

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

Part II	Basic Plan Information —enter all requested information		
1a	Name of plan <u>KS KOLBENSCHMIDT US, INC. RETIREMENT PLAN</u>	1b	Three-digit plan number (PN) ▶ <u>002</u>
		1c	Effective date of plan <u>01/01/1972</u>
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>KS KOLBENSCHMIDT US, INC.</u> <u>1731 INDUSTRIAL PARKWAY</u> <u>MARINETTE, WI 54143</u>	2b	Employer Identification Number (EIN) <u>39-1681963</u>
		2c	Plan Sponsor's telephone number <u>715-732-0181</u>
		2d	Business code (see instructions) <u>336300</u>

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/11/2019	WILLIAM MILATZ
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/14/2019	KATHY GABEL
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2018)
v. 171027

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 1404
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	<div style="background-color: #cccccc; height: 20px; width: 100%;"></div> 6a(1) 9 6a(2) 0 6b 0 6c 0 6d 0 6e 0 6f 0 6g 6h
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:

1B 1I 3H 1H

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

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

a Pension Schedules

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

b General Schedules

- (1)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☐ 0 **A** (Insurance Information)
- (4)** ☐ **C** (Service Provider Information)
- (5)** ☒ **D** (DFE/Participating Plan Information)
- (6)** ☐ **G** (Financial Transaction Schedules)

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

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

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

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

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

Receipt Confirmation Code _____

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2018 This Form is Open to Public Inspection
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For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

▶ **Round off amounts to nearest dollar.**
▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>KS KOLBENSCHMIDT US, INC. RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>KS KOLBENSCHMIDT US, INC.</u>	D Employer Identification Number (EIN) <u>39-1681963</u>

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

1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2018</u>			
2 Assets:			
a Market value.....	2a	<u>69689006</u>	
b Actuarial value	2b	<u>68015441</u>	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	<u>1250</u>	<u>56508348</u>	<u>56508348</u>
b For terminated vested participants	<u>148</u>	<u>3114407</u>	<u>3114407</u>
c For active participants	<u>9</u>	<u>354195</u>	<u>368426</u>
d Total	<u>1407</u>	<u>59976950</u>	<u>59991181</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5	<u>5.44 %</u>	
6 Target normal cost	6	<u>100000</u>	

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

SIGN HERE		<u>10/09/2019</u>
Signature of actuary		Date
<u>MATHEW LITTLE, F.S.A. E.A.</u>		<u>17-08076</u>
Type or print name of actuary		Most recent enrollment number
<u>MERCER</u>		<u>248-945-5500</u>
Firm name		Telephone number (including area code)
<u>ONE TOWNE SQUARE, SUITE 1100</u> <u>SOUTHFIELD, MI 48076</u>		
Address of the firm		

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

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	275	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9 Amount remaining (line 7 minus line 8).....	275	0
10 Interest on line 9 using prior year's actual return of <u>9.30</u> %	26	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year).....		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.63</u> %.....		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance.....		
12 Other reductions in balances due to elections or deemed elections		
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	301	0

Part III Funding Percentages

14 Funding target attainment percentage	14	113.37%
15 Adjusted funding target attainment percentage.....	15	113.37%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	120.33%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ▶			18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	0

20 Quarterly contributions and liquidity shortfalls:

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

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

Part V Assumptions Used to Determine Funding Target and Target Normal Cost**21** Discount rate:**a** Segment rates:

1st segment:

3.92%

2nd segment:

5.52%

3rd segment:

6.29%

☐ N/A, full yield curve used**b** Applicable month (enter code).....**21b**

4

22 Weighted average retirement age**22**

62

23 Mortality table(s) (see instructions)

Prior regulation:

☐

Prescribed - combined

☐

Prescribed - separate

☐

Substitute

Current regulation:

☐

Prescribed - combined

☒

Prescribed - separate

☐

Substitute

Part VI Miscellaneous Items**24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No**26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No**27** If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment**27****Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years****28** Unpaid minimum required contributions for all prior years**28**

0

29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)**29**

0

30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)**30**

0

Part VIII Minimum Required Contribution For Current Year**31** Target normal cost and excess assets (see instructions):**a** Target normal cost (line 6)**31a**

100000

b Excess assets, if applicable, but not greater than line 31a**31b**

100000

32 Amortization installments:

Outstanding Balance

Installment

a Net shortfall amortization installment.....

0

b Waiver amortization installment

0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount**33****34** Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....**34**

0

Carryover balance

Prefunding balance

Total balance

35 Balances elected for use to offset funding requirement.....

0

36 Additional cash requirement (line 34 minus line 35).....**36**

0

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....**37**

0

38 Present value of excess contributions for current year (see instructions)**a** Total (excess, if any, of line 37 over line 36)**38a**

0

b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances**38b****39** Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37).....**39**

0

40 Unpaid minimum required contributions for all years**40**

0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)**41** If an election was made to use PRA 2010 funding relief for this plan:**a** Schedule elected☐ 2 plus 7 years☐ 15 years**b** Eligible plan year(s) for which the election in line 41a was made☐ 2008☐ 2009☐ 2010☐ 2011

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► 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 KS KOLBENSCHMIDT US, INC. RETIREMENT PLAN		B Three-digit plan number (PN) ►	002
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 KS KOLBENSCHMIDT US, INC.		D Employer Identification Number (EIN) 39-1681963	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: KS KOLBENSCHMIDT US, INC MASTER TRU

b Name of sponsor of entity listed in (a): KS KOLBENSCHMIDT US, INC.

c EIN-PN 39-1681963-003	d Entity code M	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 3105492
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a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

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

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

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

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

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

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

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

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

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

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

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

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

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 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 KS KOLBENSCHMIDT US, INC. RETIREMENT PLAN	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 KS KOLBENSCHMIDT US, INC.	D Employer Identification Number (EIN) 39-1681963	

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	0	0
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	69689006	3105492
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	69689006	3105492

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		3105492
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	3105492

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	69689006	0
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Part II Income and Expense Statement

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

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	0	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		0

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		-1789367
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		-1789367

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	63915733	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		63915733
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)	878414	
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		878414
j Total expenses. Add all expense amounts in column (b) and enter total	2j		64794147

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-66583514
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		3105492

Part III Accountant's Opinion

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

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

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

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

☒ Yes ☐ No

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

(1) Name: **BAKER TILLY VIRCHOW KRAUSE**

(2) EIN: **39-0859910**

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

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

Part IV Compliance Questions

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

During the plan year:

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

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

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		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.).....		X	
e Was this plan covered by a fidelity bond?	X		3000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		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?.....		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?.....		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.)		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.)		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?	X		
l Has the plan failed to provide any benefit when due under the plan?.....		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
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.			

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 2576961.

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 4164404. (See instructions.)

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>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).</div> <div>▶ File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2018</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018		
A Name of plan KS KOLBENSCHMIDT US, INC. RETIREMENT PLAN		B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 KS KOLBENSCHMIDT US, INC.		D Employer Identification Number (EIN) 39-1681963
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions		1 0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 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 0
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		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2018 v. 171027		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year

b The plan year immediately preceding the current plan year

c The second preceding plan year

14a**14b****14c**

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year

b The corresponding number for the second preceding plan year

15a**15b**

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year

b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers

16a**16b**

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

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

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

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

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

Stock: 25.7% Investment-Grade Debt: 74.2% High-Yield Debt: 0.0% Real Estate: 0.0% Other: 0.1%

- 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):

**KS KOLBENSCHMIDT US, INC.
RETIREMENT PLAN**

Marinette, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Years Ended December 31, 2018 and 2017

KS KOLBENSCHMIDT US, INC. RETIREMENT PLAN

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NOTE: All schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

INDEPENDENT AUDITORS' REPORT

To the Plan Sponsor and Participants
KS Kolbenschmidt US, Inc. Retirement Plan
Marinette, Wisconsin

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of KS Kolbenschmidt US, Inc. Retirement Plan (the "plan") which comprise the statements of net assets available for benefits as of December 31, 2018 (in liquidation) and 2017 (ongoing) and the related statements of changes in net assets available for benefits for the years ended December 31, 2018 (in liquidation) and 2017 (ongoing), and the related notes to the 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis of Disclaimer of Opinion paragraph, we were not able to obtain 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"), plan management instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 4, which was certified by Wells Fargo Bank, N.A., the trustee of the plan, except for comparing such information with the related information included in the financial statements. We have been informed by plan management that the trustee holds the plan's investment assets and executes investment transactions. Plan management has obtained certifications from the trustee, as of December 31, 2018 and 2017 and for the years then ended, that the information provided to plan management 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.

Emphasis of Matter

As discussed in Note 1 and Note 3 to the financial statements, during the year ended December 31, 2018, the plan sponsor made the decision to terminate the plan effective October 31, 2018. In accordance with accounting principles generally accepted in the United States of America, the plan considers liquidation to be imminent and has changed its basis of accounting from the ongoing plan basis used in presenting the 2017 financial statements to the liquidation basis used in presenting the 2018 financial statements. Our disclaimer of opinion is not modified with respect to this matter.

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

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

Baker Tilly Virchow Krause, LLP

Appleton, Wisconsin
October 7, 2019

KS KOLBENSCHMIDT US, INC. RETIREMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS As of December 31, 2018 (in Liquidation) and 2017 (Ongoing)

ASSETS		
	<u>2018</u>	<u>2017</u>
Investment in KS Kolbenschmidt US, Inc. Master Trust, at fair value	<u>\$ 3,105.492</u>	<u>\$ 69,689.006</u>
LIABILITIES		
Due to former participants on behalf of group annuity contract	528,531	-
Due to plan sponsor	<u>2,576.961</u>	<u>-</u>
Total Liabilities	<u>3,105.492</u>	<u>-</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ -</u></u>	<u><u>\$ 69,689.006</u></u>

See accompanying notes to financial statements.

KS KOLBENSCHMIDT US, INC. RETIREMENT PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS For the Years Ended December 31, 2018 (in Liquidation) and 2017 (Ongoing)

	<u>2018</u>	<u>2017</u>
ADDITIONS		
Additions to net assets attributed to:		
Investment income:		
Plan's interest in net investment (loss) income of KS Kolbenschmidt US, Inc. Master Trust	\$ (1,789,366)	\$ 6,110,864
DEDUCTIONS		
Deductions from net assets attributed to:		
Purchase of annuity contracts for participants	58,217,000	-
Benefits paid to participants	6,227,265	6,474,824
Administrative expenses	878,414	406,198
Total Deductions	<u>65,322,679</u>	<u>6,881,022</u>
Net Decrease	(67,112,045)	(770,158)
NET ASSETS AVAILABLE FOR BENEFITS - Beginning of Year	<u>69,689,006</u>	<u>70,459,164</u>
Accrued transfer to plan sponsor	<u>(2,576,961)</u>	-
NET ASSETS AVAILABLE FOR BENEFITS - END OF YEAR	<u>\$ -</u>	<u>\$ 69,689,006</u>

See accompanying notes to financial statements.

KS KOLBENSCHMIDT US, INC. RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2018 (in Liquidation) and 2017 (Ongoing)

NOTE 1 - Description of the Plan

The following description of the KS Kolbenschmidt US, Inc. Retirement 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 noncontributory defined benefit pension plan established for certain employees of KS Kolbenschmidt US, Inc. (the "company"). The plan was established in 1994 as the Karl Schmidt Unisia, Zollner Division, Inc. Retirement Plan ("Zollner Salary"). The Zollner Salary amended its name to Karl Schmidt Unisia, Inc. Retirement Plan and subsequently amended its name to KS Kolbenschmidt US, Inc. Retirement Plan.

The following plans merged into the plan in previous years to form the plan in its current state: KSG Pistons, Inc. Salaried Employees Replacement Plan ("KSG Salary"), KSG Pistons, Inc. Hourly Bargaining Defined Benefit Pension Plan ("KSG Hourly"), Karl Schmidt Unisia, Inc. Zollner Division Pension Plan ("Zollner Hourly").

The plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). The plan is administered by the Retirement Plans Committee (the "committee"), which is appointed by the Board of Directors.

Effective July 1, 2002, the plan was frozen to entry by new participants. As such, no employees with an original date of hire on or after July 1, 2002, shall be eligible to participate in the plan.

Effective December 31, 2003, the plan was also frozen to accruing future benefits.

Plan Termination

During the year ended December 31, 2018, the plan sponsor made the decision to terminate the plan effective October 31, 2018. The plan was amended to incorporate this election. The liquidation of the plan is expected to occur by December 31, 2019. See Note 3 for more information regarding the termination of the plan.

Funding Policy

No contributions are required or permitted from participants. The company's contributions are the actuarially computed amounts, using the projected unit cost method, necessary to meet ERISA minimum funding requirements. Minimum contribution requirements have been met for the years ended December 31, 2018 and 2017.

Pension Benefits

Former Zollner Salary, KSG Salary, and KSG Hourly participants are entitled to monthly pension benefits upon retirement if the employee completes one year and 1,000 hours of service with the company. Former Zollner Hourly participants covered by a collective bargaining unit are entitled to monthly pension benefits upon retirement if the employee completes one year and 1,000 hours of service with the company.

KS KOLBENSCHMIDT US, INC. RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2018 (in Liquidation) and 2017 (Ongoing)

NOTE 1 - Description of the Plan (cont.)

Pension Benefits (cont.)

There are three types of retirement under the plan: normal, late, and early retirement. Early retirement benefits are reduced. Former Zollner Hourly and Zollner Salary participants are eligible for early retirement at age 60 with 10 years of vested service or at age 55 with 30 years of vested service. Former KSG Salary and KSG Hourly participants are eligible for early retirement at age 55 and 10 years of service. Former Zollner Hourly and Zollner Salary participants normal retirement age is 65. Former KSG Salary and KSG Hourly participant normal retirement age is 62. Late retirement for all participants is any time after normal retirement age.

Employees may elect to receive their pension benefits in the form of a single life annuity, qualified joint and survivor annuity, certain and life annuity, contingent annuitant, or lump sum. Pension benefits are based on average covered earnings and years of benefit service, and are fully vested after 5 years of service or reaching normal retirement age while still employed. Participants who were former KSG Salary and KSG Hourly participants became fully vested after one year of service.

Death and Disability Benefits

If an active employee dies pre-retirement and has a vested pension from the plan on the date of death, 50% of the normal death benefit is paid to the surviving spouse in the form of a lifetime monthly pension beginning on the expected retirement date of the deceased. If an employee dies after retirement, a death benefit equal to \$3,000 will be paid to the beneficiary upon death. This is paid in addition to any retirement benefit that was being paid at the date of death and is only for employees who retire from active service.

Active employees who become disabled while working for the company but before the normal retirement date, have 10 years of vesting service and qualify for the Short-term Disability Program will be eligible for disability retirement benefits. Benefits will begin on the first day of the month after the benefits from Short-term Disability Program end, and are paid until the employee is no longer disabled, elects to start early retirement benefits, or reaches the normal retirement date.

Administrative Expenses

The company pays a portion of the plan's administrative expenses. The majority of the administrative expenses are paid by the plan. Plan level fees are included in administrative expenses in the statements of changes in net assets available for benefits. Master trust level fees are included in the plan's interest in net investment income in the statements of changes in net assets available for benefits. Expenses paid by the company are excluded from these financial statements.

KS KOLBENSCHMIDT US, INC. RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2018 (in Liquidation) and 2017 (Ongoing)

NOTE 2 - Summary of Significant Accounting Policies

Basis of Accounting

As a result of the election to terminate the plan, plan management considers liquidation to be imminent and therefore, the financial statements of the plan as of and for the year ended December 31, 2018 are presented on the liquidation basis of accounting.

The financial statements of the plan as of and for the year ended December 31, 2017 are presented on the ongoing plan basis of accounting.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

The plan's primary investment is its interest in the KS Kolbenschmidt US, Inc. Master Trust ("Master Trust"). The Master Trust is a multiple-plan trust for the benefit of the plan and one other company sponsored defined benefit pension plan. The plan's allocated share of the Master Trust net assets is reflected in the accompanying Statements of Net Assets Available for Benefits. The fair value of the plan's interest in the Master Trust is based on the fair value of assets held in the Master Trust, plus actual contributions and allocated investment income or loss, less actual distributions. Investment income or loss and administrative expenses are allocated to the plan based on the plan's pro rata share of each of the underlying assets of the Master Trust on a monthly basis. The plan presents in the accompanying Statements of Changes in Net Assets Available for Benefits its interest in the net investment income or loss of the Master Trust, which consists of the realized gains or losses, unrealized appreciation or depreciation, interest, dividends, and administrative expenses of the Master Trust's investments.

Investments of the Master Trust are carried at fair value, which is determined as described in Note 5. 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. Plan management determines the plan's valuation policies utilizing information provided by investment advisors and the trustee.

Investment transactions are recorded on the trade date. Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis. Net appreciation or depreciation includes the gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits

Benefits are recorded when paid.

KS KOLBENSCHMIDT US, INC. RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2018 (in Liquidation) and 2017 (Ongoing)

NOTE 2 - Summary of Significant Accounting Policies (cont.)

Actuarial Present Value of Accumulated Plan Benefits

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

The actuarial present value of accumulated plan benefits is determined by the plan's independent consulting actuary and is that amount which results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment. Actuarial valuations are completed as of the beginning of the plan year. The significant actuarial assumptions used in the plan's January 1, 2018 valuation were as follows:

Long-term rate of return on assets	4.70% for 2018
Mortality table	Modified RP-2014 Mortality Table
Normal Retirement Age	62 for KSG Hourly and KSG Salary and 65 for Zollner Salary and Zollner Hourly
Discount rate	3.47% for 2018
Retirement rate	Varies from 0% at age 57 to 100% at age 65 for KSG Salary and Zollner Salary employees.
Percent married	Males 85%, Females 65%

The actuarial present value of accumulated plan benefits as of January 1, 2018 is as follows:

Vested benefits:	
Participants currently receiving benefits	\$ 66,111,221
Other participants	<u>4,762,965</u>
Total Vested Benefits	70,874,186
Nonvested benefits	<u>12,124</u>
Total Actuarial Present Value of Accumulated Plan Benefits	<u><u>\$ 70,886,310</u></u>

KS KOLBENSCHMIDT US, INC. RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2018 (in Liquidation) and 2017 (Ongoing)

NOTE 2 - Summary of Significant Accounting Policies (cont.)

Actuarial Present Value of Accumulated Plan Benefits (cont.)

The change in actuarial present value of accumulated plan benefits for the year ended January 1, 2018 is summarized as follows:

Actuarial present value of accumulated plan benefits - beginning of year	<u>\$ 70,907,658</u>
Change during the year attributable to:	
Benefits accumulated and gains	(550,954)
Benefits paid	(6,474,824)
Increase for interest due to the decrease in the discount period	2,527,517
Change in actuarial assumptions	<u>4,476,913</u>
Net Change	<u>(21,348)</u>
Actuarial Present Value of Accumulated Plan Benefits - End of Year	<u>\$ 70,886,310</u>

The foregoing actuarial assumptions are based on the presumption that the plan will continue. As described in Note 3, the plan was terminated in 2018 and the accumulated plan benefits were satisfied through the purchase of a group annuity contract.

Recent Accounting Pronouncements

During February 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2017-06, *Plan Accounting: Defined Benefit Pensions Plans (Topic 960); Defined Contribution Pension Plans (Topic 962); Health and Welfare Benefit Plans (Topic 965): Employee Master Trust Reporting*. The amendments in ASU 2017-06 clarify presentation requirements for a plan's interest in a master trust. The amendments also eliminate redundancy relating to 401(h) account disclosures. ASU 2017-06 is effective for fiscal years beginning after December 15, 2018. Early adoption is permitted. The plan has not yet determined the effect of adopting this ASU.

NOTE 3 - Plan Termination

During the year ended December 31, 2018, the plan sponsor made the decision to terminate the plan effective October 31, 2018. The plan was amended to incorporate this election. For participants with accrued benefits at time of the termination, the plan purchased a group annuity contract and transferred cash totaling \$58,217,000 to satisfy the unpaid accumulated pension benefit owed by the plan. The liability assumption date of the group annuity contract was December 10, 2018 and therefore no participants remained in the plan as of December 31, 2018. Payments from the group annuity contract to former participants of the plan commenced February 1, 2019. A final settlement payment or refund with the group annuity contract and full liquidation of the plan is expected to occur by December 31, 2019. Assets remaining in the plan total \$3,105,492 as of December 31, 2018 and are held in a money market fund within the Master Trust. These funds will be used to pay January 2019 benefit payments to former participants totaling \$528,531 on behalf of the group annuity contract. Once the plan is fully liquidated, the remaining assets in the plan, which total \$2,576,961, will be paid to the plan sponsor. The balance due to the plan sponsor will be used to make a discretionary profit sharing contribution in the company's 401(k) plan and pay excise taxes related to the overfunded benefit obligation at time of termination.

KS KOLBENSCHMIDT US, INC. RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2018 (in Liquidation) and 2017 (Ongoing)

NOTE 4 - Information Certified by Trustee - Unaudited

The plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under ERISA as of and for the years ended December 31, 2018 and 2017. Accordingly, Wells Fargo Bank, N.A., the trustee of the plan and the Master Trust, has certified to the completeness and accuracy of all investments reported in the accompanying Statements of Net Assets Available for Benefits as of December 31, 2018 and 2017 and the related investment activity reported in the Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2018 and 2017.

All of the assets of the plan are held in the Master Trust, which was established for the investment of assets of the plan and one other company sponsored defined benefit pension plan. The Master Trust currently holds the assets of the plan and the Pension Plan for Employees of KS Gleitlager North America, LLC.

The plan's allocated share of the Master Trust's net assets and investment activities is based upon the total of each accounts share of the Master Trust. The percentage of the plan's assets to the total assets of the Master Trust was approximately 99% and 95% as of December 31, 2018 and 2017, respectively.

The composition of net assets of the Master Trust at December 31, 2018 and 2017 is summarized as follows:

	<u>2018</u>	<u>2017</u>
Money market funds	\$ 3,143,379	\$ 837,232
Debt securities	-	58,212,601
Equity mutual funds	<u>-</u>	<u>13,999,938</u>
Total Net Assets of the Master Trust	3,143,379	73,049,771
Less amount allocated to other plans	<u>(37,887)</u>	<u>(3,360,765)</u>
Plan's Interest in Master Trust	<u>\$ 3,105,492</u>	<u>\$ 69,689,006</u>

KS KOLBENSCHMIDT US, INC. RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2018 (in Liquidation) and 2017 (Ongoing)

NOTE 4 - Information Certified by Trustee - Unaudited (cont.)

Change in net assets of the Master Trust for the years ended December 31, 2018 and 2017 is summarized as follows:

	2018	2017
Net (depreciation) appreciation in fair value of investments	\$ (3,894,404)	\$ 4,444,045
Interest and dividends	<u>2,019,978</u>	<u>1,964,664</u>
Net Investment (Loss) Income	(1,874,426)	6,408,709
Contributions	647,747	2,676,766
Benefit payments	(6,559,760)	(6,827,180)
Purchase of group annuity contract for participants	(61,729,000)	-
Expenses	<u>(956,508)</u>	<u>(453,271)</u>
Change in Net Assets	(70,471,947)	1,805,024
Net assets - beginning of year	73,049,771	71,244,747
Transfer from group annuity contract to pay January 2019 benefits	<u>565,555</u>	-
Net Assets - End of Year	<u>\$ 3,143,379</u>	<u>\$ 73,049,771</u>

NOTE 5 - Fair Value of Financial Instruments

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

Level 1 - Inputs to the valuation methodology are unadjusted quoted market prices for identical assets in active markets that the plan has the ability to access.

Level 2 - Inputs to the valuation methodology include:

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

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

KS KOLBENSCHMIDT US, INC. RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2018 (in Liquidation) and 2017 (Ongoing)

NOTE 5 - Fair Value of Financial Instruments (cont.)

There has been no change in the methodologies used at December 31, 2018 and 2017. The following is a description of the valuation methodologies used for assets measured at fair value.

Money Market Funds: Valued at net asset value ("NAV") of units held by the plan at year end.

Corporate, foreign, and U.S. government and agency debt securities: Valued at fair value based on the closing price in an active market in which the securities are traded. Fair values of securities in the Level 1 category are obtained from active exchange listings, whereas fair values of securities in the Level 2 category are obtained from the most recent estimates available from broker-dealers and on yields currently available on comparable securities of issuers with similar credit ratings.

Equity mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the plan are open end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the plan are deemed to be actively traded.

Plan management is responsible for the determination of fair value. Accordingly, plan management performs periodic analysis on the prices received from the pricing services used to determine whether the prices are reasonable estimates of fair value. As a result of these reviews, plan management has not historically adjusted the prices obtained from the pricing services. The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The table below presents the balances of assets of the Master Trust measured at fair value on a recurring basis by level within the hierarchy.

	December 31, 2018			
	Total	Level 1	Level 2	Level 3
Money market funds	<u>\$ 3,143,379</u>	<u>\$ 3,143,379</u>	<u>\$ -</u>	<u>\$ -</u>
	December 31, 2017			
	Total	Level 1	Level 2	Level 3
Money market funds	\$ 837,232	\$ 837,232	\$ -	\$ -
Debt securities				
U.S. Government and agency	16,974,216	11,783,502	5,190,714	-
Corporate and foreign	41,238,385	-	41,238,385	-
Equity mutual funds	<u>13,999,938</u>	<u>13,999,938</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 73,049,771</u>	<u>\$ 26,620,672</u>	<u>\$ 46,429,099</u>	<u>\$ -</u>

KS KOLBENSCHMIDT US, INC. RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2018 (in Liquidation) and 2017 (Ongoing)

NOTE 6 - Related Party and Party in Interest Transactions

Certain Master Trust investments are managed by the trustee and therefore, these transactions qualify as party in interest transactions. These transactions are not, however, considered prohibited transactions under 29 CFR 408(b) of the ERISA regulations.

As described in Note 1, the plan paid certain expenses related to plan operations and investment activity to various service providers. Additionally, certain administrative functions of the plan are performed by officers of the company. No such officer or employee receives compensation from the plan.

NOTE 7 - Risks and Uncertainties

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

As of December 31, 2018, the Master Trust had investments totaling \$3,143,379 that were concentrated in one fund.

The plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

NOTE 8 - Tax Status

The Internal Revenue Service ("IRS") has determined and informed the company by a letter dated August 1, 2019, that the plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). The plan administrator believes that the plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and, therefore, believes that the plan is qualified and the related trust is tax exempt.

U.S. GAAP requires plan management to evaluate tax positions taken by the plan and recognize a tax liability if the plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 9 - Subsequent Events

The plan has evaluated subsequent events through October 7, 2019, which is the date that the financial statements were approved and available to be issued, for events requiring recording or disclosure in the plan's financial statements.

Schedule SB, line 26 — Schedule of Active Participant Data

ATTAINED AGE	YEARS OF CREDITED SERVICE										
	UNDER 1	1–4	5–9	10–14	15–19	20–24	25–29	30–34	35–39	40 & UP	TOTAL
Under 25											
25–29											
30–34											
35–39											
40–44			1								1
45–49											
50–54											
55–59		2		1							3
60–64		2	1	1		1					5
65–69											
70 & up											
Total		4	2	2		1					9

In each cell, the top number is the count of active participants for each age/service combination.

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

ACTUARIAL ASSUMPTIONS FOR JANUARY 1, 2018 FUNDING VALUATION

DISCOUNT RATE SPONSOR ELECTIONS			
• Segment rates or full yield curve	Segment		
• Look-back months	4		
	Stabilized	Nonstabilized	
• First 5 years	3.92%	1.75%	
• Next 15 years	5.52%	3.76%	
• Over 20 years	6.29%	4.66%	
	Rationale: Segment rate assumption basis selected by Plan Sponsor as prescribed by the IRS.		
MORTALITY SPONSOR ELECTIONS			
• Healthy participants	Section 430(h)(3) prescribed separate static annuitant and nonannuitant mortality tables. These tables are based on the RP-2014 mortality tables with improvements beyond 2016 removed with static mortality improvements based on the IRS methodology and projection scale MP-2016. Rationale: Mortality table assumption basis selected by Plan Sponsor as prescribed by the IRS		
417(E) LUMP SUMS	Lump sums were not valued.		
NON-417(E) LUMP SUMS	Lump sums were not valued.		
OTHER ECONOMIC ASSUMPTIONS			
• Salary increases	N/A		
• Flat-dollar benefit increases	None assumed.		
• Social Security wage base	N/A		
• Inflation	N/A		

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

<ul style="list-style-type: none"> Expenses 	<p>Expected PBGC expenses for the upcoming year. \$100,000 For the 2018 plan year.</p> <p>Rationale: Administrative expenses not paid from Plan trust; only PBGC premium paid. Expected PBGC premium is best estimate of upcoming year expenses.</p>
<ul style="list-style-type: none"> Expected Asset Return (used for Actuarial Value of Assets) 	<p>5.20% per year in 2016, 5.40% per year in 2017, and 4.7% per year in 2018</p> <p>Rationale: Expected return provided by Wells Fargo Advisors limited to the 65th percentile of simulated investment returns using capital market assumptions published in Mercer Investment Consulting's Capital Markets Outlook for the plan's current asset mix, net of an adjustment of 40 bps for expenses assumed to be paid from plan assets.</p>
DEMOGRAPHIC ASSUMPTIONS	
<ul style="list-style-type: none"> Withdrawal 	<p>See table of sample rates.</p>
<ul style="list-style-type: none"> Disability incidence 	<p>See table of sample rates.</p> <p>Rationale: Not Provided. Withdrawal and Disability incidence assumptions do not have a material impact on the valuation.</p>

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

• Retirement age	ATTAINED AGE	
	Under 55	0%
	55	0%
	56	0%
	57	0%
	58	20%
	59	10%
	60	10%
	61	10%
	62	45%
	63	20%
	64	20%
	65 and above	100%
	Rationale: Not Provided. Retirement age assumption does not have a material impact on the valuation	
• Benefit commencement age for		
– Future vested deferred	62	
– Current vested deferred	62	
• Spouse assumptions	<u>MALE PARTICIPANTS</u>	<u>FEMALE PARTICIPANTS</u>
– Percentage married	85%	65%
– Spouse age difference	3 years younger	3 years older
	Rationale: Because the employer does not have enough credible experience to analyze spousal demographics, the assumptions regarding percent married/spouse age difference at benefit commencement are based on the actuary's experience with many plans and discussions with employer representative	

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

FORM OF PAYMENT	<u>SINGLE LIFE</u>	<u>67% J&S</u>
• Percentage Married	50%	50%
	Rationale: Benefit commencement age and form of payment election were chosen based on review of recent plan experience.	
UNPREDICTABLE CONTINGENT EVENT ASSUMPTIONS	Not applicable.	

Table of Sample Rates

	PERCENTAGE			
ATTAINED AGE	WITHDRAWAL		DISABILITY INCIDENCE	
	MALE	FEMALE	MALE	FEMALE
35	8.7%	8.7%	0.06%	0.05%
45	6.1%	6.1%	0.14%	0.12%
55	4.4%	4.4%	0.41%	0.33%
65 and above	2.5%	2.5%	0.00%	0.00%

*Schedule SB, Part V — Statement of Actuarial Assumptions/Methods***ACTUARIAL METHODS****Asset Methods**

The asset valuation method is an average of the adjusted market value for each year during the last 2 years preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110% and no less than 90% of the fair market value, as defined in IRC Section 430.

A characteristic of this asset method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than the market value.

Participant Methods

Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** The plan sponsor provides us with data on all employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Insurance contracts:** The plan does not have any insurance contracts.
- **Compensation history:** Salaried plan benefits are frozen. Accrued benefits have been calculated and are used in the valuation.
- **Disabled participants:** The liabilities for participants on long-term disability have been included with the liabilities for terminated vested participants.
- **Estimated benefits:** For terminated and retired participants we have reviewed the benefits provided to us and have no reason to doubt their substantial accuracy.

Minimum Funding Methods- Effective January 1, 2008

The funding target for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become

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

entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- The plan's valuation date is the beginning of the plan year.
- An individual's **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target normal cost for an individual is the sum of the component funding targets and target normal costs associated with the various anticipated separation dates.
- The plan's **target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan.

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	<small>OMB No. 1210-0110</small> 2018 This Form is Open to Public Inspection
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For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

► **Round off amounts to nearest dollar.**

► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan KS KOLBENSCHMIDT US, INC. RETIREMENT PLAN	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF KS Kolbenschmidt US, Inc.	D Employer Identification Number (EIN) 39-1681963	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B		
F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500		

Part I Basic Information			
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2018</u>			
2 Assets:			
a Market value.....	2a	69,689,006	
b Actuarial value	2b	68,015,441	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	1,250	56,508,348	56,508,348
b For terminated vested participants	148	3,114,407	3,114,407
c For active participants	9	354,195	368,426
d Total	1,407	59,976,950	59,991,181
4 If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5	5.44%	
6 Target normal cost	6	100,000	

Statement by Enrolled Actuary

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

SIGN HERE	 Signature of actuary MATHEW LITTLE, F.S.A. E.A. Type or print name of actuary MERCER Firm name ONE TOWNE SQUARE, SUITE 1100 SOUTHFIELD MI 48076 Address of the firm	<u>10/9/2019</u> Date 1708076 Most recent enrollment number 248-945-5500 Telephone number (including area code)
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If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

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

Schedule SB (Form 5500) 2018
v. 171027

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	275	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9 Amount remaining (line 7 minus line 8).....	275	0
10 Interest on line 9 using prior year's actual return of <u>9.30%</u>	26	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year).....		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.63%</u>		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return.....		0
c Total available at beginning of current plan year to add to prefunding balance.....		0
d Portion of (c) to be added to prefunding balance.....		
12 Other reductions in balances due to elections or deemed elections.....		
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	301	0

Part III Funding Percentages

14 Funding target attainment percentage	14	113.37%
15 Adjusted funding target attainment percentage	15	113.37%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	120.33%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ▶			18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contributions from prior years.....	19a 0
b Contributions made to avoid restrictions adjusted to valuation date	19b 0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c 0
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?.....	☐ Yes ☒ No
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☐ Yes ☐ No
c If line 20a is "Yes," see instructions and complete the following table as applicable:	

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

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

21 Discount rate:				
a Segment rates:	1st segment: 3.92 %	2nd segment: 5.52 %	3rd segment: 6.29 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions)	Prior regulation:	☐ Prescribed - combined	☐ Prescribed - separate	☐ Substitute
	Current regulation:	☐ Prescribed - combined	☒ Prescribed - separate	☐ Substitute

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	100,000	
b Excess assets, if applicable, but not greater than line 31a	31b	100,000	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment.....			
b Waiver amortization installment			
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)....	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....			0
36 Additional cash requirement (line 34 minus line 35).....	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b		
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37).....	39	0	
40 Unpaid minimum required contributions for all years	40	0	

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

41 If an election was made to use PRA 2010 funding relief for this plan:	
a Schedule elected	☐ 2 plus 7 years ☐ 15 years
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

Schedule SB, line 22 — Description of Weighted Average Retirement Age

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 62.

Retirement age	Number of Employees	Probability of Retirement	Weighted Average of Numbering Retiring	
(A)	(B)	(C)	(D)=(B)*(C)	(A) x (D)
58	1,000.0	20%	200.0	11,600.0
59	800.0	10%	80.0	4,720.0
60	720.0	10%	72.0	4,320.0
61	648.0	10%	64.8	3,952.8
62	583.0	45%	262.4	16,268.8
63	320.0	20%	64.2	4,044.6
64	256.0	20%	51.3	3,283.2
65	205.0	100%	205.3	13,344.5
			Total	61,533.9
			Weighted Average	61.53

*Schedule SB, Part V — Summary of Plan Provisions***SUMMARY OF MAJOR PLAN PROVISIONS**

Effective date and plan year	Original plan: September 1, 1944 Restated plan: January 1, 2013 Plan year: Calendar year
Status of the plan	The plan was frozen effective December 31, 2003.
Significant events that occurred during the year	Plan amendment adopted in 2014 allowed lump sums to be paid to terminated vested participants during a specified window period during 2014.
DEFINITIONS	
• Covered employees	Salaried or office employees including leased employees whose original date of hire was before July 1, 2002.
• Participation	First anniversary date of employment provided employee has worked at least 1,000 hours during an employment year.
• Vesting service	A year for each 12 month period between anniversaries of employment during which a participant is credited with 1,000 hours.
• Credited service	Service credited as of January 1, 1976 plus one year for each following plan year in which the participant is credited with at least 1,440 hours (fractional years are credited if less than 1,440 hours).
• Earnings	The regular annual basic rate of earnings determined at December 31 of the preceding plan year. Effective January 1, 1985, the annual earnings are limited to \$84,000.
• Average monthly earnings	The sum of the five consecutive earnings, which yield the highest total divided by 60.
• Covered Compensation	35-year average of the social security taxable wage bases ending with the year a participant attains Social Security retirement age.
NORMAL RETIREMENT	
• Eligibility	Age 65 and 5 years of participation.

Schedule SB, Part V — Summary of Plan Provisions

• Benefit	<p>The greater of (1), (2) and (3):</p> <p>1) One percent of average monthly earnings multiplied by credited service plus .5% of average monthly earnings in excess of covered compensation multiplied by credited service (maximum 35 years).</p> <p>2) The benefit determined under the Zollner Pension Plan; currently \$21 per month per year of credited service.</p> <p>3) 2.33% of average monthly earnings plus .5% of average monthly earnings in excess of covered compensation, multiplied by credited service (maximum 15 years) determined as of December 31, 1993.</p>
EARLY RETIREMENT	
• Eligibility	Age 60 and 10 years of vesting service or 30 years of credited service.
• Benefit	<p>Normal retirement benefit reduced by .6% for each month of early commencement from age 60 to 62.</p> <p>For a participant retiring at or after age 58 with 30 years of vesting service and credited service, he receives an early retirement supplement in the amount necessary to increase the total early retirement benefit to \$1,500/month. The supplement is paid until age 62.</p> <p>For a participant retiring before 58 with 30 years of vesting service and credited service, his benefit accrued at June 30, 2002 is reduced as described above. The remainder of his benefit is reduced actuarially below age 65.</p> <p>On November 10, 2003 Salaried Plan participants had their accrued benefits frozen at December 31, 2003.</p>
DEFERRED VESTED	
• Eligibility	5 years of vesting service.
• Benefit	The normal retirement benefit accrued to date payable at age 65. Participants with 10 years of vesting service may retire at age 60 with benefits actuarially reduced from age 65.

Schedule SB, Part V — Summary of Plan Provisions

DISABILITY	
• Eligibility	10 years of vesting service and total and permanent disability.
• Benefit	The greater of \$150/month or the benefit calculated under the terms of the Zollner Pension Plan. At age of 60, the participant may elect to receive Early Retirement Benefits.
PRE-RETIREMENT DEATH	
• Eligibility	5 years of vesting service.
• Benefit	50% of the amount the participant would have received had he terminated employment on the day before he died, survived to his earliest retirement age, retired with an immediate joint and 50% spouse's annuity at that time, and died on that date. The benefit is payable at that date.
POSTRETIREMENT DEATH BENEFIT	
• Eligibility	Eligibility for normal, early, or disability retirement.
• Benefit	\$3,000.
FORM OF BENEFITS	
• Automatic form for unmarried participants	Life annuity.
• Automatic form for married participants	50% joint and survivor annuity which is actuarially equivalent to life annuity.
• Optional forms	Life annuity. 5 years certain and life. 10 years certain and life. 15 years certain and life. 20 years certain and life. 50% joint and survivor. 66⅔% joint and survivor. 75% joint and survivor. 100% joint and survivor.

Schedule SB, Part V — Summary of Plan Provisions

MISCELLANEOUS	
• Maximum compensation	N/A.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2018, the limit is \$220,000.

Benefits Included or Excluded

Unless noted below, all benefits provided by the plan.

- **Plan amendments excluded:** Amendments adopted after the valuation date or effective after the current plan year are excluded from the valuation.
- **Late retirement increases:**
 - *Active participants:* The plan applies late retirement actuarial increases for all participants who defer retirement beyond their normal retirement date and this valuation includes those increases.
 - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued including the late retirement actuarial increase.
- **Internal Revenue Code limitations:** The limitations of Internal Revenue Code Section 415(b) and 401(a)(17) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60% of the present value for all participants).

Additional Benefits Included or Excluded

- **IRC Section 436 benefit restrictions:**
 - *Unpredictable contingent event benefits:* This valuation excludes restricted contingent event benefits that occurred before the valuation date but includes contingent event benefits which are expected to occur on or after the valuation date regardless of anticipated funding-based limitations.
 - *Plan amendments:* None.
 - *Prohibited payments:* Limitations on prohibited benefits (if any) are reflected for annuity starting dates before the valuation date but are ignored for annuity starting dates on or after the valuation date.

Schedule SB, Part V — Summary of Plan Provisions

- *Benefit accruals:* The plan's funding target does not reflect any limitation on benefit accruals. The target normal cost does not reflect any limitation on benefit accruals.
- **Scheduled benefit increases:** Scheduled benefit increases effective after the end of the current plan year are excluded from minimum funding requirements.
- **Unpredictable contingent event benefits:** The plan does not have any unpredictable contingent event benefits.
- **Plan amendments:** Amendments adopted after the valuation date are excluded from the valuation.
- **Benefit restrictions:** Benefit restrictions (if applicable) are ignored in this valuation.
- **Termination of the plan:** We have not been notified of a decision by the plan sponsor to fully or partially terminate the plan.

PLAN PROVISION CHANGES SINCE PRIOR VALUATION

None.

Schedule SB, line 24 — Change in Actuarial Assumptions

ACTUARIAL ASSUMPTION CHANGES SINCE PRIOR VALUATION

- Interest and mortality rates were updated from 2017 to 2018 in accordance with PPA.
- Expected rate of return on plan assets has been updated to reflect the current asset allocation and investment environment.