL, LTD.

**D** Employer Identification Number (EIN)
98-0627211

## Part I Service Provider Information (see instructions)

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).. . . . . [X] 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)

LPL FINANCIAL LLC

04-3046611

| (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? |
|---|---|---|---|---|---|---|
| 27 | ADVISOR | 33509 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

**(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 | RECORDKEEPER | 31826 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [X] No [ ] |

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

STRATEGIC ADVISORS, INC.

04-2654524

| (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? |
|---|---|---|---|---|---|---|
| 27 | ADVISOR | 15268 | Yes [ ] No [X] | 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. |
|---|---|
| ABF INTL EQUITY INST - DST ASSET M<br>PO BOX 219432<br>KANSAS CITY, MO 64121 | 0.04% |

| **(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. |
|---|---|
| ABF LG CAP VAL INST - DST ASSET MA<br>PO BOX 219432<br>KANSAS CITY, MO 64121 | 0.04% |

| **(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. |
|---|---|
| FED INST HIGH YLD IS - STATE STREE<br><br>04-0025081 | 0.15% |

## 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. |
|---|---|
| JPM SMALL CAP VAL R5 - DST ASSET M<br>PO BOX 219432<br>KANSAS CITY, MO 64121 | 0.10% |

| **(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. |
|---|---|
| LD ABBETT TOT RTN I - DST SYSTEMS<br><br>43-1581814 | 0.10% |

| **(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
VINMAR INTERNATIONAL 401(K) PLAN

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

**C** Plan sponsor's name as shown on line 2a of Form 5500
VINMAR INTERNATIONAL, LTD.

**D** Employer Identification Number (EIN)
98-0627211

## 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 | 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) | 1459889 | 2129736 |
| **(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) | 290596 | 249118 |
| **(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) | 20117947 | 20018118 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | 0 | 0 |

| | | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | 0 | 0 |
| | **(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 | 21868432 | 22396972 |
| | **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 through1j) | 1k | 0 | 0 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 21868432 | 22396972 |

## 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) | 542426 | |
| | **(B)** Participants | 2a(1)(B) | 1488573 | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | 388589 | |
| | **(2)** Noncash contributions | 2a(2) | 0 | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 2419588 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | 19677 | |
| | **(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) | 14110 | |
| | **(F)** Other | 2b(1)(F) | 0 | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 33787 |
| | **(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) | 1184293 | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 1184293 |
| | **(3)** Rents | 2b(3) | | 0 |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | 0 | |
| | **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | 0 | |
| | **(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) | 0 | |
| | **(B)** Other | 2b(5)(B) | 0 | |
| | **(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) | | 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) | | -2315169 |
| c Other income | 2c | | 0 |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 1322499 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 706550 | |
| (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) | | 706550 |
| f Corrective distributions (see instructions) | 2f | | 6806 |
| 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) | 15268 | |
| (4) Other | 2i(4) | 65335 | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 80603 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 793959 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | 528540 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | 0 |
| (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)** [X] Disclaimer **(4)** [ ] Adverse

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

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

**(1)** Name: PANNELLKERRFORSTEROF 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:

| | | 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 | | 2140 |
| **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 | | 1000000 |
| f | Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | 4f | | X | |
| g | Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4g | | X | |
| h | Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4h | | X | |
| i | Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) | 4i | X | | |
| j | Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) | 4j | | X | |
| k | Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? | 4k | | X | |
| l | Has the plan failed to provide any benefit when due under the plan? | 4l | | X | |
| m | If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | 4m | | X | |
| n | If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. | 4n | | 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.**

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

**A** Name of plan
VINMAR INTERNATIONAL 401(K) PLAN

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

**C** Plan sponsor's name as shown on line 2a of Form 5500
VINMAR INTERNATIONAL, LTD.

**D** Employer Identification Number (EIN)
98-0627211

## 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): 04-6568107

**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.)

**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: _____% 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):

# Vinmar International 401(k) Plan

# Financial Statements and Supplemental Schedules

**December 31, 2018**

Vinmar International 401(k) Plan

December 31, 2018

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Schedules not included herein are omitted because of the absence of conditions under which they are required.

PANNELL KERR FORSTER OF TEXAS, P.C.

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# INDEPENDENT AUDITORS' REPORT

To the Plan Administrator of
Vinmar International 401(k) Plan

## Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Vinmar International 401(k) Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2018 and 2017, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to financial statements.

## Management's Responsibility for the Financial Statements

Plan 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.

## Auditors' Responsibility

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

## Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2018 and 2017, that the information provided to the Plan administrator by the trustee is complete and accurate.

## Disclaimer of Opinion

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

**Other Matter – Supplemental Schedules**

The supplemental schedules, Schedule H, line 4i and Schedule H, line 4a, are required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedules referred to above.

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

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with U.S. generally accepted auditing standards and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Parnell Kerr Forster of Texas, P.C.

October 1, 2019

Vinmar International 401(k) Plan

Statements of Net Assets Available for Benefits

| | December 31, 2018 | December 31, 2017 |
|---|---|---|
| **Assets** | | |
| Investments at fair value | | |
| Money market fund | $ 2,129,736 | $ 1,459,889 |
| Mutual funds | 20,018,118 | 20,117,947 |
| Total investments at fair value | 22,147,854 | 21,577,836 |
| Receivables | | |
| Participant contributions | - | 33,274 |
| Employer contributions | 9,119 | 19,676 |
| Notes receivable from participants | 249,118 | 290,596 |
| Total receivables | 258,237 | 343,546 |
| Total assets | 22,406,091 | 21,921,382 |
| **Liabilities** | | |
| Total liabilities | - | - |
| Net assets available for benefits | $ 22,406,091 | $ 21,921,382 |

*See notes to financial statements.*

Vinmar International 401(k) Plan

Statements of Changes in Net Assets Available for Benefits

| | Year Ended December 31, | |
|---|---|---|
| | 2018 | 2017 |
| Additions to net assets | | |
| Investment income | | |
| Interest and dividends | $ 1,203,363 | $ 844,754 |
| Net appreciation in fair value of investments | - | 2,446,807 |
| Total investment income | 1,203,363 | 3,291,561 |
| Contributions | | |
| Participant contributions | 1,455,298 | 1,359,464 |
| Employer contributions | 531,869 | 416,847 |
| Participant rollovers | 388,589 | 73,576 |
| Total contributions | 2,375,756 | 1,849,887 |
| Interest on notes receivable from participants | 14,110 | 13,168 |
| Total additions to net assets | 3,593,229 | 5,154,616 |
| Deductions from net assets | | |
| Net depreciation in fair value of investments | 2,314,470 | - |
| Benefits paid to participants | 713,446 | 1,285,627 |
| Administrative expenses | 80,604 | 64,763 |
| Total deductions | 3,108,520 | 1,350,390 |
| Net increase in net assets available for benefits | 484,709 | 3,804,226 |
| Net assets available for benefits - beginning of year | 21,921,382 | 18,117,156 |
| Net assets available for benefits - end of year | $ 22,406,091 | $ 21,921,382 |

*See notes to financial statements.*

Vinmar International 401(k) Plan

Notes to Financial Statements

December 31, 2018

## Note 1 - Description of Plan

The following description of the Vinmar International 401(k) Plan (the "Plan") provides only general information. Participants should refer to the *Plan Document* for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution retirement plan covering all employees of Vinmar International, Ltd. (the "Company"). The Plan, effective as of January 1, 1990, was last amended and restated on February 25, 2015. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended. The Plan is qualified under Section 401(a) of the Internal Revenue Code ("IRC"), which allows employees to make tax-deferred contributions. Fidelity Management Trust Company (the "Trustee" or "Fidelity") is the trustee for the Plan and holds all Plan assets. The duties of the trustee are to receive contributions and to invest and reinvest the trust assets of the Plan.

Eligibility, contributions and participant accounts

All employees, with the exception of Puerto Rico residents or employees that acknowledge their status as an independent contractor, become eligible to participate in the Plan once they are eighteen years of age. Employees are auto enrolled in the Plan at 6%. Once an employee meets the eligibility requirements, they can enter the Plan on the first day of the Plan year and the first day of each month of the year. If an employee is terminated after meeting the eligibility requirements, and is later re-employed by the Company, the employee will again be eligible to participate in the Plan when one hour of service is completed.

Participants can elect to have a portion of their eligible salaries and bonuses deferred in whole percentages and contributed to the Plan on a pre-tax basis, subject to certain limitations set forth in the IRC. Eligible participants can also make age 50 and over catch-up contributions, as defined in the Plan.

The Company provides for non-discretionary matching contributions of 50% of the participant's contribution up to a maximum of 6% of their eligible compensation, as defined in the Plan. During 2018 and 2017, the Company made non-discretionary matching contributions of $531,869 and $416,847, respectively. The Company may also make a discretionary employer matching contribution each year. The participant must be actively employed on the last day of the Plan year and complete at least 1,000 hours in order to be eligible for the discretionary contribution. No discretionary employer matching was made for the years ended December 31, 2018 and 2017.

Each participant's account is credited with the participant's contribution, the Company's non-discretionary matching contribution, an allocation of Plan earnings or losses, and Plan administrative expenses.

Participants direct the investment of their account balances in any of several investment options. Participants can change their investment allocation among the various investments offered by the Plan either through direct transfers from one option to another or by changing the percentage of future contributions allocated among the investment options.

**Note 1 - Description of Plan (Continued)**

Vesting

Participants are immediately vested in their contributions and any earnings thereon. Any employer contributions, plus appreciation or depreciation, will be subject to the following vesting schedule.

| Years of Service | Percent Vested |
|---|---|
| Less than 3 | 0% |
| 3 or more | 100% |

Forfeited accounts

Forfeitures from employer matching contributions will be used to pay administrative expenses or used to reduce any employer contributions as directed by the Company. During the year ended December 31, 2018 and 2017, the Plan utilized forfeitures of $26,688 and $77,448, respectively, to reduce employer contributions. Forfeitures of $17,251 and $15,623 were available for use by the Company as of December 31, 2018 and 2017, respectively.

Administrative expenses

The Company paid certain administrative expenses of the Plan. Any expenses not paid by the Company were paid with forfeitures of the Plan through a reduction of assets.

Notes receivable from participants

Participants may borrow from their fund accounts a minimum of $1,000 and a maximum equal to the lesser of one-half of the vested balance or $50,000 reduced by the highest outstanding note balance in the participant's account during the prior 12 month period. Additionally, a participant may not have more than two notes outstanding at any time. Each note receivable under the Plan must mature within five years from the date on which it was made unless the note receivable is used to acquire a principal residence, in which case the note receivable may not extend beyond ten years. The notes receivable are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined by the Plan administrator.

Payment of benefits

A participant may withdraw all or a portion of the participant's vested account balance in the event of retirement, hardship, termination of employment, death or disability in accordance with the form of payment elected by the participant within limitations defined in the *Plan Document*.

The Plan provides for mandatory distribution if the value of the participant's account is $5,000 or less. The Plan administrator will direct the Trustee to distribute any amount exceeding $1,000 to an Individual Retirement Account for the participant's benefit. If the participant's vested balance is $1,000 or less, the Plan administrator will direct the Trustee to distribute it as a lump-sum distribution without consent. A written consent from the participant is required for any distribution greater than $5,000.

**Note 1 - Description of Plan (Continued)**

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 terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, each participant would become 100% vested and the net assets would be allocated among participants of the Plan in accordance with the provisions of the Plan.

**Note 2 - Summary of Significant Accounting Policies**

Basis of accounting

The accompanying financial statements of the Plan are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles ("GAAP").

Investment valuation and income recognition

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurement.

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. Unrealized appreciation or depreciation in the fair value of investments held at year-end is determined using the fair value at the beginning of the year or the purchase price if the investment is acquired during the year. The realized gain or loss on the sale of investments is determined using historical cost. Unrealized appreciation or depreciation along with realized gains and losses are reported as net appreciation or depreciation in fair value of investments in the statement of changes in net assets available for benefits.

Notes receivable from participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes receivable from participants, if any, are reclassified as distributions based upon terms of the *Plan Document.*

Financial instruments and credit risk

Financial instruments which potentially subject the Plan to credit risk, include investments in a money market fund and mutual funds. Investments are exposed to various risks, such as interest rate, market volatility, 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 those changes could materially affect the amounts reported in the statements of net assets available for benefits. Plan participants bear the risk of any investment losses.

**Note 2 - Summary of Significant Accounting Policies (Continued)**

Payment of benefits

Benefits to participants are recorded when paid.

Use of estimates

The preparation of financial statements in conformity with GAAP requires the Plan administrator to make use of estimates and assumptions that affect certain reported amounts in the financial statements and accompanying notes. Actual results may differ from these estimates.

Recent accounting pronouncement

The Financial Accounting Standards Board issued Accounting Standard update ("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.

**Note 3 - Information Certified by the Trustee (Unaudited)**

For Plan years 2018 and 2017, the financial information included in the Plan's financial statements and supplemental schedules, except for contributions receivable, contributions, benefits paid to participants, and administrative expenses, has been derived from information certified as complete and accurate by the Trustee, in accordance with 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

**Note 4 - Fair Value Measurements**

The Plan uses a three-level hierarchy, in accordance with the fair value standard, that establishes a hierarchy for grouping assets and liabilities, based on the significance of inputs. The hierarchy of fair value measurements is described below:

- Level 1 - quoted prices in active markets for identical assets or liabilities;
- Level 2 - inputs other than level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of these assets or liabilities; or
- Level 3 - unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

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

**Note 4 - Fair Value Measurements (Continued)**

The following is a description of the valuation methodologies used for assets measured at fair value:

- Money market fund – this investment is valued at cost which approximates fair value. The money market fund is valued using Level 1 inputs.
- Mutual funds – these investments are valued daily based on the quoted market value of the fund assets. All mutual funds are valued using Level 1 inputs.

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.

**Note 5 - Tax Status**

The prototype plan adopted by the Company received its latest opinion letter dated March 31, 2014, in which the Internal Revenue Service (the "IRS") stated that the prototype plan, as then designed, was in compliance with applicable requirements of the IRC. The Plan has been amended since receiving the opinion letter. However, the Plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, the Plan administrator believes that the Plan was qualified, and the related trust was tax-exempt as of December 31, 2018 and 2017. Accordingly, no provision for income taxes has been included in the Plan's financial statements.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize 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 IRS. The Plan administrator 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 audits by the IRS and Department of Labor; however, there are currently no audits for any tax periods in progress.

**Note 6 - Party-In-Interest Transactions**

Certain Plan investments are shares of a money market fund and mutual funds managed by Fidelity and, therefore, qualify as party-in-interest transactions.

## Note 7 - Reconciliation of Financial Statements to Form 5500

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

| | 2018 | 2017 |
|---|---|---|
| Net assets available for benefits per the financial statements | $ 22,406,091 | $ 21,921,382 |
| Participant contributions receivable | - | (33,274) |
| Employer contributions receivable | (9,119) | (19,676) |
| Net assets available for benefits per Form 5500 | $ 22,396,972 | $ 21,868,432 |

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

| | 2018 | 2017 |
|---|---|---|
| Net increase in net assets available for benefits per the financial statements | $ 484,709 | $ 3,804,226 |
| Change in participant contributions receivable | 33,274 | (33,274) |
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| Net income per Form 5500 | $ 528,540 | $ 3,751,276 |

## Note 8 - Subsequent Events

Management has evaluated subsequent events through October 1, 2019, which was the date that the financial statements were available to be issued, and has determined that there are no subsequent events to be reported.

**SUPPLEMENTAL SCHEDULES**

**Vinmar International 401(k) Plan**
**Employee Identification Number: 98-0627211 - Plan Number: 001**

**Schedule H, line 4i - Schedule of Assets Held at End of Year**

**December 31, 2018**

| a | b | c | d | e |
|---|---|---|---|---|
| | **Identity of issue, borrower, lessor, or similar party** | **Description of investment including maturity date, rate of interest, collateral, par or maturity value** | **Cost** | **Current value** |
| | | Money Market Fund | | |
| * | Fidelity Investments | Fidelity Government Money Market Fund | ** | $ 2,129,736 |
| | | Mutual Funds | | |
| | American Beacon | American Beacon International Equity Fund Institutional Class | ** | 247,797 |
| | American Beacon | American Beacon Large Cap Value Fund Institutional Class | ** | 1,177,146 |
| | American Funds | American Funds American Balanced Fund Class R6 | ** | 793,152 |
| | BlackRock | BlackRock Inflation Protected Bond Fund Class K | ** | 104,685 |
| | Federated | Federated Institutional High Yield Bond Fund Institutional Shares | ** | 555,159 |
| * | Fidelity Investments | Fidelity 500 Index Fund Premium Class | ** | 2,824,075 |
| * | Fidelity Investments | Fidelity International Index Fund | ** | 994,842 |
| * | Fidelity Investments | Fidelity Mid Cap Index Fund Premium Class | ** | 410,876 |
| * | Fidelity Investments | Fidelity Small Cap Index Fund Premium Class | ** | 302,532 |
| | Franklin Templeton Investments | Franklin Small Cap Growth Fund Class R6 | ** | 257,905 |
| | Janus | JH Enterprise Fund Class N | ** | 1,278,338 |
| | JP Morgan | JP Morgan Small Cap Value Fund Class R5 | ** | 313,471 |
| | Lord Abbett | Lord Abbett Total Return Fund Class I | ** | 456,294 |
| | MFS | MFS Massachusetts Investors Growth Stock Fund Class R6 | ** | 3,785,902 |
| | OppenheimerFunds | Oppenheimer Developing Markets Fund Class I | ** | 331,963 |
| | PIMCO | PIMCO Income Fund Institutional Class | ** | 997,868 |
| | Vanguard | Vanguard Selected Value Fund Investor Shares | ** | 387,650 |
| | Vanguard | Vanguard Target Retirement 2015 Fund Investor Shares | ** | 194,406 |
| | Vanguard | Vanguard Target Retirement 2020 Fund Investor Shares | ** | 1,452,360 |
| | Vanguard | Vanguard Target Retirement 2025 Fund Investor Shares | ** | 342,333 |
| | Vanguard | Vanguard Target Retirement 2030 Fund Investor Shares | ** | 308,674 |
| | Vanguard | Vanguard Target Retirement 2035 Fund Investor Shares | ** | 1,041,460 |
| | Vanguard | Vanguard Target Retirement 2040 Fund Investor Shares | ** | 348,355 |
| | Vanguard | Vanguard Target Retirement 2045 Fund Investor Shares | ** | 504,771 |
| | Vanguard | Vanguard Target Retirement 2050 Fund Investor Shares | ** | 310,493 |
| | Vanguard | Vanguard Target Retirement 2055 Fund Investor Shares | ** | 174,561 |
| | Vanguard | Vanguard Target Retirement 2060 Fund Investor Shares | ** | 25,474 |
| | Vanguard | Vanguard Target Retirement Income Fund Investor Shares | ** | 95,576 |
| * | Loans to participants | Principal balances ranging up to $27,357 at interest rates of 4.25% to 8.50% per annum maturing through March 2026, secured by participants' individual vested accrued benefits. | - | 249,118 |

* Party-in-interest as defined by ERISA.
** Cost omitted for participant-directed investments.

**Vinmar International 401(k) Plan**
**Employee Identification Number: 98-0627211 - Plan Number: 001**

**Schedule H, line 4a - Schedule of Delinquent Participant Contributions**

**Year Ended December 31, 2018**

| Participant contributions transferred late to plan | Total that constitute nonexempt prohibited transactions | | | Total fully corrected under VFCP and PTE 2002-51 |
|---|---|---|---|---|
| Check here if late participant loan repayments are included: ☐ | Contributions not corrected(*) | Contributions corrected outside VFCP | Contributions pending correction in VFCP | |
| * $ 2,140 | $ 2,140 | $ - | $ - | $ - |

* This represents the total amount of contributions that were withheld from employees, but not remitted timely into the trust by the Plan sponsor. Late remittances for the 2018 Plan year ($2,140) are pending correction.

# Vinmar International 401(k) Plan

# Financial Statements and Supplemental Schedules

**December 31, 2018**

Vinmar International 401(k) Plan

December 31, 2018

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Supplemental Schedules

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Schedule H, Line 4a - Schedule of Delinquent Participant Contributions ..... 12


Schedules not included herein are omitted because of the absence of conditions under which they are required.

PANNELL KERR FORSTER OF TEXAS, P.C.

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# INDEPENDENT AUDITORS' REPORT

To the Plan Administrator of
Vinmar International 401(k) Plan

## Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Vinmar International 401(k) Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2018 and 2017, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to financial statements.

## Management's Responsibility for the Financial Statements

Plan 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.

## Auditors' Responsibility

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

## Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2018 and 2017, that the information provided to the Plan administrator by the trustee is complete and accurate.

## Disclaimer of Opinion

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

**Other Matter – Supplemental Schedules**

The supplemental schedules, Schedule H, line 4i and Schedule H, line 4a, are required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedules referred to above.

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

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with U.S. generally accepted auditing standards and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Parnell Kerr Forster of Texas, P.C.

October 1, 2019

Vinmar International 401(k) Plan

Statements of Net Assets Available for Benefits

| | December 31, 2018 | December 31, 2017 |
|---|---|---|
| **Assets** | | |
| Investments at fair value | | |
| Money market fund | $ 2,129,736 | $ 1,459,889 |
| Mutual funds | 20,018,118 | 20,117,947 |
| Total investments at fair value | 22,147,854 | 21,577,836 |
| Receivables | | |
| Participant contributions | - | 33,274 |
| Employer contributions | 9,119 | 19,676 |
| Notes receivable from participants | 249,118 | 290,596 |
| Total receivables | 258,237 | 343,546 |
| Total assets | 22,406,091 | 21,921,382 |
| **Liabilities** | | |
| Total liabilities | - | - |
| Net assets available for benefits | $ 22,406,091 | $ 21,921,382 |

*See notes to financial statements.*

Vinmar International 401(k) Plan

Statements of Changes in Net Assets Available for Benefits

| | Year Ended December 31, | |
|---|---|---|
| | 2018 | 2017 |
| Additions to net assets | | |
| Investment income | | |
| Interest and dividends | $ 1,203,363 | $ 844,754 |
| Net appreciation in fair value of investments | - | 2,446,807 |
| Total investment income | 1,203,363 | 3,291,561 |
| Contributions | | |
| Participant contributions | 1,455,298 | 1,359,464 |
| Employer contributions | 531,869 | 416,847 |
| Participant rollovers | 388,589 | 73,576 |
| Total contributions | 2,375,756 | 1,849,887 |
| Interest on notes receivable from participants | 14,110 | 13,168 |
| Total additions to net assets | 3,593,229 | 5,154,616 |
| Deductions from net assets | | |
| Net depreciation in fair value of investments | 2,314,470 | - |
| Benefits paid to participants | 713,446 | 1,285,627 |
| Administrative expenses | 80,604 | 64,763 |
| Total deductions | 3,108,520 | 1,350,390 |
| Net increase in net assets available for benefits | 484,709 | 3,804,226 |
| Net assets available for benefits - beginning of year | 21,921,382 | 18,117,156 |
| Net assets available for benefits - end of year | $ 22,406,091 | $ 21,921,382 |

*See notes to financial statements.*

Vinmar International 401(k) Plan

Notes to Financial Statements

December 31, 2018

## Note 1 - Description of Plan

The following description of the Vinmar International 401(k) Plan (the "Plan") provides only general information. Participants should refer to the *Plan Document* for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution retirement plan covering all employees of Vinmar International, Ltd. (the "Company"). The Plan, effective as of January 1, 1990, was last amended and restated on February 25, 2015. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended. The Plan is qualified under Section 401(a) of the Internal Revenue Code ("IRC"), which allows employees to make tax-deferred contributions. Fidelity Management Trust Company (the "Trustee" or "Fidelity") is the trustee for the Plan and holds all Plan assets. The duties of the trustee are to receive contributions and to invest and reinvest the trust assets of the Plan.

Eligibility, contributions and participant accounts

All employees, with the exception of Puerto Rico residents or employees that acknowledge their status as an independent contractor, become eligible to participate in the Plan once they are eighteen years of age. Employees are auto enrolled in the Plan at 6%. Once an employee meets the eligibility requirements, they can enter the Plan on the first day of the Plan year and the first day of each month of the year. If an employee is terminated after meeting the eligibility requirements, and is later re-employed by the Company, the employee will again be eligible to participate in the Plan when one hour of service is completed.

Participants can elect to have a portion of their eligible salaries and bonuses deferred in whole percentages and contributed to the Plan on a pre-tax basis, subject to certain limitations set forth in the IRC. Eligible participants can also make age 50 and over catch-up contributions, as defined in the Plan.

The Company provides for non-discretionary matching contributions of 50% of the participant's contribution up to a maximum of 6% of their eligible compensation, as defined in the Plan. During 2018 and 2017, the Company made non-discretionary matching contributions of $531,869 and $416,847, respectively. The Company may also make a discretionary employer matching contribution each year. The participant must be actively employed on the last day of the Plan year and complete at least 1,000 hours in order to be eligible for the discretionary contribution. No discretionary employer matching was made for the years ended December 31, 2018 and 2017.

Each participant's account is credited with the participant's contribution, the Company's non-discretionary matching contribution, an allocation of Plan earnings or losses, and Plan administrative expenses.

Participants direct the investment of their account balances in any of several investment options. Participants can change their investment allocation among the various investments offered by the Plan either through direct transfers from one option to another or by changing the percentage of future contributions allocated among the investment options.

**Note 1 - Description of Plan (Continued)**

Vesting

Participants are immediately vested in their contributions and any earnings thereon. Any employer contributions, plus appreciation or depreciation, will be subject to the following vesting schedule.

| Years of Service | Percent Vested |
|---|---|
| Less than 3 | 0% |
| 3 or more | 100% |

Forfeited accounts

Forfeitures from employer matching contributions will be used to pay administrative expenses or used to reduce any employer contributions as directed by the Company. During the year ended December 31, 2018 and 2017, the Plan utilized forfeitures of $26,688 and $77,448, respectively, to reduce employer contributions. Forfeitures of $17,251 and $15,623 were available for use by the Company as of December 31, 2018 and 2017, respectively.

Administrative expenses

The Company paid certain administrative expenses of the Plan. Any expenses not paid by the Company were paid with forfeitures of the Plan through a reduction of assets.

Notes receivable from participants

Participants may borrow from their fund accounts a minimum of $1,000 and a maximum equal to the lesser of one-half of the vested balance or $50,000 reduced by the highest outstanding note balance in the participant's account during the prior 12 month period. Additionally, a participant may not have more than two notes outstanding at any time. Each note receivable under the Plan must mature within five years from the date on which it was made unless the note receivable is used to acquire a principal residence, in which case the note receivable may not extend beyond ten years. The notes receivable are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined by the Plan administrator.

Payment of benefits

A participant may withdraw all or a portion of the participant's vested account balance in the event of retirement, hardship, termination of employment, death or disability in accordance with the form of payment elected by the participant within limitations defined in the *Plan Document*.

The Plan provides for mandatory distribution if the value of the participant's account is $5,000 or less. The Plan administrator will direct the Trustee to distribute any amount exceeding $1,000 to an Individual Retirement Account for the participant's benefit. If the participant's vested balance is $1,000 or less, the Plan administrator will direct the Trustee to distribute it as a lump-sum distribution without consent. A written consent from the participant is required for any distribution greater than $5,000.

**Note 1 - Description of Plan (Continued)**

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**SUPPLEMENTAL SCHEDULES**

**Vinmar International 401(k) Plan**
**Employee Identification Number: 98-0627211 - Plan Number: 001**

**Schedule H, line 4i - Schedule of Assets Held at End of Year**

**December 31, 2018**

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|---|---|---|---|---|
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| * | Fidelity Investments | Fidelity Government Money Market Fund | ** | $ 2,129,736 |
| | | Mutual Funds | | |
| | American Beacon | American Beacon International Equity Fund Institutional Class | ** | 247,797 |
| | American Beacon | American Beacon Large Cap Value Fund Institutional Class | ** | 1,177,146 |
| | American Funds | American Funds American Balanced Fund Class R6 | ** | 793,152 |
| | BlackRock | BlackRock Inflation Protected Bond Fund Class K | ** | 104,685 |
| | Federated | Federated Institutional High Yield Bond Fund Institutional Shares | ** | 555,159 |
| * | Fidelity Investments | Fidelity 500 Index Fund Premium Class | ** | 2,824,075 |
| * | Fidelity Investments | Fidelity International Index Fund | ** | 994,842 |
| * | Fidelity Investments | Fidelity Mid Cap Index Fund Premium Class | ** | 410,876 |
| * | Fidelity Investments | Fidelity Small Cap Index Fund Premium Class | ** | 302,532 |
| | Franklin Templeton Investments | Franklin Small Cap Growth Fund Class R6 | ** | 257,905 |
| | Janus | JH Enterprise Fund Class N | ** | 1,278,338 |
| | JP Morgan | JP Morgan Small Cap Value Fund Class R5 | ** | 313,471 |
| | Lord Abbett | Lord Abbett Total Return Fund Class I | ** | 456,294 |
| | MFS | MFS Massachusetts Investors Growth Stock Fund Class R6 | ** | 3,785,902 |
| | OppenheimerFunds | Oppenheimer Developing Markets Fund Class I | ** | 331,963 |
| | PIMCO | PIMCO Income Fund Institutional Class | ** | 997,868 |
| | Vanguard | Vanguard Selected Value Fund Investor Shares | ** | 387,650 |
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| | Vanguard | Vanguard Target Retirement 2020 Fund Investor Shares | ** | 1,452,360 |
| | Vanguard | Vanguard Target Retirement 2025 Fund Investor Shares | ** | 342,333 |
| | Vanguard | Vanguard Target Retirement 2030 Fund Investor Shares | ** | 308,674 |
| | Vanguard | Vanguard Target Retirement 2035 Fund Investor Shares | ** | 1,041,460 |
| | Vanguard | Vanguard Target Retirement 2040 Fund Investor Shares | ** | 348,355 |
| | Vanguard | Vanguard Target Retirement 2045 Fund Investor Shares | ** | 504,771 |
| | Vanguard | Vanguard Target Retirement 2050 Fund Investor Shares | ** | 310,493 |
| | Vanguard | Vanguard Target Retirement 2055 Fund Investor Shares | ** | 174,561 |
| | Vanguard | Vanguard Target Retirement 2060 Fund Investor Shares | ** | 25,474 |
| | Vanguard | Vanguard Target Retirement Income Fund Investor Shares | ** | 95,576 |
| * | Loans to participants | Principal balances ranging up to $27,357 at interest rates of 4.25% to 8.50% per annum maturing through March 2026, secured by participants' individual vested accrued benefits. | - | 249,118 |

* Party-in-interest as defined by ERISA.
** Cost omitted for participant-directed investments.

**Vinmar International 401(k) Plan**
**Employee Identification Number: 98-0627211 - Plan Number: 001**

**Schedule H, line 4a - Schedule of Delinquent Participant Contributions**

**Year Ended December 31, 2018**

| Participant contributions transferred late to plan | Total that constitute nonexempt prohibited transactions | | | Total fully corrected under VFCP and PTE 2002-51 |
|---|---|---|---|---|
| Check here if late participant loan repayments are included: ☐ | Contributions not corrected(*) | Contributions corrected outside VFCP | Contributions pending correction in VFCP | |
| * $ 2,140 | $ 2,140 | $ - | $ - | $ - |

* This represents the total amount of contributions that were withheld from employees, but not remitted timely into the trust by the Plan sponsor. Late remittances for the 2018 Plan year ($2,140) are pending correction.

# Vinmar International 401(k) Plan

# Financial Statements and Supplemental Schedules

**December 31, 2018**

Vinmar International 401(k) Plan

December 31, 2018

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Schedule H, Line 4a - Schedule of Delinquent Participant Contributions ..... 12


Schedules not included herein are omitted because of the absence of conditions under which they are required.

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# INDEPENDENT AUDITORS' REPORT

To the Plan Administrator of
Vinmar International 401(k) Plan

## Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Vinmar International 401(k) Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2018 and 2017, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to financial statements.

## Management's Responsibility for the Financial Statements

Plan 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.

## Auditors' Responsibility

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

## Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2018 and 2017, that the information provided to the Plan administrator by the trustee is complete and accurate.

## Disclaimer of Opinion

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

**Other Matter – Supplemental Schedules**

The supplemental schedules, Schedule H, line 4i and Schedule H, line 4a, are required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedules referred to above.

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

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with U.S. generally accepted auditing standards and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Parnell Kerr Forster of Texas, P.C.

October 1, 2019

Vinmar International 401(k) Plan

Statements of Net Assets Available for Benefits

| | December 31, 2018 | December 31, 2017 |
|---|---|---|
| **Assets** | | |
| Investments at fair value | | |
| Money market fund | $ 2,129,736 | $ 1,459,889 |
| Mutual funds | 20,018,118 | 20,117,947 |
| Total investments at fair value | 22,147,854 | 21,577,836 |
| Receivables | | |
| Participant contributions | - | 33,274 |
| Employer contributions | 9,119 | 19,676 |
| Notes receivable from participants | 249,118 | 290,596 |
| Total receivables | 258,237 | 343,546 |
| Total assets | 22,406,091 | 21,921,382 |
| **Liabilities** | | |
| Total liabilities | - | - |
| Net assets available for benefits | $ 22,406,091 | $ 21,921,382 |

*See notes to financial statements.*

Vinmar International 401(k) Plan

Statements of Changes in Net Assets Available for Benefits

| | Year Ended December 31, | |
|---|---|---|
| | 2018 | 2017 |
| Additions to net assets | | |
| Investment income | | |
| Interest and dividends | $ 1,203,363 | $ 844,754 |
| Net appreciation in fair value of investments | - | 2,446,807 |
| Total investment income | 1,203,363 | 3,291,561 |
| Contributions | | |
| Participant contributions | 1,455,298 | 1,359,464 |
| Employer contributions | 531,869 | 416,847 |
| Participant rollovers | 388,589 | 73,576 |
| Total contributions | 2,375,756 | 1,849,887 |
| Interest on notes receivable from participants | 14,110 | 13,168 |
| Total additions to net assets | 3,593,229 | 5,154,616 |
| Deductions from net assets | | |
| Net depreciation in fair value of investments | 2,314,470 | - |
| Benefits paid to participants | 713,446 | 1,285,627 |
| Administrative expenses | 80,604 | 64,763 |
| Total deductions | 3,108,520 | 1,350,390 |
| Net increase in net assets available for benefits | 484,709 | 3,804,226 |
| Net assets available for benefits - beginning of year | 21,921,382 | 18,117,156 |
| Net assets available for benefits - end of year | $ 22,406,091 | $ 21,921,382 |

*See notes to financial statements.*

Vinmar International 401(k) Plan

Notes to Financial Statements

December 31, 2018

## Note 1 - Description of Plan

The following description of the Vinmar International 401(k) Plan (the "Plan") provides only general information. Participants should refer to the *Plan Document* for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution retirement plan covering all employees of Vinmar International, Ltd. (the "Company"). The Plan, effective as of January 1, 1990, was last amended and restated on February 25, 2015. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended. The Plan is qualified under Section 401(a) of the Internal Revenue Code ("IRC"), which allows employees to make tax-deferred contributions. Fidelity Management Trust Company (the "Trustee" or "Fidelity") is the trustee for the Plan and holds all Plan assets. The duties of the trustee are to receive contributions and to invest and reinvest the trust assets of the Plan.

Eligibility, contributions and participant accounts

All employees, with the exception of Puerto Rico residents or employees that acknowledge their status as an independent contractor, become eligible to participate in the Plan once they are eighteen years of age. Employees are auto enrolled in the Plan at 6%. Once an employee meets the eligibility requirements, they can enter the Plan on the first day of the Plan year and the first day of each month of the year. If an employee is terminated after meeting the eligibility requirements, and is later re-employed by the Company, the employee will again be eligible to participate in the Plan when one hour of service is completed.

Participants can elect to have a portion of their eligible salaries and bonuses deferred in whole percentages and contributed to the Plan on a pre-tax basis, subject to certain limitations set forth in the IRC. Eligible participants can also make age 50 and over catch-up contributions, as defined in the Plan.

The Company provides for non-discretionary matching contributions of 50% of the participant's contribution up to a maximum of 6% of their eligible compensation, as defined in the Plan. During 2018 and 2017, the Company made non-discretionary matching contributions of $531,869 and $416,847, respectively. The Company may also make a discretionary employer matching contribution each year. The participant must be actively employed on the last day of the Plan year and complete at least 1,000 hours in order to be eligible for the discretionary contribution. No discretionary employer matching was made for the years ended December 31, 2018 and 2017.

Each participant's account is credited with the participant's contribution, the Company's non-discretionary matching contribution, an allocation of Plan earnings or losses, and Plan administrative expenses.

Participants direct the investment of their account balances in any of several investment options. Participants can change their investment allocation among the various investments offered by the Plan either through direct transfers from one option to another or by changing the percentage of future contributions allocated among the investment options.

**Note 1 - Description of Plan (Continued)**

Vesting

Participants are immediately vested in their contributions and any earnings thereon. Any employer contributions, plus appreciation or depreciation, will be subject to the following vesting schedule.

| Years of Service | Percent Vested |
|---|---|
| Less than 3 | 0% |
| 3 or more | 100% |

Forfeited accounts

Forfeitures from employer matching contributions will be used to pay administrative expenses or used to reduce any employer contributions as directed by the Company. During the year ended December 31, 2018 and 2017, the Plan utilized forfeitures of $26,688 and $77,448, respectively, to reduce employer contributions. Forfeitures of $17,251 and $15,623 were available for use by the Company as of December 31, 2018 and 2017, respectively.

Administrative expenses

The Company paid certain administrative expenses of the Plan. Any expenses not paid by the Company were paid with forfeitures of the Plan through a reduction of assets.

Notes receivable from participants

Participants may borrow from their fund accounts a minimum of $1,000 and a maximum equal to the lesser of one-half of the vested balance or $50,000 reduced by the highest outstanding note balance in the participant's account during the prior 12 month period. Additionally, a participant may not have more than two notes outstanding at any time. Each note receivable under the Plan must mature within five years from the date on which it was made unless the note receivable is used to acquire a principal residence, in which case the note receivable may not extend beyond ten years. The notes receivable are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined by the Plan administrator.

Payment of benefits

A participant may withdraw all or a portion of the participant's vested account balance in the event of retirement, hardship, termination of employment, death or disability in accordance with the form of payment elected by the participant within limitations defined in the *Plan Document*.

The Plan provides for mandatory distribution if the value of the participant's account is $5,000 or less. The Plan administrator will direct the Trustee to distribute any amount exceeding $1,000 to an Individual Retirement Account for the participant's benefit. If the participant's vested balance is $1,000 or less, the Plan administrator will direct the Trustee to distribute it as a lump-sum distribution without consent. A written consent from the participant is required for any distribution greater than $5,000.

**Note 1 - Description of Plan (Continued)**

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 terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, each participant would become 100% vested and the net assets would be allocated among participants of the Plan in accordance with the provisions of the Plan.

**Note 2 - Summary of Significant Accounting Policies**

Basis of accounting

The accompanying financial statements of the Plan are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles ("GAAP").

Investment valuation and income recognition

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurement.

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. Unrealized appreciation or depreciation in the fair value of investments held at year-end is determined using the fair value at the beginning of the year or the purchase price if the investment is acquired during the year. The realized gain or loss on the sale of investments is determined using historical cost. Unrealized appreciation or depreciation along with realized gains and losses are reported as net appreciation or depreciation in fair value of investments in the statement of changes in net assets available for benefits.

Notes receivable from participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes receivable from participants, if any, are reclassified as distributions based upon terms of the *Plan Document.*

Financial instruments and credit risk

Financial instruments which potentially subject the Plan to credit risk, include investments in a money market fund and mutual funds. Investments are exposed to various risks, such as interest rate, market volatility, 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 those changes could materially affect the amounts reported in the statements of net assets available for benefits. Plan participants bear the risk of any investment losses.

**Note 2 - Summary of Significant Accounting Policies (Continued)**

Payment of benefits

Benefits to participants are recorded when paid.

Use of estimates

The preparation of financial statements in conformity with GAAP requires the Plan administrator to make use of estimates and assumptions that affect certain reported amounts in the financial statements and accompanying notes. Actual results may differ from these estimates.

Recent accounting pronouncement

The Financial Accounting Standards Board issued Accounting Standard update ("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.

**Note 3 - Information Certified by the Trustee (Unaudited)**

For Plan years 2018 and 2017, the financial information included in the Plan's financial statements and supplemental schedules, except for contributions receivable, contributions, benefits paid to participants, and administrative expenses, has been derived from information certified as complete and accurate by the Trustee, in accordance with 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

**Note 4 - Fair Value Measurements**

The Plan uses a three-level hierarchy, in accordance with the fair value standard, that establishes a hierarchy for grouping assets and liabilities, based on the significance of inputs. The hierarchy of fair value measurements is described below:

- Level 1 - quoted prices in active markets for identical assets or liabilities;
- Level 2 - inputs other than level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of these assets or liabilities; or
- Level 3 - unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

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

**Note 4 - Fair Value Measurements (Continued)**

The following is a description of the valuation methodologies used for assets measured at fair value:

- Money market fund – this investment is valued at cost which approximates fair value. The money market fund is valued using Level 1 inputs.
- Mutual funds – these investments are valued daily based on the quoted market value of the fund assets. All mutual funds are valued using Level 1 inputs.

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.

**Note 5 - Tax Status**

The prototype plan adopted by the Company received its latest opinion letter dated March 31, 2014, in which the Internal Revenue Service (the "IRS") stated that the prototype plan, as then designed, was in compliance with applicable requirements of the IRC. The Plan has been amended since receiving the opinion letter. However, the Plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, the Plan administrator believes that the Plan was qualified, and the related trust was tax-exempt as of December 31, 2018 and 2017. Accordingly, no provision for income taxes has been included in the Plan's financial statements.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize 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 IRS. The Plan administrator 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 audits by the IRS and Department of Labor; however, there are currently no audits for any tax periods in progress.

**Note 6 - Party-In-Interest Transactions**

Certain Plan investments are shares of a money market fund and mutual funds managed by Fidelity and, therefore, qualify as party-in-interest transactions.

## Note 7 - Reconciliation of Financial Statements to Form 5500

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

| | 2018 | 2017 |
|---|---|---|
| Net assets available for benefits per the financial statements | $ 22,406,091 | $ 21,921,382 |
| Participant contributions receivable | - | (33,274) |
| Employer contributions receivable | (9,119) | (19,676) |
| Net assets available for benefits per Form 5500 | $ 22,396,972 | $ 21,868,432 |

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

| | 2018 | 2017 |
|---|---|---|
| Net increase in net assets available for benefits per the financial statements | $ 484,709 | $ 3,804,226 |
| Change in participant contributions receivable | 33,274 | (33,274) |
| Change in employer contributions receivable | 10,557 | (19,676) |
| Net income per Form 5500 | $ 528,540 | $ 3,751,276 |

## Note 8 - Subsequent Events

Management has evaluated subsequent events through October 1, 2019, which was the date that the financial statements were available to be issued, and has determined that there are no subsequent events to be reported.

**SUPPLEMENTAL SCHEDULES**

**Vinmar International 401(k) Plan**
**Employee Identification Number: 98-0627211 - Plan Number: 001**

**Schedule H, line 4i - Schedule of Assets Held at End of Year**

**December 31, 2018**

| a | b | c | d | e |
|---|---|---|---|---|
| | **Identity of issue, borrower, lessor, or similar party** | **Description of investment including maturity date, rate of interest, collateral, par or maturity value** | **Cost** | **Current value** |
| | | Money Market Fund | | |
| * | Fidelity Investments | Fidelity Government Money Market Fund | ** | $ 2,129,736 |
| | | Mutual Funds | | |
| | American Beacon | American Beacon International Equity Fund Institutional Class | ** | 247,797 |
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| * | Loans to participants | Principal balances ranging up to $27,357 at interest rates of 4.25% to 8.50% per annum maturing through March 2026, secured by participants' individual vested accrued benefits. | - | 249,118 |

* Party-in-interest as defined by ERISA.
** Cost omitted for participant-directed investments.

**Vinmar International 401(k) Plan**
**Employee Identification Number: 98-0627211 - Plan Number: 001**

**Schedule H, line 4a - Schedule of Delinquent Participant Contributions**

**Year Ended December 31, 2018**

| Participant contributions transferred late to plan | Total that constitute nonexempt prohibited transactions | | | Total fully corrected under VFCP and PTE 2002-51 |
|---|---|---|---|---|
| Check here if late participant loan repayments are included: ☐ | Contributions not corrected(*) | Contributions corrected outside VFCP | Contributions pending correction in VFCP | |
| * $ 2,140 | $ 2,140 | $ - | $ - | $ - |

* This represents the total amount of contributions that were withheld from employees, but not remitted timely into the trust by the Plan sponsor. Late remittances for the 2018 Plan year ($2,140) are pending correction.