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

|                |                                                                                                                                                                                                                                                                                                                                                 |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part II</b> | <b>Basic Plan Information—enter all requested information</b>                                                                                                                                                                                                                                                                                   |
| <b>1a</b>      | Name of plan<br><u>AVENTICS 401(K) RETIREMENT PLAN</u>                                                                                                                                                                                                                                                                                          |
| <b>1b</b>      | Three-digit plan number (PN) ▶ <u>001</u>                                                                                                                                                                                                                                                                                                       |
| <b>1c</b>      | Effective date of plan<br><u>01/01/2014</u>                                                                                                                                                                                                                                                                                                     |
| <b>2a</b>      | Plan sponsor's name (employer, if for a single-employer plan)<br>Mailing address (include room, apt., suite no. and street, or P.O. Box)<br>City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)<br><u>AVENTICS CORPORATION</u><br><br><u>1953 MERCER ROAD</u><br><u>LEXINGTON, KY 40511</u> |
| <b>2b</b>      | Employer Identification Number (EIN)<br><u>46-1763108</u>                                                                                                                                                                                                                                                                                       |
| <b>2c</b>      | Plan Sponsor's telephone number<br><u>859-281-3424</u>                                                                                                                                                                                                                                                                                          |
| <b>2d</b>      | Business code (see instructions)<br><u>423100</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.

|                  |                                                   |                   |                                                              |
|------------------|---------------------------------------------------|-------------------|--------------------------------------------------------------|
| <b>SIGN HERE</b> | Filed with authorized/valid electronic signature. | <u>11/22/2019</u> | <u>JOHANN HOLZAPFEL</u>                                      |
|                  | Signature of plan administrator                   | Date              | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b> |                                                   |                   |                                                              |
|                  | Signature of employer/plan sponsor                | Date              | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b> |                                                   |                   |                                                              |
|                  | 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

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3a</b> Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>3b</b> Administrator's EIN<br><br><b>3c</b> Administrator's telephone number<br><br><div style="background-color: #cccccc; height: 40px; width: 100%;"></div>                                                                                                                                                          |
| <b>4</b> 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:<br><b>a</b> Sponsor's name<br><b>c</b> Plan Name                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>4b</b> EIN<br><br><b>4d</b> PN                                                                                                                                                                                                                                                                                         |
| <b>5</b> Total number of participants at the beginning of the plan year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>5</b> 306                                                                                                                                                                                                                                                                                                              |
| <b>6</b> Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines <b>6a(1)</b> , <b>6a(2)</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).<br><br><b>a(1)</b> Total number of active participants at the beginning of the plan year .....<br><b>a(2)</b> Total number of active participants at the end of the plan year .....<br><br><b>b</b> Retired or separated participants receiving benefits.....<br><b>c</b> Other retired or separated participants entitled to future benefits .....<br><b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> .....<br><b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. ....<br><b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....<br><br><b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) .....<br><br><b>h</b> 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><br><b>6a(1)</b> 275<br><b>6a(2)</b> 263<br><b>6b</b> 3<br><b>6c</b> 38<br><b>6d</b> 304<br><b>6e</b><br><b>6f</b> 304<br><b>6g</b> 273<br><b>6h</b> 21                                                                                          |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>7</b>                                                                                                                                                                                                                                                                                                                  |
| <b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:<br>2F 2G 2J 2K 2S 2T 3D 2E<br><br><b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                           |
| <b>9a</b> Plan funding arrangement (check all that apply)<br><b>(1)</b> <input type="checkbox"/> Insurance<br><b>(2)</b> <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br><b>(3)</b> <input checked="" type="checkbox"/> Trust<br><b>(4)</b> <input type="checkbox"/> General assets of the sponsor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>9b</b> Plan benefit arrangement (check all that apply)<br><b>(1)</b> <input type="checkbox"/> Insurance<br><b>(2)</b> <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br><b>(3)</b> <input checked="" type="checkbox"/> Trust<br><b>(4)</b> <input type="checkbox"/> General assets of the sponsor |

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

**a Pension Schedules**

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

**b General Schedules**

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

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

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

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

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

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

Receipt Confirmation Code \_\_\_\_\_

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

|                                                                                            |                                                      |     |
|--------------------------------------------------------------------------------------------|------------------------------------------------------|-----|
| For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018 |                                                      |     |
| A Name of plan<br>AVENTICS 401(K) RETIREMENT PLAN                                          | B Three-digit plan number (PN) ▶                     | 001 |
|                                                                                            |                                                      |     |
| C Plan sponsor's name as shown on line 2a of Form 5500<br>AVENTICS CORPORATION             | D Employer Identification Number (EIN)<br>46-1763108 |     |

|        |                                                 |
|--------|-------------------------------------------------|
| Part I | Service Provider Information (see instructions) |
|--------|-------------------------------------------------|

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No
- b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

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

|                                                                                                            |
|------------------------------------------------------------------------------------------------------------|
| (b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
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|                                                                                                            |
|------------------------------------------------------------------------------------------------------------|
| (b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
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| (b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 37 60 64 65            | RECORDKEEPER                                                                                      | 26961                                                                  | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                  | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                            | 0                                                                                                                                                                               | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                          |

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

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

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

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

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

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

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

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

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

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

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

**Part I Service Provider Information (continued)**

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

| (a) Enter service provider name as it appears on line 2                      | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
|------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| FIDELITY INVESTMENTS INSTITUTIONAL                                           | 60                                                                                                                                                                 | 0                                         |
| (d) Enter name and EIN (address) of source of indirect compensation          | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                           |
| ALZGI EMG MKT OP IS - DST ASSET MA<br>PO BOX 219432<br>KANSAS CITY, MO 64121 | 0.10%                                                                                                                                                              |                                           |
| (a) Enter service provider name as it appears on line 2                      | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL                                           | 60                                                                                                                                                                 | 0                                         |
| (d) Enter name and EIN (address) of source of indirect compensation          | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                           |
| CBA LG CAP GR I - BNY MELLON INVES<br>P.O. BOX 9793<br>PROVIDENCE, RI 02940  | 0.15%                                                                                                                                                              |                                           |
| (a) Enter service provider name as it appears on line 2                      | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL                                           | 60                                                                                                                                                                 | 0                                         |
| (d) Enter name and EIN (address) of source of indirect compensation          | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                           |
| J H GLB EQ INC I - JANUS SERVICES<br>43-1804048                              | 0.10%                                                                                                                                                              |                                           |

**Part I Service Provider Information (continued)**

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

| (a) Enter service provider name as it appears on line 2                      | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
|------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| FIDELITY INVESTMENTS INSTITUTIONAL                                           | 60                                                                                                                                                                 | 0                                         |
| (d) Enter name and EIN (address) of source of indirect compensation          | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                           |
| TA INTL EQUITY I - TRANSAMERICA FU<br><br>52-1549874                         | 0.10%                                                                                                                                                              |                                           |
| (a) Enter service provider name as it appears on line 2                      | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL                                           | 60                                                                                                                                                                 | 0                                         |
| (d) Enter name and EIN (address) of source of indirect compensation          | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                           |
| WM BLAIR SMIDCP GR I - DST ASSET M<br>PO BOX 219432<br>KANSAS CITY, MO 64121 | 0.15%                                                                                                                                                              |                                           |
| (a) Enter service provider name as it appears on line 2                      | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
|                                                                              |                                                                                                                                                                    |                                           |
| (d) Enter name and EIN (address) of source of indirect compensation          | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                           |
|                                                                              |                                                                                                                                                                    |                                           |

**Part II Service Providers Who Fail or Refuse to Provide Information**

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

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

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

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                                                                                                                                                                                                               |                                                                                                                                                                                                                              |                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>SCHEDULE D</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small> | <b>DFE/Participating Plan Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2018</b><br><br><b>This Form is Open to Public Inspection.</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|

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

|                                                                                                     |                                                                    |            |
|-----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|------------|
| <b>A</b> Name of plan<br><u>AVENTICS 401(K) RETIREMENT PLAN</u>                                     | <b>B</b> Three-digit plan number (PN) <b>►</b>                     | <u>001</u> |
| <b>C</b> Plan or DFE sponsor's name as shown on line 2a of Form 5500<br><u>AVENTICS CORPORATION</u> | <b>D</b> Employer Identification Number (EIN)<br><u>46-1763108</u> |            |

|               |                                                                                                                                                                                  |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b> | <b>Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)</b><br>(Complete as many entries as needed to report all interests in DFEs) |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: ALLIANGI MULTI-SERIES RTRMNT CIT

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

|                                       |                               |                                                                                                              |
|---------------------------------------|-------------------------------|--------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN <u>47-7038164-001</u> | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u> |
|---------------------------------------|-------------------------------|--------------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: ALZGI DYN RET 2020

**b** Name of sponsor of entity listed in (a): GOLDMAN SACHS TRUST COMPANY NA

|                                       |                               |                                                                                                                     |
|---------------------------------------|-------------------------------|---------------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN <u>13-4166989-000</u> | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>13411337</u> |
|---------------------------------------|-------------------------------|---------------------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: GS STABLE VALUE INV1

**b** Name of sponsor of entity listed in (a): GOLDMAN SACHS TRUST COMPANY NA

|                                       |                               |                                                                                                                    |
|---------------------------------------|-------------------------------|--------------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN <u>13-4166989-025</u> | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>1682805</u> |
|---------------------------------------|-------------------------------|--------------------------------------------------------------------------------------------------------------------|

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

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

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

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

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

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

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

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

|                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                              |                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small><br><br><small>Pension Benefit Guaranty Corporation</small> | <b>Financial Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2018</b><br><br><b>This Form is Open to Public Inspection</b> |
| For calendar plan year 2018 or fiscal plan year beginning <b>01/01/2018</b> and ending <b>12/31/2018</b>                                                                                                                                                                 |                                                                                                                                                                                                                                                                              |                                                                                           |
| <b>A</b> Name of plan<br><b>AVENTICS 401(K) RETIREMENT PLAN</b>                                                                                                                                                                                                          | <b>B</b> Three-digit plan number (PN) <b>►</b>                                                                                                                                                                                                                               | <b>001</b>                                                                                |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><b>AVENTICS CORPORATION</b>                                                                                                                                                                             | <b>D</b> Employer Identification Number (EIN)<br><b>46-1763108</b>                                                                                                                                                                                                           |                                                                                           |

| Part I                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Asset and Liability Statement                                                              |                 | (a) Beginning of Year | (b) End of Year |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>1</b> 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. <b>Round off amounts to the nearest dollar.</b> 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. |                                                                                            |                 |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Assets</b>                                                                              |                 |                       |                 |
| <b>a</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Total noninterest-bearing cash .....                                                       | <b>1a</b>       | 0                     | 0               |
| <b>b</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Receivables (less allowance for doubtful accounts):                                        |                 |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (1) Employer contributions.....                                                            | <b>1b(1)</b>    | 246426                | 0               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (2) Participant contributions .....                                                        | <b>1b(2)</b>    | 252058                | 0               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (3) Other.....                                                                             | <b>1b(3)</b>    | 0                     | 0               |
| <b>c</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | General investments:                                                                       |                 |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (1) Interest-bearing cash (include money market accounts & certificates of deposit).....   | <b>1c(1)</b>    | 0                     | 0               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (2) U.S. Government securities .....                                                       | <b>1c(2)</b>    | 0                     | 0               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (3) Corporate debt instruments (other than employer securities):                           |                 |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (A) Preferred .....                                                                        | <b>1c(3)(A)</b> | 0                     | 0               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (B) All other.....                                                                         | <b>1c(3)(B)</b> | 0                     | 0               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (4) Corporate stocks (other than employer securities):                                     |                 |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (A) Preferred .....                                                                        | <b>1c(4)(A)</b> | 0                     | 0               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (B) Common.....                                                                            | <b>1c(4)(B)</b> | 0                     | 0               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (5) Partnership/joint venture interests .....                                              | <b>1c(5)</b>    | 0                     | 0               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (6) Real estate (other than employer real property).....                                   | <b>1c(6)</b>    | 0                     | 0               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (7) Loans (other than to participants) .....                                               | <b>1c(7)</b>    | 0                     | 0               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (8) Participant loans.....                                                                 | <b>1c(8)</b>    | 250406                | 361472          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (9) Value of interest in common/collective trusts .....                                    | <b>1c(9)</b>    | 18165906              | 15094142        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (10) Value of interest in pooled separate accounts .....                                   | <b>1c(10)</b>   | 0                     | 0               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (11) Value of interest in master trust investment accounts .....                           | <b>1c(11)</b>   | 0                     | 0               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (12) Value of interest in 103-12 investment entities.....                                  | <b>1c(12)</b>   | 0                     | 0               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (13) Value of interest in registered investment companies (e.g., mutual funds).....        | <b>1c(13)</b>   | 1160376               | 3365331         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (14) Value of funds held in insurance company general account (unallocated contracts)..... | <b>1c(14)</b>   |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (15) Other .....                                                                           | <b>1c(15)</b>   | 0                     | 0               |

**1d** Employer-related investments:

|                                                                      |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> | 0                     | 0               |
| (2) Employer real property .....                                     | <b>1d(2)</b> | 0                     | 0               |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    | 0                     | 0               |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 20075172              | 18820945        |

**Liabilities**

|                                                                           |           |   |   |
|---------------------------------------------------------------------------|-----------|---|---|
| <b>g</b> Benefit claims payable .....                                     | <b>1g</b> | 0 | 0 |
| <b>h</b> Operating payables .....                                         | <b>1h</b> | 0 | 0 |
| <b>i</b> Acquisition indebtedness .....                                   | <b>1i</b> | 0 | 0 |
| <b>j</b> Other liabilities .....                                          | <b>1j</b> | 0 | 0 |
| <b>k</b> Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b> | 0 | 0 |

**Net Assets**

|                                                           |           |          |          |
|-----------------------------------------------------------|-----------|----------|----------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 20075172 | 18820945 |
|-----------------------------------------------------------|-----------|----------|----------|

**Part II Income and Expense Statement**

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

**Income**

|                                                                                                            |                 | (a) Amount | (b) Total |
|------------------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>a Contributions:</b>                                                                                    |                 |            |           |
| (1) Received or receivable in cash from: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> | 1393794    |           |
| <b>(B)</b> Participants .....                                                                              | <b>2a(1)(B)</b> | 1584588    |           |
| <b>(C)</b> Others (including rollovers) .....                                                              | <b>2a(1)(C)</b> | 317096     |           |
| (2) Noncash contributions .....                                                                            | <b>2a(2)</b>    | 0          | 3295478   |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |            |           |
| <b>b Earnings on investments:</b>                                                                          |                 |            |           |
| (1) Interest:                                                                                              |                 |            |           |
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....       | <b>2b(1)(A)</b> | 0          |           |
| <b>(B)</b> U.S. Government securities .....                                                                | <b>2b(1)(B)</b> | 0          |           |
| <b>(C)</b> Corporate debt instruments .....                                                                | <b>2b(1)(C)</b> | 0          |           |
| <b>(D)</b> Loans (other than to participants) .....                                                        | <b>2b(1)(D)</b> | 0          |           |
| <b>(E)</b> Participant loans .....                                                                         | <b>2b(1)(E)</b> | 16866      |           |
| <b>(F)</b> Other .....                                                                                     | <b>2b(1)(F)</b> | 0          |           |
| <b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                              | <b>2b(1)(G)</b> |            | 16866     |
| (2) Dividends: <b>(A)</b> Preferred stock .....                                                            | <b>2b(2)(A)</b> | 0          | 204945    |
| <b>(B)</b> Common stock .....                                                                              | <b>2b(2)(B)</b> | 0          |           |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                                  | <b>2b(2)(C)</b> | 204945     |           |
| <b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....                  | <b>2b(2)(D)</b> |            | 204945    |
| (3) Rents .....                                                                                            | <b>2b(3)</b>    |            | 0         |
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                                 | <b>2b(4)(A)</b> | 0          | 0         |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                                              | <b>2b(4)(B)</b> | 0          |           |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....                  | <b>2b(4)(C)</b> |            |           |
| (5) Unrealized appreciation (depreciation) of assets: <b>(A)</b> Real estate .....                         | <b>2b(5)(A)</b> | 0          | 0         |
| <b>(B)</b> Other .....                                                                                     | <b>2b(5)(B)</b> | 0          |           |
| <b>(C)</b> Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....         | <b>2b(5)(C)</b> |            |           |

|                                                                                                       |               | (a) Amount | (b) Total |
|-------------------------------------------------------------------------------------------------------|---------------|------------|-----------|
| <b>(6)</b> Net investment gain (loss) from common/collective trusts .....                             | <b>2b(6)</b>  |            | -1394823  |
| <b>(7)</b> Net investment gain (loss) from pooled separate accounts .....                             | <b>2b(7)</b>  |            | 0         |
| <b>(8)</b> Net investment gain (loss) from master trust investment accounts .....                     | <b>2b(8)</b>  |            | 0         |
| <b>(9)</b> Net investment gain (loss) from 103-12 investment entities .....                           | <b>2b(9)</b>  |            | 0         |
| <b>(10)</b> Net investment gain (loss) from registered investment companies (e.g., mutual funds)..... | <b>2b(10)</b> |            | -636887   |
| <b>c</b> Other income.....                                                                            | <b>2c</b>     |            | 0         |
| <b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total.....               | <b>2d</b>     |            | 1485579   |

**Expenses**

|                                                                                             |              |         |         |
|---------------------------------------------------------------------------------------------|--------------|---------|---------|
| <b>e</b> Benefit payment and payments to provide benefits:                                  |              |         |         |
| <b>(1)</b> Directly to participants or beneficiaries, including direct rollovers .....      | <b>2e(1)</b> | 2703773 |         |
| <b>(2)</b> To insurance carriers for the provision of benefits .....                        | <b>2e(2)</b> | 0       |         |
| <b>(3)</b> Other .....                                                                      | <b>2e(3)</b> | 0       |         |
| <b>(4)</b> Total benefit payments. Add lines <b>2e(1)</b> through <b>(3)</b> .....          | <b>2e(4)</b> |         | 2703773 |
| <b>f</b> Corrective distributions (see instructions) .....                                  | <b>2f</b>    |         | 4984    |
| <b>g</b> Certain deemed distributions of participant loans (see instructions) .....         | <b>2g</b>    |         | 4088    |
| <b>h</b> Interest expense.....                                                              | <b>2h</b>    |         | 0       |
| <b>i</b> Administrative expenses: <b>(1)</b> Professional fees.....                         | <b>2i(1)</b> | 0       |         |
| <b>(2)</b> Contract administrator fees.....                                                 | <b>2i(2)</b> | 0       |         |
| <b>(3)</b> Investment advisory and management fees.....                                     | <b>2i(3)</b> | 0       |         |
| <b>(4)</b> Other .....                                                                      | <b>2i(4)</b> | 26961   |         |
| <b>(5)</b> Total administrative expenses. Add lines <b>2i(1)</b> through <b>(4)</b> .....   | <b>2i(5)</b> |         | 26961   |
| <b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total ..... | <b>2j</b>    |         | 2739806 |

**Net Income and Reconciliation**

|                                                                               |              |  |          |
|-------------------------------------------------------------------------------|--------------|--|----------|
| <b>k</b> Net income (loss). Subtract line <b>2j</b> from line <b>2d</b> ..... | <b>2k</b>    |  | -1254227 |
| <b>l</b> Transfers of assets:                                                 |              |  |          |
| <b>(1)</b> To this plan.....                                                  | <b>2l(1)</b> |  | 0        |
| <b>(2)</b> From this plan.....                                                | <b>2l(2)</b> |  |          |

**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: BLUE & CO. LLC

**(2)** EIN: 35-1178661

**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 |
|-----------|-----|----|--------|
| <b>4a</b> | X   |    | 163077 |
| <b>4b</b> |     | X  |        |

|                                                                                                                                                                                                                               | Yes | No | Amount  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|---------|
| <b>c</b> 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  |         |
| <b>4c</b>                                                                                                                                                                                                                     |     | X  |         |
| <b>d</b> 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  |         |
| <b>4d</b>                                                                                                                                                                                                                     |     | X  |         |
| <b>e</b> Was this plan covered by a fidelity bond? .....                                                                                                                                                                      | X   |    | 3000000 |
| <b>4e</b>                                                                                                                                                                                                                     | X   |    | 3000000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                       |     | X  |         |
| <b>4f</b>                                                                                                                                                                                                                     |     | X  |         |
| <b>g</b> 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  |         |
| <b>4g</b>                                                                                                                                                                                                                     |     | X  |         |
| <b>h</b> 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  |         |
| <b>4h</b>                                                                                                                                                                                                                     |     | X  |         |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) .....                                                                | X   |    |         |
| <b>4i</b>                                                                                                                                                                                                                     | X   |    |         |
| <b>j</b> 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  |         |
| <b>4j</b>                                                                                                                                                                                                                     |     | X  |         |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? .....                                                           |     | X  |         |
| <b>4k</b>                                                                                                                                                                                                                     |     | X  |         |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan?.....                                                                                                                                             |     | X  |         |
| <b>4l</b>                                                                                                                                                                                                                     |     | X  |         |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) .....                                                                                                  |     | X  |         |
| <b>4m</b>                                                                                                                                                                                                                     |     | X  |         |
| <b>n</b> 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. ....                                      |     | X  |         |
| <b>4n</b>                                                                                                                                                                                                                     |     | X  |         |

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

**5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

| 5b(1) Name of plan(s) | 5b(2) EIN(s) | 5b(3) PN(s) |
|-----------------------|--------------|-------------|
|                       |              |             |
|                       |              |             |
|                       |              |             |
|                       |              |             |
|                       |              |             |

**5c** If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ..... ☐ Yes ☐ No ☐ Not determined  
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year \_\_\_\_\_. (See instructions.)

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                             |                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>SCHEDULE R</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Retirement Plan Information</b><br><br>This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2018</b><br><br><b>This Form is Open to Public Inspection.</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|

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

|                                                                                              |                                                                    |
|----------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>AVENTICS 401(K) RETIREMENT PLAN</u>                              | <b>B</b> Three-digit plan number (PN) ▶<br><u>001</u>              |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>AVENTICS CORPORATION</u> | <b>D</b> Employer Identification Number (EIN)<br><u>46-1763108</u> |

|               |                      |
|---------------|----------------------|
| <b>Part I</b> | <b>Distributions</b> |
|---------------|----------------------|

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

|                                                                                                                                                                                                                                                                    |          |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--|
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions .....                                                                                                                             | <b>1</b> |  |
| <b>2</b> 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):<br><br>EIN(s): <u>04-6568107</u> |          |  |
| Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.                                                                                                                                                                                                   |          |  |
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year .....                                                                                                                                   | <b>3</b> |  |

|                |                                                                                                                                                                               |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part II</b> | <b>Funding Information</b> (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.) |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                                                                                                                                                                                             |                              |                             |                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|------------------------------|
| <b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? .....                                                                                                                                                                                                                                        | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| If the plan is a defined benefit plan, go to line 8.                                                                                                                                                                                                                                                                                                        |                              |                             |                              |
| <b>5</b> 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 _____<br>If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule. |                              |                             |                              |
| <b>6 a</b> Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) .....                                                                                                                                                                                                              | <b>6a</b>                    |                             |                              |
| <b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....                                                                                                                                                                                                                                                                  | <b>6b</b>                    |                             |                              |
| <b>c</b> 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) .....                                                                                                                                                                                                            | <b>6c</b>                    |                             |                              |
| If you completed line 6c, skip lines 8 and 9.                                                                                                                                                                                                                                                                                                               |                              |                             |                              |
| <b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....                                                                                                                                                                                                                                                          | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| <b>8</b> 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? .....                                                                                 | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |

|                 |                   |
|-----------------|-------------------|
| <b>Part III</b> | <b>Amendments</b> |
|-----------------|-------------------|

|                                                                                                                                                                                                                            |                                   |                                   |                               |                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------|
| <b>9</b> 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..... | <input type="checkbox"/> Increase | <input type="checkbox"/> Decrease | <input type="checkbox"/> Both | <input type="checkbox"/> No |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------|

|                |                                                                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part IV</b> | <b>ESOPs</b> (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. |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                              |                              |                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| <b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? .....                                                      | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>11 a</b> Does the ESOP hold any preferred stock? .....                                                                                                                                    | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>b</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.) ..... | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....                                                                               | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

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

Schedule R (Form 5500) 2018  
v. 171027

**Part V Additional Information for Multiemployer Defined Benefit Pension Plans**

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

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

**a** The current year .....

**b** The plan year immediately preceding the current plan year .....

**c** The second preceding plan year .....

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

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

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

**b** The corresponding number for the second preceding plan year .....

**15a****15b**

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

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

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

**16a****16b**

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

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

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

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

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

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

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

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

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

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



Blue & Co., LLC / 250 West Main Street, Suite 2900 / Lexington, KY 40507  
main 859.253.1100 fax 859.253.1384 email blue@blueandco.com

November 6, 2019

To the Plan Administrator  
Aventics Corporation 401(k) Plans

We have conducted a Department of Labor (DOL) limited-scope audit of the financial statements of the Aventics 401(k) Retirement Plan (the Plan) for the year ended December 31, 2018, and have issued our report thereon dated October 29, 2019. As permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3 to those financial statements. Because of the significance of the information that we did not audit, we are unable to, and have not, expressed an opinion on those financial statements and supplemental schedules taken as a whole. We did, however, audit the form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, in accordance with auditing standards generally accepted in the United States of America and found them to be presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

#### Our Responsibility under Auditing Standards Generally Accepted in the United States of America

As stated in our engagement letter dated April 25, 2019, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the consolidated financial statements are free of material misstatement.

As part of our audit, we will consider the internal control of the Plan. Such considerations will be solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters. Our audit of the financial statements does not relieve you or management of your responsibilities.

## **SIGNIFICANT AUDIT FINDINGS**

### *Qualitative Aspects of Accounting Principles*

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Plan are described in Note 2 to the financial statements. As discussed in Note 4 to the financial statements, effective January 1, 2018, the Plan early adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. No other new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Plan during the year for which there is a lack of authoritative guidance or consensus. We noted no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The following material misstatement detected as a result of audit procedures was corrected by management:

|                             | <b>Debit</b>   | <b>Credit</b>  |
|-----------------------------|----------------|----------------|
| EE Contributions Receivable |                | 252,058        |
| ER Contributions Receivable |                | 246,426        |
| Employee Contributions      | 252,058        |                |
| Employer Contributions      | 246,426        |                |
|                             | <u>498,484</u> | <u>498,484</u> |

The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial both individually and in the aggregate, to the financial statements as a whole.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated October 29, 2019.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Plan's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Plan's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

#### *Other Matters*

With respect to supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

## **INTERNAL CONTROL MATTERS**

Except as discussed in the following paragraph, in planning and performing our audit of the financial statements of the Plan as of and for the year ended December 31, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the Plan's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of issuing our report on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan's internal control.

We were engaged to perform a DOL limited-scope audit of those financial statements as permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under the ERISA. Our audit did not include all of the procedures required by auditing standards generally accepted in the United States of America and did not include a consideration of internal control relating to the information summarized in Note 3 to those financial statements. Because of the significance of the information that we did not audit, we were unable to, and did not, express an opinion on those financial statements.

Our consideration of internal control was for the limited purpose described in the first two preceding paragraphs and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Plans' financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in the Plan's internal control to be material weaknesses:

### **Preparation of Financial Statements**

We are required to give consideration to Plan management's ability to prepare financial statements and related note disclosures, as well as the oversight of the financial reporting process by those charged with governance. The Plan does not have in place controls that would assure the preparation of internal financial statements and related note disclosures in accordance with accounting principles generally accepted in the United States of America. Such preparation would require the ability to maintain appropriate technical knowledge, including the ability to research current and changing accounting standards as well as unique industry considerations.

As with many Plans, plan management engages the auditors to draft the financial statements and to perform the necessary steps to ensure the disclosures are complete. Once drafted, the financial statements are submitted to Plan management for approval. While this practice is common and

practical, we must inform those charged with governance that this must be considered a material weakness in internal control since the financial statement preparation cannot be performed in-house.

### **Operational Failures**

The following operational failures, when taken in combination, are considered to be material weaknesses:

#### Set-up of Withholding Percentages

During our audit, we tested participant deferrals by comparing the participants' elected deferral rates from Fidelity to the amount of withholdings used in the payroll system. It was noted that some of the participants selected for testing had elected a percentage of compensation for their withholdings that were never set up within the payroll system. Therefore, withholdings taken from payroll were not correct according to the participants' elections. Thus, employees are either having too much or too little withheld from what they had elected. We recommend that management review all employee elections to properly ensure that withholdings are calculated as the employees had intended. We also recommend management discuss this matter with their legal counsel to determine proper corrective action.

#### Calculation of Benefit Payments

During our audit, we noted that certain participants did not receive the correct amount of benefit payments based on the Plan's vesting schedule. We recommend the Plan correct these payments and established controls over benefit payment calculations to ensure correct amounts are paid and/or forfeited according to the terms in the Plan document.

#### Timely Remittance of Participant Deferrals

During our audit, it was noted that participant contributions and loan repayments were not consistently remitted to the trustee in a timely manner throughout 2018. DOL Regulation 2510.3-102 requires that participant contributions be remitted to the Plan on the earliest date on which they can be reasonably segregated from the company's general assets but in no event later than the 15<sup>th</sup> business day following the end of the month in which amounts are contributed by employees or withheld from their wages. Failure to remit participant contributions to the Plan in a timely manner results in prohibited transactions that must be separately reported to the DOL and may result in lost earnings for the Plan and penalties to the plan sponsor.

All Plan remittances during 2018 were made before the 15<sup>th</sup> business day of the month following the month in which they were withheld and management has determined there were no prohibited transactions; therefore, no prohibited transactions for 2018 were reported on the Plan's form 5500 filing. Management should be aware that the Plan's filings are subject to future review by the DOL and upon such review, the DOL may reach a difference conclusion regarding these remittances. Specifically, the DOL has recently focused on determining the earliest date on which contributions could be reasonably segregated from the plan sponsor's assets, and using the date as the threshold

when determining the timeliness of the remittances. This could result in further actions by the DOL including, but not limited to, an assessment of penalties to the Plan. We recommend that Plan management establish and implement procedures to ensure that participant contributions are consistently remitted on a timely basis.

#### Profit Sharing and Match Contributions

During our testing of eligibility, we noted certain newly hired employees who were eligible for profit sharing and match contributions, but did not begin receiving profit sharing and match contributions until up to three months after meeting eligibility requirements. We recommend that plan management implement policies and procedures to ensure that employees receive profit sharing and matching contributions promptly after meeting eligibility requirements. We further recommend management consult with their TPA to make any needed contributions to these participants' accounts.

#### Definition of Eligible Compensation for Employee Contribution Calculations

It was noted during our audit procedures that there was inconsistency in the application of the terms in the Plan document relating to the definition of eligible compensation for the purposes of calculating the employee's contribution and the employer's contribution. Participants in our sample made and received contributions on auto allowances, which is not included in the definition of compensation in the Plan document. We noted this error existed on all participants receiving auto allowance on the May 31, June 14, and June 28 payroll periods. We recommend that the Plan sponsor make appropriate plan corrections and uniformly train all personnel who work with the plan and review the setup of the payroll system to ensure payroll is consistent with the Plan document.

#### Year-end Adjustments for Discretionary Employer Matching Contributions

The provisions of the Plan provide for an Employer matching contribution to be made at the discretion of the Plan sponsor. The current provisions of the Plan state that the matching contribution will be made on the basis of eligible compensation and deferrals over the period of the Plan year to receive an allocation of the matching contribution. It is our understanding, however, that the contribution is currently being calculated and remitted for each pay period with no year-end "true-up" adjustment. We recommend that you calculate and remit a true-up contribution at year-end in order to be in compliance with Plan provisions.

We understand that management is in the process of pursuing a Voluntary Correction Program (VCP) submission to the IRS to correct the above operational failures. We recommend management determine and monitor any deadlines for the VCP submission to ensure it is filed in a timely manner.

To the Plan Administrator  
Aventics Corporation 401(k) Plans  
Page 7 of 7

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This communication is intended solely for the information and use of the Plan Administrator and management of the Aventics Corporation 401(k) Plans and is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate this opportunity to be of service and extend our thanks to everyone at the Company for their cooperation and assistance. We would be pleased to discuss any of the above matters with you at your convenience.

*Blue & Co., LLC*

**AVENTICS 401(K) RETIREMENT PLAN**

SUMMARY OF AUDIT DIFFERENCES

YEAR ENDED DECEMBER 31, 2018

---

**Current Year  
Over (Under)  
Statement**

**Statement of changes in net assets misstatements:**

|               |             |
|---------------|-------------|
| Contributions | \$ (29,131) |
|---------------|-------------|

|                                                 |             |
|-------------------------------------------------|-------------|
| Net change in net assets available for benefits | \$ (29,131) |
|-------------------------------------------------|-------------|

**Statement of net assets available for benefits misstatements:**

Net assets available for benefits:

|           |             |
|-----------|-------------|
| Beginning | \$ (50,647) |
|-----------|-------------|

|        |             |
|--------|-------------|
| Ending | \$ (79,778) |
|--------|-------------|

# **AVENTICS 401(K) RETIREMENT PLAN**

FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

AND

SUPPLEMENTAL SCHEDULES

DECEMBER 31, 2018

# AVENTICS 401(K) RETIREMENT PLAN

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Blue & Co., LLC / 250 West Main Street, Suite 2900 / Lexington, KY 40507  
main 859.253.1100 fax 859.253.1384 email blue@blueandco.com

## REPORT OF INDEPENDENT AUDITORS

To the Plan Administrator  
Aventics 401(k) Retirement Plan  
Lexington, Kentucky

We were engaged to audit the accompanying financial statements of Aventics 401(k) Retirement Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2018 and 2017, and the related statement of changes in net assets available for benefits for the year ended December 31, 2018, 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.

### Auditor's Responsibility

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

### Basis for Disclaimer of Opinion

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

### Disclaimer of Opinion

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

### Other Matter – Supplemental Schedule

The supplemental Schedule H, Line 4i – Schedule of Assets (Held at End of Year) and Schedule H, Line 4a – Schedule of Delinquent Participant Contributions as of and for the period ended December 31, 2018, are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on the supplemental schedules referred to above.

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

The form and content of the information included in the financial statements and the supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

*Blue & Co., LLC*

Lexington, Kentucky  
October 29, 2019

## AVENTICS 401(K) RETIREMENT PLAN

### STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS DECEMBER 31, 2018 AND 2017

---

|                                          | 2018                             | 2017                             |
|------------------------------------------|----------------------------------|----------------------------------|
|                                          | <hr/>                            | <hr/>                            |
| Investments, at fair value               | \$ 18,459,473                    | \$ 19,326,283                    |
| Receivables:                             |                                  |                                  |
| Participant contributions                | 8,130                            | 252,058                          |
| Employer contributions                   | 52,978                           | 246,426                          |
| Notes receivable from participants       | 365,607                          | 250,406                          |
| Total receivables                        | <hr/> 426,715 <hr/>              | <hr/> 748,890 <hr/>              |
| <b>Net assets available for benefits</b> | <hr/> <b>\$ 18,886,188</b> <hr/> | <hr/> <b>\$ 20,075,173</b> <hr/> |

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*See accompanying notes to the financial statements.*

## AVENTICS 401(K) RETIREMENT PLAN

### STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS YEAR ENDED DECEMBER 31, 2018

---

**Additions to net assets attributed to**

|                                                       |                  |
|-------------------------------------------------------|------------------|
| Interest and dividends                                | \$ 223,114       |
| Interest income on notes receivable from participants | 16,913           |
| Contributions:                                        |                  |
| Participant                                           | 1,592,718        |
| Employer                                              | 1,446,772        |
| Rollover                                              | <u>317,096</u>   |
| Total contributions                                   | <u>3,356,586</u> |
| Total additions                                       | 3,596,613        |

**Deductions from net assets attributed to**

|                                         |                  |
|-----------------------------------------|------------------|
| Net change in fair value of investments | 2,049,880        |
| Benefits paid to participants           | 2,708,757        |
| Administrative fees                     | <u>26,961</u>    |
| Total deductions                        | <u>4,785,598</u> |
| Net change                              | (1,188,985)      |

**Net assets available for plan benefits,  
beginning of year**20,075,173**Net assets available for plan benefits,  
end of year**\$ 18,886,188

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*See accompanying notes to the financial statements.*

# **AVENTICS 401(K) RETIREMENT PLAN**

## **NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017**

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### **1. DESCRIPTION OF PLAN**

The following description of the Aventics 401(k) Retirement Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

#### General:

The Plan is a defined contribution plan covering eligible employees of the Aventics Corporation (the Company). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Aventics Corporation 401(k) Plan for Bargaining Unit Employees was merged into the Plan effective December 1, 2017. Net assets available for benefits of \$4,867,341 were transferred to the Plan on the date of the merger. As a result of the merger, bargaining unit employees of the Company became eligible to participate in the Plan.

Ascensus Trust Company was the trustee of the Plan through December 1, 2017, the date when the Plan switched to Fidelity Management Trust Company. As part of the transition, the plan's name was changed from Rexroth Pneumatics 401(k) Retirement Plan to Aventics 401(k) Retirement Plan.

#### Eligibility:

Full-time employees may join the Plan on the first day of each month. Part-time employees must complete at least 1,000 hours of service to become eligible.

#### Contributions:

The Plan is funded by both pre-tax and Roth salary deductions and employer matching and profit sharing contributions. Newly eligible employees will be automatically enrolled in the Plan and will begin making pre-tax deferrals of 5% of their compensation with the exception of certain hourly employees and members of the International Brotherhood of Teamsters Local 651 to whom this provision does not apply. Participants may elect to defer up to 85% of their compensation up to Internal Revenue Code annual limits. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified employee benefit plans.

## AVENTICS 401(K) RETIREMENT PLAN

### NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

---

The plan sponsor makes discretionary matching contributions for all participants at a rate that is determined each year. In 2018, the employer matched up to 75% of the first 9% of eligible compensation contributed by the participant. Profit sharing contributions are determined by the participant's age and percent of the participant's compensation as shown in the table below:

| Age of participant as of<br>December 31 | Allocation rate |
|-----------------------------------------|-----------------|
| Under 30                                | 2.5%            |
| 30 to 34                                | 3.0%            |
| 35 to 39                                | 3.5%            |
| 40 to 44                                | 4.0%            |
| 45 to 49                                | 4.5%            |
| 50 to 54                                | 5.0%            |
| 55 to 59                                | 5.5%            |
| 60 to 64                                | 6.0%            |
| 65 and older                            | 6.5%            |

#### Investment Options:

Participants may, upon enrollment in the Plan, elect to invest their contributions and the employer contributions in various investment options currently offered by the Plan. The Plan currently offers approximately twenty core investment funds inclusive of mutual funds and common/collective trusts. Periodic transfers among funds of certain accumulated account balances and directions of future employee deferral and employer contributions are permitted.

#### Participant Accounts:

Each participant's account is credited with the participant's contributions and allocations of (a) the employer's contribution, and (b) Plan earnings (losses), and charged with the participant's withdrawals and an allocation of administrative expenses. Allocations of the employer's contributions are based upon participant earnings or account balances, as defined in the Plan's provisions. Allocations of Plan earnings are based on the specific investment performance of each participant's investment account. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

#### Vesting:

Participants are immediately 100% vested in their contributions plus actual earnings thereon. With the exception of certain classes of employees who transferred from the Aventics Corporation 401(k) Plan for Bargaining Unit Employees, vesting in the Company's contribution portion of their accounts plus actual earnings thereon is based on years of continuous service as outlined in the following table:

## AVENTICS 401(K) RETIREMENT PLAN

### NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

---

| Years of service  | Percent of<br>non-forfeitable interest |
|-------------------|----------------------------------------|
| Less than 3 years | 0%                                     |
| 3 years or more   | 100%                                   |

#### Notes Receivable from Participants:

Participants may borrow from their accounts up to the lesser of one-half (50%) of their vested account balance, or \$50,000 (subject to certain limitations as defined in the Plan document). The minimum loan is \$1,000. Participants may only have one outstanding loan at any time. Loan transactions are treated as a transfer to (from) the investment fund from (to) the Participant Loan Fund. Loan terms generally range from one to five years. The loans are secured by the balance in the participant's account and bear interest at 4.25%-6.25%. Principal and interest are paid ratably through payroll deductions.

#### Payment of Benefits:

Upon termination of service due to death, disability, retirement, or termination of employment, or attainment of age 59 ½, a participant or participant's beneficiary (in the event of a participant's death) may elect to receive the entire value of his or her account in a lump sum payment, annual or installments, or a rollover into an Individual Retirement Account (IRA) or the participant's new employer's qualified plan if it accepts rollovers.

In the event of financial hardship, the employer may allow a participant to withdraw from his or her account. The amount may not exceed the amount contributed by the participant, or the participant contribution account, if less. Employee deferral contributions to the Plan, and any other employer-sponsored matching contributions, are suspended for six months after a participant receives a hardship withdrawal.

#### Forfeitures:

Forfeited balances of terminated participants' nonvested accounts are used towards future Company contributions or plan fees. At December 31, 2018 and 2017, there were approximately \$104,000 and \$58,000 of forfeited nonvested accounts, respectively. Forfeitures of approximately \$97,000 were used to reduce employer contributions for the year ended December 31, 2018.

# AVENTICS 401(K) RETIREMENT PLAN

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Plan is presented to assist in the understanding of the Plan's financial statements. The financial statements and notes are representations of the Plan's management who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the accompanying financial statements.

#### Basis of Accounting:

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

#### Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Accordingly, actual results may differ from those estimates.

#### Investment Valuation and Income Recognition:

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

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

#### Notes Receivable from Participants:

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2018. Delinquent participant loans are reclassified as distributions based on the terms of the Plan document.

#### Payment of Benefits:

Benefits are recorded when paid.

# AVENTICS 401(K) RETIREMENT PLAN

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

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### Administrative Expenses:

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Additionally, the Plan is not charged for accounting and administrative services performed on its behalf by the Company. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included as a reduction of the return earned on each fund.

### Subsequent Events:

The Plan has evaluated subsequent events through the date the financial statements were available to be issued, which is October 29, 2019.

## **3. INFORMATION CERTIFIED BY THE PLAN'S TRUSTEES**

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Fidelity Management Trust Company, the trustee of the Plan, has certified to the completeness and accuracy of all investments reflected on the accompanying statements of net assets available for benefits as of December 31, 2018 and 2017, and the related investment activity reflected in the statement of changes in net assets available for benefits for the year ended December 31, 2018.

## **4. FAIR VALUE MEASUREMENTS**

Effective January 1, 2018, the Plan early adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. The amendments in this ASU removed certain disclosure requirements in Topic 820. As such, the fair value measurement disclosures for 2017 have been restated for these changes.

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

|         |                                                                                                                                                                 |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access. |
| Level 2 | Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or |

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## AVENTICS 401(K) RETIREMENT PLAN

### NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

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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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2018 and 2017.

*Mutual funds:*

Valued at the daily closing price as reported by the fund. Funds held by the Plan are open-end funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The funds held by the Plan are deemed to be actively traded.

*Common/collective trust funds:*

Public investment securities valued using the net asset value (NAV) provided by the respective investment manager via audited financial statements of the funds. The NAV is quoted on a private market that is not active; however, the unit price is based on underlying investments which are traded on an active market. The investment strategies of the common/collective trust vary based on investment objectives of the asset class of which they are a part. Such strategies include investments in equity securities for long-term capital appreciation, investment portfolios that replicate fixed income, and investments that follow an asset allocation glide path to offer an appropriate level of exposure to risk and return as investors progress toward retirement.

*Stable value fund:*

This consists of the Goldman Sachs Stable Value Investor Series Class 1 Fund, which is a common collective trust fund and is considered to be a stable value fund with the underlying investments in insurance contracts. This guarantees that participant-

# AVENTICS 401(K) RETIREMENT PLAN

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

initiated withdrawals from the fund will be covered at contract value. The net asset value is used as a practical expedient to estimate fair value. This practical expedient would not be used if it is determined to be probable that the fund will sell the investment for an amount different from the reported net asset value. Participant transactions (purchases and sales) may occur daily. If the Plan initiates a full redemption of the collective trust, the issuer reserves the right to require 12 months' notification in order to ensure that securities liquidations will be carried out in an orderly business manner.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the 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 following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2018 and 2017:

| December 31, 2018                            |                      |                     |               |               |
|----------------------------------------------|----------------------|---------------------|---------------|---------------|
|                                              | Fair Value           | Level 1             | Level 2       | Level 3       |
| Mutual funds                                 | \$ 3,365,332         | \$ 3,365,332        | \$ -0-        | \$ -0-        |
| Total assets in the fair value hierarchy     | 3,365,332            | 3,365,332           | -0-           | -0-           |
| Stable value fund <sup>(a)</sup>             | 1,682,805            | -0-                 | -0-           | -0-           |
| Common/collective trust funds <sup>(a)</sup> | 13,411,336           | -0-                 | -0-           | -0-           |
| Total investments, at fair value             | <u>\$ 18,459,473</u> | <u>\$ 3,365,332</u> | <u>\$ -0-</u> | <u>\$ -0-</u> |
| December 31, 2017                            |                      |                     |               |               |
|                                              | Fair Value           | Level 1             | Level 2       | Level 3       |
| Mutual funds                                 | \$ 1,160,376         | \$ 1,160,376        | \$ -0-        | \$ -0-        |
| Total assets in the fair value hierarchy     | 1,160,376            | 1,160,376           | -0-           | -0-           |
| Stable value fund <sup>(a)</sup>             | 57,706               | -0-                 | -0-           | -0-           |
| Common/collective trust funds <sup>(a)</sup> | 18,108,201           | -0-                 | -0-           | -0-           |
| Total investments, at fair value             | <u>\$ 19,326,283</u> | <u>\$ 1,160,376</u> | <u>\$ -0-</u> | <u>\$ -0-</u> |

(a) In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts present in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented at fair value in the statements of net assets available for benefits.

# AVENTICS 401(K) RETIREMENT PLAN

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

### Investments Measured Using the Net Asset Value per Share Practical Expedient:

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient as of December 31, 2018 and 2017. There are no participant redemption restrictions for these investments; the redemption notice period is applicable only to the Plan.

| December 31, 2018                                  | Fair Value   | Unfunded<br>Commitments | Redemption<br>Frequency (if<br>currently<br>eligible) | Redemption<br>Notice Period |
|----------------------------------------------------|--------------|-------------------------|-------------------------------------------------------|-----------------------------|
| Collective trust fund -                            |              |                         |                                                       |                             |
| Goldman Sachs Stable Value Investor Series Class 1 | \$ 1,682,805 | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Multi-Asset Income Fund          | 377,845      | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2020                  | 2,137,445    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2025                  | 3,572,472    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2030                  | 2,040,041    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2035                  | 1,694,750    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2040                  | 1,299,916    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2045                  | 1,066,820    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2050                  | 372,434      | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2055                  | 849,613      | None                    | Daily                                                 | None                        |
| December 31, 2017                                  | Fair Value   | Unfunded<br>Commitments | Redemption<br>Frequency (if<br>currently<br>eligible) | Redemption<br>Notice Period |
| Collective trust fund -                            |              |                         |                                                       |                             |
| Goldman Sachs Stable Value Investor Series Class 1 | \$ 57,706    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Multi-Asset Income Fund          | 1,381,968    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2020                  | 3,829,047    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2025                  | 4,783,452    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2030                  | 2,396,010    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2035                  | 2,528,122    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2040                  | 982,018      | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2045                  | 1,197,342    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2050                  | 162,394      | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2055                  | 847,848      | None                    | Daily                                                 | None                        |

## **AVENTICS 401(K) RETIREMENT PLAN**

### **NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017**

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#### **5. EXEMPT PARTIES-IN-INTEREST TRANSACTIONS**

Notes receivable from participants qualify as exempt party-in-interest transactions. Fidelity Management Trust Company served as trustee for the Plan and, therefore, transactions with the trustee qualify as party-in-interest transactions. Avondale Partners provides advisory consulting services for the Plan. Blue & Co., LLC serves as the auditor for the Plan. Certain operating expenses of the Plan are paid by the Plan sponsor including fees for the Plan's advisory services and audit fees.

#### **6. NONEXEMPT PARTIES-IN-INTEREST TRANSACTIONS**

During 2017, the Company failed to remit contributions totaling \$163,077 in a timely manner, as defined by ERISA. The delay in remitting the contributions to the trustee was due to an administrative error, and the Plan sponsor agreed to credit the participant's account with the amount of the participant's withheld contributions and investment income that would have been earned had the participant's contributions been remitted on a timely basis. As of December 31, 2018, all employee contributions have been remitted to the Plan, but the Company is in the process of finalizing lost earnings.

#### **7. VOLUNTARY CORRECTION PROGRAM**

The Company has decided to file a Voluntary Correction Program ("VCP") submission to the IRS to address various operational failures. Issues to be included in the VCP submission are (a) failure to start employer contributions timely for new hires; (b) failure to properly calculate employer contributions; (c) failure to remit withheld participant contributions along with related employer contributions to the Plan; (d) failure to properly apply vesting provisions of the Plan document; (e) failure to properly implement participants' elected deferral percentages; and (f) failure to properly apply the Plan's definition of eligible compensation in the calculation of employee deferrals and related employer contributions. The Plan administrator does not expect the VCP submission to affect the Plan's qualified tax status.

In the aggregate, these items have a material impact on the Plan's net assets available for benefits. Accordingly, the Plan has recorded receivables totaling \$71,352 as of December 31, 2018.

## AVENTICS 401(K) RETIREMENT PLAN

### NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

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#### 8. TAX STATUS

The Plan is designed as a volume submitter profit sharing plan administered by Fidelity Management Trust Company. Although the Plan has not obtained a favorable determination letter from the Internal Revenue Service (IRS), the prototype plan has received a favorable opinion letter dated March 31, 2014 from the IRS. The Plan has been amended since receiving the opinion letter. The Plan administrator believes the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code and, therefore, no provision for income taxes has been made in the Plan's financial statements as of December 31, 2018 and 2017.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability if the plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the plan, and has concluded that as of December 31, 2018 and 2017, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2015.

#### 9. RISKS AND UNCERTAINTIES

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

#### 10. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

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

|                                                                |                      |
|----------------------------------------------------------------|----------------------|
| Net assets available for benefits per the financial statements | \$ 18,886,188        |
| Employer contributions receivable                              | (52,978)             |
| Employee contributions receivable                              | (8,130)              |
| Deemed distributed loans                                       | (4,135)              |
| Net assets available for benefits per the Form 5500            | <u>\$ 18,820,945</u> |

## AVENTICS 401(K) RETIREMENT PLAN

### NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

---

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

|                                                                          |    |                    |
|--------------------------------------------------------------------------|----|--------------------|
| Change in net assets available for benefits per the financial statements | \$ | (1,188,985)        |
| Employer contributions receivable                                        |    | (52,978)           |
| Employee contributions receivable                                        |    | (8,130)            |
| Deemed distributed loans                                                 |    | (4,135)            |
| Change in net assets available for benefits per the Form 5500            | \$ | <u>(1,254,228)</u> |

#### 11. PLAN TERMINATION

The Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of termination of the Plan, participants will be entitled to 100% of the value of their accounts.

In the event of any merger or consolidation of the Plan with, or transfer of assets of the Plan to any other Plan, each participant's account, immediately after such event, would equal the market value of the account prior to such event.

In 2019, the Company has elected to terminate the Plan and all assets will be transferred to Vanguard with the liquidation date scheduled to occur on December 31, 2019. The Plan assets will be transferred into another plan, which is under the administration of Emerson, the parent of the Company.

## SUPPLEMENTAL SCHEDULES

# AVENTICS 401(K) RETIREMENT PLAN

## SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR) DECEMBER 31, 2018

| (a) | (b)                                                          | (c)                                                                                                              | (d)  | (e)                  |
|-----|--------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|------|----------------------|
|     | Identity of issuer, borrower, lessor, or similar party       | Description of Investment<br>including maturity date, rate<br>of interest, collateral, par, or<br>maturity value | Cost | Current Value        |
|     | AllianzGI Dynamic Retirement 2025                            | Common/collective trust                                                                                          | **   | \$ 3,572,472         |
|     | AllianzGI Dynamic Retirement 2020                            | Common/collective trust                                                                                          | **   | 2,137,445            |
|     | AllianzGI Dynamic Retirement 2030                            | Common/collective trust                                                                                          | **   | 2,040,041            |
|     | AllianzGI Dynamic Retirement 2035                            | Common/collective trust                                                                                          | **   | 1,694,750            |
|     | Goldman Sachs Stable Value Investor Series Class 1           | Common/collective trust                                                                                          | **   | 1,682,805            |
|     | AllianzGI Dynamic Retirement 2040                            | Common/collective trust                                                                                          | **   | 1,299,916            |
|     | AllianzGI Dynamic Retirement 2045                            | Common/collective trust                                                                                          | **   | 1,066,820            |
|     | AllianzGI Dynamic Retirement 2055                            | Common/collective trust                                                                                          | **   | 849,613              |
|     | AllianzGI Dynamic Multi-Asset Income Fund                    | Common/collective trust                                                                                          | **   | 377,845              |
|     | AllianzGI Dynamic Retirement 2050                            | Common/collective trust                                                                                          | **   | 372,434              |
|     | William Blair Small-Mid Cap Growth Fund Class I              | Mutual fund                                                                                                      | **   | 764,582              |
|     | ClearBridge Large Cap Growth Fund Class 1                    | Mutual fund                                                                                                      | **   | 701,165              |
| *   | Fidelity Mid Cap Index Fund                                  | Mutual fund                                                                                                      | **   | 640,468              |
| *   | Fidelity Small Cap Index Fund                                | Mutual fund                                                                                                      | **   | 451,950              |
| *   | Fidelity Total Market Index Fund                             | Mutual fund                                                                                                      | **   | 376,981              |
|     | PGIM Total Return Bond Class Fund - Class R6                 | Mutual fund                                                                                                      | **   | 113,587              |
|     | AllianzGI Emerging Markets Opportunities Fund Inst. Class    | Mutual fund                                                                                                      | **   | 108,579              |
|     | Vanguard Total International Stock Index Fund Admiral Shares | Mutual fund                                                                                                      | **   | 102,258              |
| *   | Fidelity Real Estate Index Fund                              | Mutual fund                                                                                                      | **   | 31,898               |
|     | Janus Henderson Global Equity Inceom Fund Class 1            | Mutual fund                                                                                                      | **   | 30,814               |
|     | Transamerica Internation Equity I                            | Mutual fund                                                                                                      | **   | 29,993               |
|     | John Hancock Funds Strategic Income Opportunities Fund       | Mutual fund                                                                                                      | **   | 13,057               |
| *   | Loans to participants (1-30 years)                           | Interest rates are 4.25%-6.25%                                                                                   | -0-  | 365,607              |
|     |                                                              |                                                                                                                  |      | <u>\$ 18,825,080</u> |

\*A party-in-interest as defined by ERISA.

\*\* Cost omitted for participant directed investments.

Plan Sponsor Employer Identification Number (EIN): 46-1763108

Plan number: 001

See report of independent auditors.

# AVENTICS 401(K) RETIREMENT PLAN

## SCHEDULE H, LINE 4a - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS DECEMBER 31, 2018

| Participant contributions transferred late to the Plan         | Total that constitutes nonexempt prohibited transactions |                                      |                                          |                                                  |
|----------------------------------------------------------------|----------------------------------------------------------|--------------------------------------|------------------------------------------|--------------------------------------------------|
| Check here if late participant loan repayments are included:   | Contributions not corrected                              | Contributions corrected outside VFCP | Contributions pending correction in VFCP | Total fully corrected under VFCP and PTE 2002-51 |
| Participant contributions and loan repayments by payroll date: |                                                          |                                      |                                          |                                                  |
| April 8, 2015                                                  | \$ 8,130                                                 | \$ -0-                               | \$ -0-                                   | \$ -0-                                           |
| November 2, 2017                                               | 47,519 *                                                 | -0-                                  | -0-                                      | -0-                                              |
| November 9, 2017                                               | 6,413 *                                                  | -0-                                  | -0-                                      | -0-                                              |
| November 16, 2017                                              | 50,857 *                                                 | -0-                                  | -0-                                      | -0-                                              |
| November 22, 2017                                              | 6,602 *                                                  | -0-                                  | -0-                                      | -0-                                              |
| November 30, 2017                                              | 51,686 *                                                 | -0-                                  | -0-                                      | -0-                                              |
|                                                                | <u>\$ 171,207</u>                                        | <u>\$ -0-</u>                        | <u>\$ -0-</u>                            | <u>\$ -0-</u>                                    |

\* All participant contributions have been remitted to the Plan. The Plan sponsor is in the process of finalizing lost earnings.

Plan Sponsor Employer Identification Number (EIN): 46-1763108  
Plan number: 001

# **AVENTICS 401(K) RETIREMENT PLAN**

FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

AND

SUPPLEMENTAL SCHEDULES

DECEMBER 31, 2018

# AVENTICS 401(K) RETIREMENT PLAN

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main 859.253.1100 fax 859.253.1384 email blue@blueandco.com

## REPORT OF INDEPENDENT AUDITORS

To the Plan Administrator  
Aventics 401(k) Retirement Plan  
Lexington, Kentucky

We were engaged to audit the accompanying financial statements of Aventics 401(k) Retirement Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2018 and 2017, and the related statement of changes in net assets available for benefits for the year ended December 31, 2018, 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.

### Auditor's Responsibility

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

### Basis for Disclaimer of Opinion

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

### Disclaimer of Opinion

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

### Other Matter – Supplemental Schedule

The supplemental Schedule H, Line 4i – Schedule of Assets (Held at End of Year) and Schedule H, Line 4a – Schedule of Delinquent Participant Contributions as of and for the period ended December 31, 2018, are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on the supplemental schedules referred to above.

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

The form and content of the information included in the financial statements and the supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

*Blue & Co., LLC*

Lexington, Kentucky  
October 29, 2019

## AVENTICS 401(K) RETIREMENT PLAN

### STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS DECEMBER 31, 2018 AND 2017

---

|                                          | 2018                             | 2017                             |
|------------------------------------------|----------------------------------|----------------------------------|
|                                          | <hr/>                            | <hr/>                            |
| Investments, at fair value               | \$ 18,459,473                    | \$ 19,326,283                    |
| Receivables:                             |                                  |                                  |
| Participant contributions                | 8,130                            | 252,058                          |
| Employer contributions                   | 52,978                           | 246,426                          |
| Notes receivable from participants       | 365,607                          | 250,406                          |
| Total receivables                        | <hr/> 426,715 <hr/>              | <hr/> 748,890 <hr/>              |
| <b>Net assets available for benefits</b> | <hr/> <b>\$ 18,886,188</b> <hr/> | <hr/> <b>\$ 20,075,173</b> <hr/> |

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*See accompanying notes to the financial statements.*

## AVENTICS 401(K) RETIREMENT PLAN

### STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS YEAR ENDED DECEMBER 31, 2018

---

**Additions to net assets attributed to**

|                                                       |                  |
|-------------------------------------------------------|------------------|
| Interest and dividends                                | \$ 223,114       |
| Interest income on notes receivable from participants | 16,913           |
| Contributions:                                        |                  |
| Participant                                           | 1,592,718        |
| Employer                                              | 1,446,772        |
| Rollover                                              | <u>317,096</u>   |
| Total contributions                                   | <u>3,356,586</u> |
| Total additions                                       | 3,596,613        |

**Deductions from net assets attributed to**

|                                         |                  |
|-----------------------------------------|------------------|
| Net change in fair value of investments | 2,049,880        |
| Benefits paid to participants           | 2,708,757        |
| Administrative fees                     | <u>26,961</u>    |
| Total deductions                        | <u>4,785,598</u> |
| Net change                              | (1,188,985)      |

**Net assets available for plan benefits,  
beginning of year**20,075,173**Net assets available for plan benefits,  
end of year**\$ 18,886,188

---

*See accompanying notes to the financial statements.*

# AVENTICS 401(K) RETIREMENT PLAN

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

---

### 1. DESCRIPTION OF PLAN

The following description of the Aventics 401(k) Retirement Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

#### General:

The Plan is a defined contribution plan covering eligible employees of the Aventics Corporation (the Company). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Aventics Corporation 401(k) Plan for Bargaining Unit Employees was merged into the Plan effective December 1, 2017. Net assets available for benefits of \$4,867,341 were transferred to the Plan on the date of the merger. As a result of the merger, bargaining unit employees of the Company became eligible to participate in the Plan.

Ascensus Trust Company was the trustee of the Plan through December 1, 2017, the date when the Plan switched to Fidelity Management Trust Company. As part of the transition, the plan's name was changed from Rexroth Pneumatics 401(k) Retirement Plan to Aventics 401(k) Retirement Plan.

#### Eligibility:

Full-time employees may join the Plan on the first day of each month. Part-time employees must complete at least 1,000 hours of service to become eligible.

#### Contributions:

The Plan is funded by both pre-tax and Roth salary deductions and employer matching and profit sharing contributions. Newly eligible employees will be automatically enrolled in the Plan and will begin making pre-tax deferrals of 5% of their compensation with the exception of certain hourly employees and members of the International Brotherhood of Teamsters Local 651 to whom this provision does not apply. Participants may elect to defer up to 85% of their compensation up to Internal Revenue Code annual limits. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified employee benefit plans.

## AVENTICS 401(K) RETIREMENT PLAN

### NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

---

The plan sponsor makes discretionary matching contributions for all participants at a rate that is determined each year. In 2018, the employer matched up to 75% of the first 9% of eligible compensation contributed by the participant. Profit sharing contributions are determined by the participant's age and percent of the participant's compensation as shown in the table below:

| Age of participant as of<br>December 31 | Allocation rate |
|-----------------------------------------|-----------------|
| Under 30                                | 2.5%            |
| 30 to 34                                | 3.0%            |
| 35 to 39                                | 3.5%            |
| 40 to 44                                | 4.0%            |
| 45 to 49                                | 4.5%            |
| 50 to 54                                | 5.0%            |
| 55 to 59                                | 5.5%            |
| 60 to 64                                | 6.0%            |
| 65 and older                            | 6.5%            |

#### Investment Options:

Participants may, upon enrollment in the Plan, elect to invest their contributions and the employer contributions in various investment options currently offered by the Plan. The Plan currently offers approximately twenty core investment funds inclusive of mutual funds and common/collective trusts. Periodic transfers among funds of certain accumulated account balances and directions of future employee deferral and employer contributions are permitted.

#### Participant Accounts:

Each participant's account is credited with the participant's contributions and allocations of (a) the employer's contribution, and (b) Plan earnings (losses), and charged with the participant's withdrawals and an allocation of administrative expenses. Allocations of the employer's contributions are based upon participant earnings or account balances, as defined in the Plan's provisions. Allocations of Plan earnings are based on the specific investment performance of each participant's investment account. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

#### Vesting:

Participants are immediately 100% vested in their contributions plus actual earnings thereon. With the exception of certain classes of employees who transferred from the Aventics Corporation 401(k) Plan for Bargaining Unit Employees, vesting in the Company's contribution portion of their accounts plus actual earnings thereon is based on years of continuous service as outlined in the following table:

## AVENTICS 401(K) RETIREMENT PLAN

### NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

---

| Years of service  | Percent of<br>non-forfeitable interest |
|-------------------|----------------------------------------|
| Less than 3 years | 0%                                     |
| 3 years or more   | 100%                                   |

#### Notes Receivable from Participants:

Participants may borrow from their accounts up to the lesser of one-half (50%) of their vested account balance, or \$50,000 (subject to certain limitations as defined in the Plan document). The minimum loan is \$1,000. Participants may only have one outstanding loan at any time. Loan transactions are treated as a transfer to (from) the investment fund from (to) the Participant Loan Fund. Loan terms generally range from one to five years. The loans are secured by the balance in the participant's account and bear interest at 4.25%-6.25%. Principal and interest are paid ratably through payroll deductions.

#### Payment of Benefits:

Upon termination of service due to death, disability, retirement, or termination of employment, or attainment of age 59 ½, a participant or participant's beneficiary (in the event of a participant's death) may elect to receive the entire value of his or her account in a lump sum payment, annual or installments, or a rollover into an Individual Retirement Account (IRA) or the participant's new employer's qualified plan if it accepts rollovers.

In the event of financial hardship, the employer may allow a participant to withdraw from his or her account. The amount may not exceed the amount contributed by the participant, or the participant contribution account, if less. Employee deferral contributions to the Plan, and any other employer-sponsored matching contributions, are suspended for six months after a participant receives a hardship withdrawal.

#### Forfeitures:

Forfeited balances of terminated participants' nonvested accounts are used towards future Company contributions or plan fees. At December 31, 2018 and 2017, there were approximately \$104,000 and \$58,000 of forfeited nonvested accounts, respectively. Forfeitures of approximately \$97,000 were used to reduce employer contributions for the year ended December 31, 2018.

# AVENTICS 401(K) RETIREMENT PLAN

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Plan is presented to assist in the understanding of the Plan's financial statements. The financial statements and notes are representations of the Plan's management who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the accompanying financial statements.

#### Basis of Accounting:

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

#### Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Accordingly, actual results may differ from those estimates.

#### Investment Valuation and Income Recognition:

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

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

#### Notes Receivable from Participants:

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2018. Delinquent participant loans are reclassified as distributions based on the terms of the Plan document.

#### Payment of Benefits:

Benefits are recorded when paid.

# AVENTICS 401(K) RETIREMENT PLAN

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

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### Administrative Expenses:

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Additionally, the Plan is not charged for accounting and administrative services performed on its behalf by the Company. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included as a reduction of the return earned on each fund.

### Subsequent Events:

The Plan has evaluated subsequent events through the date the financial statements were available to be issued, which is October 29, 2019.

## **3. INFORMATION CERTIFIED BY THE PLAN'S TRUSTEES**

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Fidelity Management Trust Company, the trustee of the Plan, has certified to the completeness and accuracy of all investments reflected on the accompanying statements of net assets available for benefits as of December 31, 2018 and 2017, and the related investment activity reflected in the statement of changes in net assets available for benefits for the year ended December 31, 2018.

## **4. FAIR VALUE MEASUREMENTS**

Effective January 1, 2018, the Plan early adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. The amendments in this ASU removed certain disclosure requirements in Topic 820. As such, the fair value measurement disclosures for 2017 have been restated for these changes.

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

|         |                                                                                                                                                                 |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access. |
| Level 2 | Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or |

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## AVENTICS 401(K) RETIREMENT PLAN

### NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

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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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2018 and 2017.

*Mutual funds:*

Valued at the daily closing price as reported by the fund. Funds held by the Plan are open-end funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The funds held by the Plan are deemed to be actively traded.

*Common/collective trust funds:*

Public investment securities valued using the net asset value (NAV) provided by the respective investment manager via audited financial statements of the funds. The NAV is quoted on a private market that is not active; however, the unit price is based on underlying investments which are traded on an active market. The investment strategies of the common/collective trust vary based on investment objectives of the asset class of which they are a part. Such strategies include investments in equity securities for long-term capital appreciation, investment portfolios that replicate fixed income, and investments that follow an asset allocation glide path to offer an appropriate level of exposure to risk and return as investors progress toward retirement.

*Stable value fund:*

This consists of the Goldman Sachs Stable Value Investor Series Class 1 Fund, which is a common collective trust fund and is considered to be a stable value fund with the underlying investments in insurance contracts. This guarantees that participant-

# AVENTICS 401(K) RETIREMENT PLAN

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

initiated withdrawals from the fund will be covered at contract value. The net asset value is used as a practical expedient to estimate fair value. This practical expedient would not be used if it is determined to be probable that the fund will sell the investment for an amount different from the reported net asset value. Participant transactions (purchases and sales) may occur daily. If the Plan initiates a full redemption of the collective trust, the issuer reserves the right to require 12 months' notification in order to ensure that securities liquidations will be carried out in an orderly business manner.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the 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 following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2018 and 2017:

| December 31, 2018                            |                      |                     |               |               |
|----------------------------------------------|----------------------|---------------------|---------------|---------------|
|                                              | Fair Value           | Level 1             | Level 2       | Level 3       |
| Mutual funds                                 | \$ 3,365,332         | \$ 3,365,332        | \$ -0-        | \$ -0-        |
| Total assets in the fair value hierarchy     | 3,365,332            | 3,365,332           | -0-           | -0-           |
| Stable value fund <sup>(a)</sup>             | 1,682,805            | -0-                 | -0-           | -0-           |
| Common/collective trust funds <sup>(a)</sup> | 13,411,336           | -0-                 | -0-           | -0-           |
| Total investments, at fair value             | <u>\$ 18,459,473</u> | <u>\$ 3,365,332</u> | <u>\$ -0-</u> | <u>\$ -0-</u> |
| December 31, 2017                            |                      |                     |               |               |
|                                              | Fair Value           | Level 1             | Level 2       | Level 3       |
| Mutual funds                                 | \$ 1,160,376         | \$ 1,160,376        | \$ -0-        | \$ -0-        |
| Total assets in the fair value hierarchy     | 1,160,376            | 1,160,376           | -0-           | -0-           |
| Stable value fund <sup>(a)</sup>             | 57,706               | -0-                 | -0-           | -0-           |
| Common/collective trust funds <sup>(a)</sup> | 18,108,201           | -0-                 | -0-           | -0-           |
| Total investments, at fair value             | <u>\$ 19,326,283</u> | <u>\$ 1,160,376</u> | <u>\$ -0-</u> | <u>\$ -0-</u> |

(a) In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts present in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented at fair value in the statements of net assets available for benefits.

# AVENTICS 401(K) RETIREMENT PLAN

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

### Investments Measured Using the Net Asset Value per Share Practical Expedient:

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient as of December 31, 2018 and 2017. There are no participant redemption restrictions for these investments; the redemption notice period is applicable only to the Plan.

| December 31, 2018                                  | Fair Value   | Unfunded<br>Commitments | Redemption<br>Frequency (if<br>currently<br>eligible) | Redemption<br>Notice Period |
|----------------------------------------------------|--------------|-------------------------|-------------------------------------------------------|-----------------------------|
| Collective trust fund -                            |              |                         |                                                       |                             |
| Goldman Sachs Stable Value Investor Series Class 1 | \$ 1,682,805 | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Multi-Asset Income Fund          | 377,845      | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2020                  | 2,137,445    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2025                  | 3,572,472    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2030                  | 2,040,041    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2035                  | 1,694,750    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2040                  | 1,299,916    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2045                  | 1,066,820    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2050                  | 372,434      | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2055                  | 849,613      | None                    | Daily                                                 | None                        |
| December 31, 2017                                  | Fair Value   | Unfunded<br>Commitments | Redemption<br>Frequency (if<br>currently<br>eligible) | Redemption<br>Notice Period |
| Collective trust fund -                            |              |                         |                                                       |                             |
| Goldman Sachs Stable Value Investor Series Class 1 | \$ 57,706    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Multi-Asset Income Fund          | 1,381,968    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2020                  | 3,829,047    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2025                  | 4,783,452    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2030                  | 2,396,010    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2035                  | 2,528,122    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2040                  | 982,018      | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2045                  | 1,197,342    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2050                  | 162,394      | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2055                  | 847,848      | None                    | Daily                                                 | None                        |

## **AVENTICS 401(K) RETIREMENT PLAN**

### **NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017**

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#### **5. EXEMPT PARTIES-IN-INTEREST TRANSACTIONS**

Notes receivable from participants qualify as exempt party-in-interest transactions. Fidelity Management Trust Company served as trustee for the Plan and, therefore, transactions with the trustee qualify as party-in-interest transactions. Avondale Partners provides advisory consulting services for the Plan. Blue & Co., LLC serves as the auditor for the Plan. Certain operating expenses of the Plan are paid by the Plan sponsor including fees for the Plan's advisory services and audit fees.

#### **6. NONEXEMPT PARTIES-IN-INTEREST TRANSACTIONS**

During 2017, the Company failed to remit contributions totaling \$163,077 in a timely manner, as defined by ERISA. The delay in remitting the contributions to the trustee was due to an administrative error, and the Plan sponsor agreed to credit the participant's account with the amount of the participant's withheld contributions and investment income that would have been earned had the participant's contributions been remitted on a timely basis. As of December 31, 2018, all employee contributions have been remitted to the Plan, but the Company is in the process of finalizing lost earnings.

#### **7. VOLUNTARY CORRECTION PROGRAM**

The Company has decided to file a Voluntary Correction Program ("VCP") submission to the IRS to address various operational failures. Issues to be included in the VCP submission are (a) failure to start employer contributions timely for new hires; (b) failure to properly calculate employer contributions; (c) failure to remit withheld participant contributions along with related employer contributions to the Plan; (d) failure to properly apply vesting provisions of the Plan document; (e) failure to properly implement participants' elected deferral percentages; and (f) failure to properly apply the Plan's definition of eligible compensation in the calculation of employee deferrals and related employer contributions. The Plan administrator does not expect the VCP submission to affect the Plan's qualified tax status.

In the aggregate, these items have a material impact on the Plan's net assets available for benefits. Accordingly, the Plan has recorded receivables totaling \$71,352 as of December 31, 2018.

# AVENTICS 401(K) RETIREMENT PLAN

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

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### 8. TAX STATUS

The Plan is designed as a volume submitter profit sharing plan administered by Fidelity Management Trust Company. Although the Plan has not obtained a favorable determination letter from the Internal Revenue Service (IRS), the prototype plan has received a favorable opinion letter dated March 31, 2014 from the IRS. The Plan has been amended since receiving the opinion letter. The Plan administrator believes the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code and, therefore, no provision for income taxes has been made in the Plan's financial statements as of December 31, 2018 and 2017.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability if the plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the plan, and has concluded that as of December 31, 2018 and 2017, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2015.

### 9. RISKS AND UNCERTAINTIES

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

### 10. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

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

|                                                                |                      |
|----------------------------------------------------------------|----------------------|
| Net assets available for benefits per the financial statements | \$ 18,886,188        |
| Employer contributions receivable                              | (52,978)             |
| Employee contributions receivable                              | (8,130)              |
| Deemed distributed loans                                       | (4,135)              |
| Net assets available for benefits per the Form 5500            | <u>\$ 18,820,945</u> |

## AVENTICS 401(K) RETIREMENT PLAN

### NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

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

|                                                                          |    |                    |
|--------------------------------------------------------------------------|----|--------------------|
| Change in net assets available for benefits per the financial statements | \$ | (1,188,985)        |
| Employer contributions receivable                                        |    | (52,978)           |
| Employee contributions receivable                                        |    | (8,130)            |
| Deemed distributed loans                                                 |    | (4,135)            |
| Change in net assets available for benefits per the Form 5500            | \$ | <u>(1,254,228)</u> |

#### 11. PLAN TERMINATION

The Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of termination of the Plan, participants will be entitled to 100% of the value of their accounts.

In the event of any merger or consolidation of the Plan with, or transfer of assets of the Plan to any other Plan, each participant's account, immediately after such event, would equal the market value of the account prior to such event.

In 2019, the Company has elected to terminate the Plan and all assets will be transferred to Vanguard with the liquidation date scheduled to occur on December 31, 2019. The Plan assets will be transferred into another plan, which is under the administration of Emerson, the parent of the Company.

## SUPPLEMENTAL SCHEDULES

# AVENTICS 401(K) RETIREMENT PLAN

## SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR) DECEMBER 31, 2018

| (a)                                                          | (b) | (c)                                                                                                              | (d)  | (e)           |
|--------------------------------------------------------------|-----|------------------------------------------------------------------------------------------------------------------|------|---------------|
|                                                              |     | Description of Investment<br>including maturity date, rate<br>of interest, collateral, par, or<br>maturity value | Cost | Current Value |
| Identity of issuer, borrower, lessor, or similar party       |     |                                                                                                                  |      |               |
| AllianzGI Dynamic Retirement 2025                            |     | Common/collective trust                                                                                          | **   | \$ 3,572,472  |
| AllianzGI Dynamic Retirement 2020                            |     | Common/collective trust                                                                                          | **   | 2,137,445     |
| AllianzGI Dynamic Retirement 2030                            |     | Common/collective trust                                                                                          | **   | 2,040,041     |
| AllianzGI Dynamic Retirement 2035                            |     | Common/collective trust                                                                                          | **   | 1,694,750     |
| Goldman Sachs Stable Value Investor Series Class 1           |     | Common/collective trust                                                                                          | **   | 1,682,805     |
| AllianzGI Dynamic Retirement 2040                            |     | Common/collective trust                                                                                          | **   | 1,299,916     |
| AllianzGI Dynamic Retirement 2045                            |     | Common/collective trust                                                                                          | **   | 1,066,820     |
| AllianzGI Dynamic Retirement 2055                            |     | Common/collective trust                                                                                          | **   | 849,613       |
| AllianzGI Dynamic Multi-Asset Income Fund                    |     | Common/collective trust                                                                                          | **   | 377,845       |
| AllianzGI Dynamic Retirement 2050                            |     | Common/collective trust                                                                                          | **   | 372,434       |
| William Blair Small-Mid Cap Growth Fund Class I              |     | Mutual fund                                                                                                      | **   | 764,582       |
| ClearBridge Large Cap Growth Fund Class 1                    |     | Mutual fund                                                                                                      | **   | 701,165       |
| * Fidelity Mid Cap Index Fund                                |     | Mutual fund                                                                                                      | **   | 640,468       |
| * Fidelity Small Cap Index Fund                              |     | Mutual fund                                                                                                      | **   | 451,950       |
| * Fidelity Total Market index Fund                           |     | Mutual fund                                                                                                      | **   | 376,981       |
| PGIM Total Return Bond Class Fund - Class R6                 |     | Mutual fund                                                                                                      | **   | 113,587       |
| AllianzGI Emerging Markets Opportunities Fund Inst. Class    |     | Mutual fund                                                                                                      | **   | 108,579       |
| Vanguard Total International Stock Index Fund Admiral Shares |     | Mutual fund                                                                                                      | **   | 102,258       |
| * Fidelity Real Estate Index Fund                            |     | Mutual fund                                                                                                      | **   | 31,898        |
| Janus Henderson Global Equity Inceom Fund Class 1            |     | Mutual fund                                                                                                      | **   | 30,814        |
| Transamerica Internation Equity I                            |     | Mutual fund                                                                                                      | **   | 29,993        |
| John Hancock Funds Strategic Income Opportunities Fund       |     | Mutual fund                                                                                                      | **   | 13,057        |
| * Loans to participants (1-30 years)                         |     | Interest rates are 4.25%-6.25%                                                                                   | -0-  | 365,607       |
|                                                              |     |                                                                                                                  |      | \$ 18,825,080 |

\*A party-in-interest as defined by ERISA.

\*\* Cost omitted for participant directed investments.

Plan Sponsor Employer Identification Number (EIN): 46-1763108

Plan number: 001

*See report of independent auditors.*

# AVENTICS 401(K) RETIREMENT PLAN

## SCHEDULE H, LINE 4a - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS DECEMBER 31, 2018

| Participant contributions<br>transferred late to the Plan            | Total that constitutes nonexempt prohibited transactions |                                            |                                                |                                                        |
|----------------------------------------------------------------------|----------------------------------------------------------|--------------------------------------------|------------------------------------------------|--------------------------------------------------------|
| Check here if late participant<br>loan repayments are included:      | Contributions not<br>corrected                           | Contributions<br>corrected outside<br>VFCP | Contributions<br>pending correction<br>in VFCP | Total fully corrected<br>under VFCP and PTE<br>2002-51 |
| Participant contributions and<br>loan repayments by payroll<br>date: |                                                          |                                            |                                                |                                                        |
| April 8, 2015                                                        | \$ 8,130                                                 | \$ -0-                                     | \$ -0-                                         | \$ -0-                                                 |
| November 2, 2017                                                     | 47,519 *                                                 | -0-                                        | -0-                                            | -0-                                                    |
| November 9, 2017                                                     | 6,413 *                                                  | -0-                                        | -0-                                            | -0-                                                    |
| November 16, 2017                                                    | 50,857 *                                                 | -0-                                        | -0-                                            | -0-                                                    |
| November 22, 2017                                                    | 6,602 *                                                  | -0-                                        | -0-                                            | -0-                                                    |
| November 30, 2017                                                    | 51,686 *                                                 | -0-                                        | -0-                                            | -0-                                                    |
|                                                                      | <u>\$ 171,207</u>                                        | <u>\$ -0-</u>                              | <u>\$ -0-</u>                                  | <u>\$ -0-</u>                                          |

\* All participant contributions have been remitted to the Plan. The Plan sponsor is in the process of finalizing lost earnings.

Plan Sponsor Employer Identification Number (EIN): 46-1763108

Plan number: 001

# **AVENTICS 401(K) RETIREMENT PLAN**

FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

AND

SUPPLEMENTAL SCHEDULES

DECEMBER 31, 2018

# AVENTICS 401(K) RETIREMENT PLAN

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| * Other 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. |          |

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## REPORT OF INDEPENDENT AUDITORS

To the Plan Administrator  
Aventics 401(k) Retirement Plan  
Lexington, Kentucky

We were engaged to audit the accompanying financial statements of Aventics 401(k) Retirement Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2018 and 2017, and the related statement of changes in net assets available for benefits for the year ended December 31, 2018, 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.

### Auditor's Responsibility

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

### Basis for Disclaimer of Opinion

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

### Disclaimer of Opinion

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

### Other Matter – Supplemental Schedule

The supplemental Schedule H, Line 4i – Schedule of Assets (Held at End of Year) and Schedule H, Line 4a – Schedule of Delinquent Participant Contributions as of and for the period ended December 31, 2018, are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on the supplemental schedules referred to above.

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

The form and content of the information included in the financial statements and the supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

*Blue & Co., LLC*

Lexington, Kentucky  
October 29, 2019

## AVENTICS 401(K) RETIREMENT PLAN

### STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS DECEMBER 31, 2018 AND 2017

---

|                                          | 2018                             | 2017                             |
|------------------------------------------|----------------------------------|----------------------------------|
|                                          | <hr/>                            | <hr/>                            |
| Investments, at fair value               | \$ 18,459,473                    | \$ 19,326,283                    |
| Receivables:                             |                                  |                                  |
| Participant contributions                | 8,130                            | 252,058                          |
| Employer contributions                   | 52,978                           | 246,426                          |
| Notes receivable from participants       | 365,607                          | 250,406                          |
| Total receivables                        | <hr/> 426,715 <hr/>              | <hr/> 748,890 <hr/>              |
| <b>Net assets available for benefits</b> | <hr/> <b>\$ 18,886,188</b> <hr/> | <hr/> <b>\$ 20,075,173</b> <hr/> |

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*See accompanying notes to the financial statements.*

## AVENTICS 401(K) RETIREMENT PLAN

### STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS YEAR ENDED DECEMBER 31, 2018

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**Additions to net assets attributed to**

|                                                       |                  |
|-------------------------------------------------------|------------------|
| Interest and dividends                                | \$ 223,114       |
| Interest income on notes receivable from participants | 16,913           |
| Contributions:                                        |                  |
| Participant                                           | 1,592,718        |
| Employer                                              | 1,446,772        |
| Rollover                                              | <u>317,096</u>   |
| Total contributions                                   | <u>3,356,586</u> |
| Total additions                                       | 3,596,613        |

**Deductions from net assets attributed to**

|                                         |                  |
|-----------------------------------------|------------------|
| Net change in fair value of investments | 2,049,880        |
| Benefits paid to participants           | 2,708,757        |
| Administrative fees                     | <u>26,961</u>    |
| Total deductions                        | <u>4,785,598</u> |
| Net change                              | (1,188,985)      |

**Net assets available for plan benefits,  
beginning of year**20,075,173**Net assets available for plan benefits,  
end of year**\$ 18,886,188

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*See accompanying notes to the financial statements.*

# **AVENTICS 401(K) RETIREMENT PLAN**

## **NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017**

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### **1. DESCRIPTION OF PLAN**

The following description of the Aventics 401(k) Retirement Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

#### General:

The Plan is a defined contribution plan covering eligible employees of the Aventics Corporation (the Company). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Aventics Corporation 401(k) Plan for Bargaining Unit Employees was merged into the Plan effective December 1, 2017. Net assets available for benefits of \$4,867,341 were transferred to the Plan on the date of the merger. As a result of the merger, bargaining unit employees of the Company became eligible to participate in the Plan.

Ascensus Trust Company was the trustee of the Plan through December 1, 2017, the date when the Plan switched to Fidelity Management Trust Company. As part of the transition, the plan's name was changed from Rexroth Pneumatics 401(k) Retirement Plan to Aventics 401(k) Retirement Plan.

#### Eligibility:

Full-time employees may join the Plan on the first day of each month. Part-time employees must complete at least 1,000 hours of service to become eligible.

#### Contributions:

The Plan is funded by both pre-tax and Roth salary deductions and employer matching and profit sharing contributions. Newly eligible employees will be automatically enrolled in the Plan and will begin making pre-tax deferrals of 5% of their compensation with the exception of certain hourly employees and members of the International Brotherhood of Teamsters Local 651 to whom this provision does not apply. Participants may elect to defer up to 85% of their compensation up to Internal Revenue Code annual limits. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified employee benefit plans.

## AVENTICS 401(K) RETIREMENT PLAN

### NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

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The plan sponsor makes discretionary matching contributions for all participants at a rate that is determined each year. In 2018, the employer matched up to 75% of the first 9% of eligible compensation contributed by the participant. Profit sharing contributions are determined by the participant's age and percent of the participant's compensation as shown in the table below:

| Age of participant as of<br>December 31 | Allocation rate |
|-----------------------------------------|-----------------|
| Under 30                                | 2.5%            |
| 30 to 34                                | 3.0%            |
| 35 to 39                                | 3.5%            |
| 40 to 44                                | 4.0%            |
| 45 to 49                                | 4.5%            |
| 50 to 54                                | 5.0%            |
| 55 to 59                                | 5.5%            |
| 60 to 64                                | 6.0%            |
| 65 and older                            | 6.5%            |

#### Investment Options:

Participants may, upon enrollment in the Plan, elect to invest their contributions and the employer contributions in various investment options currently offered by the Plan. The Plan currently offers approximately twenty core investment funds inclusive of mutual funds and common/collective trusts. Periodic transfers among funds of certain accumulated account balances and directions of future employee deferral and employer contributions are permitted.

#### Participant Accounts:

Each participant's account is credited with the participant's contributions and allocations of (a) the employer's contribution, and (b) Plan earnings (losses), and charged with the participant's withdrawals and an allocation of administrative expenses. Allocations of the employer's contributions are based upon participant earnings or account balances, as defined in the Plan's provisions. Allocations of Plan earnings are based on the specific investment performance of each participant's investment account. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

#### Vesting:

Participants are immediately 100% vested in their contributions plus actual earnings thereon. With the exception of certain classes of employees who transferred from the Aventics Corporation 401(k) Plan for Bargaining Unit Employees, vesting in the Company's contribution portion of their accounts plus actual earnings thereon is based on years of continuous service as outlined in the following table:

## AVENTICS 401(K) RETIREMENT PLAN

### NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

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| Years of service  | Percent of<br>non-forfeitable interest |
|-------------------|----------------------------------------|
| Less than 3 years | 0%                                     |
| 3 years or more   | 100%                                   |

#### Notes Receivable from Participants:

Participants may borrow from their accounts up to the lesser of one-half (50%) of their vested account balance, or \$50,000 (subject to certain limitations as defined in the Plan document). The minimum loan is \$1,000. Participants may only have one outstanding loan at any time. Loan transactions are treated as a transfer to (from) the investment fund from (to) the Participant Loan Fund. Loan terms generally range from one to five years. The loans are secured by the balance in the participant's account and bear interest at 4.25%-6.25%. Principal and interest are paid ratably through payroll deductions.

#### Payment of Benefits:

Upon termination of service due to death, disability, retirement, or termination of employment, or attainment of age 59 ½, a participant or participant's beneficiary (in the event of a participant's death) may elect to receive the entire value of his or her account in a lump sum payment, annual or installments, or a rollover into an Individual Retirement Account (IRA) or the participant's new employer's qualified plan if it accepts rollovers.

In the event of financial hardship, the employer may allow a participant to withdraw from his or her account. The amount may not exceed the amount contributed by the participant, or the participant contribution account, if less. Employee deferral contributions to the Plan, and any other employer-sponsored matching contributions, are suspended for six months after a participant receives a hardship withdrawal.

#### Forfeitures:

Forfeited balances of terminated participants' nonvested accounts are used towards future Company contributions or plan fees. At December 31, 2018 and 2017, there were approximately \$104,000 and \$58,000 of forfeited nonvested accounts, respectively. Forfeitures of approximately \$97,000 were used to reduce employer contributions for the year ended December 31, 2018.

# AVENTICS 401(K) RETIREMENT PLAN

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Plan is presented to assist in the understanding of the Plan's financial statements. The financial statements and notes are representations of the Plan's management who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the accompanying financial statements.

#### Basis of Accounting:

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

#### Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Accordingly, actual results may differ from those estimates.

#### Investment Valuation and Income Recognition:

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

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

#### Notes Receivable from Participants:

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2018. Delinquent participant loans are reclassified as distributions based on the terms of the Plan document.

#### Payment of Benefits:

Benefits are recorded when paid.

# AVENTICS 401(K) RETIREMENT PLAN

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

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### Administrative Expenses:

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Additionally, the Plan is not charged for accounting and administrative services performed on its behalf by the Company. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included as a reduction of the return earned on each fund.

### Subsequent Events:

The Plan has evaluated subsequent events through the date the financial statements were available to be issued, which is October 29, 2019.

## **3. INFORMATION CERTIFIED BY THE PLAN'S TRUSTEES**

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Fidelity Management Trust Company, the trustee of the Plan, has certified to the completeness and accuracy of all investments reflected on the accompanying statements of net assets available for benefits as of December 31, 2018 and 2017, and the related investment activity reflected in the statement of changes in net assets available for benefits for the year ended December 31, 2018.

## **4. FAIR VALUE MEASUREMENTS**

Effective January 1, 2018, the Plan early adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. The amendments in this ASU removed certain disclosure requirements in Topic 820. As such, the fair value measurement disclosures for 2017 have been restated for these changes.

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

|         |                                                                                                                                                                 |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access. |
| Level 2 | Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or |

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## AVENTICS 401(K) RETIREMENT PLAN

### NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

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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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2018 and 2017.

*Mutual funds:*

Valued at the daily closing price as reported by the fund. Funds held by the Plan are open-end funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The funds held by the Plan are deemed to be actively traded.

*Common/collective trust funds:*

Public investment securities valued using the net asset value (NAV) provided by the respective investment manager via audited financial statements of the funds. The NAV is quoted on a private market that is not active; however, the unit price is based on underlying investments which are traded on an active market. The investment strategies of the common/collective trust vary based on investment objectives of the asset class of which they are a part. Such strategies include investments in equity securities for long-term capital appreciation, investment portfolios that replicate fixed income, and investments that follow an asset allocation glide path to offer an appropriate level of exposure to risk and return as investors progress toward retirement.

*Stable value fund:*

This consists of the Goldman Sachs Stable Value Investor Series Class 1 Fund, which is a common collective trust fund and is considered to be a stable value fund with the underlying investments in insurance contracts. This guarantees that participant-

## AVENTICS 401(K) RETIREMENT PLAN

### NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

initiated withdrawals from the fund will be covered at contract value. The net asset value is used as a practical expedient to estimate fair value. This practical expedient would not be used if it is determined to be probable that the fund will sell the investment for an amount different from the reported net asset value. Participant transactions (purchases and sales) may occur daily. If the Plan initiates a full redemption of the collective trust, the issuer reserves the right to require 12 months' notification in order to ensure that securities liquidations will be carried out in an orderly business manner.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the 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 following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2018 and 2017:

| December 31, 2018                            |                      |                     |               |               |
|----------------------------------------------|----------------------|---------------------|---------------|---------------|
|                                              | Fair Value           | Level 1             | Level 2       | Level 3       |
| Mutual funds                                 | \$ 3,365,332         | \$ 3,365,332        | \$ -0-        | \$ -0-        |
| Total assets in the fair value hierarchy     | 3,365,332            | 3,365,332           | -0-           | -0-           |
| Stable value fund <sup>(a)</sup>             | 1,682,805            | -0-                 | -0-           | -0-           |
| Common/collective trust funds <sup>(a)</sup> | 13,411,336           | -0-                 | -0-           | -0-           |
| Total investments, at fair value             | <u>\$ 18,459,473</u> | <u>\$ 3,365,332</u> | <u>\$ -0-</u> | <u>\$ -0-</u> |
| December 31, 2017                            |                      |                     |               |               |
|                                              | Fair Value           | Level 1             | Level 2       | Level 3       |
| Mutual funds                                 | \$ 1,160,376         | \$ 1,160,376        | \$ -0-        | \$ -0-        |
| Total assets in the fair value hierarchy     | 1,160,376            | 1,160,376           | -0-           | -0-           |
| Stable value fund <sup>(a)</sup>             | 57,706               | -0-                 | -0-           | -0-           |
| Common/collective trust funds <sup>(a)</sup> | 18,108,201           | -0-                 | -0-           | -0-           |
| Total investments, at fair value             | <u>\$ 19,326,283</u> | <u>\$ 1,160,376</u> | <u>\$ -0-</u> | <u>\$ -0-</u> |

(a) In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts present in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented at fair value in the statements of net assets available for benefits.

# AVENTICS 401(K) RETIREMENT PLAN

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

### Investments Measured Using the Net Asset Value per Share Practical Expedient:

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient as of December 31, 2018 and 2017. There are no participant redemption restrictions for these investments; the redemption notice period is applicable only to the Plan.

| December 31, 2018                                  | Fair Value   | Unfunded<br>Commitments | Redemption<br>Frequency (if<br>currently<br>eligible) | Redemption<br>Notice Period |
|----------------------------------------------------|--------------|-------------------------|-------------------------------------------------------|-----------------------------|
| Collective trust fund -                            |              |                         |                                                       |                             |
| Goldman Sachs Stable Value Investor Series Class 1 | \$ 1,682,805 | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Multi-Asset Income Fund          | 377,845      | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2020                  | 2,137,445    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2025                  | 3,572,472    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2030                  | 2,040,041    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2035                  | 1,694,750    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2040                  | 1,299,916    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2045                  | 1,066,820    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2050                  | 372,434      | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2055                  | 849,613      | None                    | Daily                                                 | None                        |
| December 31, 2017                                  | Fair Value   | Unfunded<br>Commitments | Redemption<br>Frequency (if<br>currently<br>eligible) | Redemption<br>Notice Period |
| Collective trust fund -                            |              |                         |                                                       |                             |
| Goldman Sachs Stable Value Investor Series Class 1 | \$ 57,706    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Multi-Asset Income Fund          | 1,381,968    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2020                  | 3,829,047    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2025                  | 4,783,452    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2030                  | 2,396,010    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2035                  | 2,528,122    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2040                  | 982,018      | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2045                  | 1,197,342    | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2050                  | 162,394      | None                    | Daily                                                 | None                        |
| AllianzGI Dynamic Retirement 2055                  | 847,848      | None                    | Daily                                                 | None                        |

## **AVENTICS 401(K) RETIREMENT PLAN**

### **NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017**

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#### **5. EXEMPT PARTIES-IN-INTEREST TRANSACTIONS**

Notes receivable from participants qualify as exempt party-in-interest transactions. Fidelity Management Trust Company served as trustee for the Plan and, therefore, transactions with the trustee qualify as party-in-interest transactions. Avondale Partners provides advisory consulting services for the Plan. Blue & Co., LLC serves as the auditor for the Plan. Certain operating expenses of the Plan are paid by the Plan sponsor including fees for the Plan's advisory services and audit fees.

#### **6. NONEXEMPT PARTIES-IN-INTEREST TRANSACTIONS**

During 2017, the Company failed to remit contributions totaling \$163,077 in a timely manner, as defined by ERISA. The delay in remitting the contributions to the trustee was due to an administrative error, and the Plan sponsor agreed to credit the participant's account with the amount of the participant's withheld contributions and investment income that would have been earned had the participant's contributions been remitted on a timely basis. As of December 31, 2018, all employee contributions have been remitted to the Plan, but the Company is in the process of finalizing lost earnings.

#### **7. VOLUNTARY CORRECTION PROGRAM**

The Company has decided to file a Voluntary Correction Program ("VCP") submission to the IRS to address various operational failures. Issues to be included in the VCP submission are (a) failure to start employer contributions timely for new hires; (b) failure to properly calculate employer contributions; (c) failure to remit withheld participant contributions along with related employer contributions to the Plan; (d) failure to properly apply vesting provisions of the Plan document; (e) failure to properly implement participants' elected deferral percentages; and (f) failure to properly apply the Plan's definition of eligible compensation in the calculation of employee deferrals and related employer contributions. The Plan administrator does not expect the VCP submission to affect the Plan's qualified tax status.

In the aggregate, these items have a material impact on the Plan's net assets available for benefits. Accordingly, the Plan has recorded receivables totaling \$71,352 as of December 31, 2018.

## AVENTICS 401(K) RETIREMENT PLAN

### NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

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#### 8. TAX STATUS

The Plan is designed as a volume submitter profit sharing plan administered by Fidelity Management Trust Company. Although the Plan has not obtained a favorable determination letter from the Internal Revenue Service (IRS), the prototype plan has received a favorable opinion letter dated March 31, 2014 from the IRS. The Plan has been amended since receiving the opinion letter. The Plan administrator believes the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code and, therefore, no provision for income taxes has been made in the Plan's financial statements as of December 31, 2018 and 2017.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability if the plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the plan, and has concluded that as of December 31, 2018 and 2017, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2015.

#### 9. RISKS AND UNCERTAINTIES

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

#### 10. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

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

|                                                                |                      |
|----------------------------------------------------------------|----------------------|
| Net assets available for benefits per the financial statements | \$ 18,886,188        |
| Employer contributions receivable                              | (52,978)             |
| Employee contributions receivable                              | (8,130)              |
| Deemed distributed loans                                       | (4,135)              |
| Net assets available for benefits per the Form 5500            | <u>\$ 18,820,945</u> |

## AVENTICS 401(K) RETIREMENT PLAN

### NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

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

|                                                                          |    |                    |
|--------------------------------------------------------------------------|----|--------------------|
| Change in net assets available for benefits per the financial statements | \$ | (1,188,985)        |
| Employer contributions receivable                                        |    | (52,978)           |
| Employee contributions receivable                                        |    | (8,130)            |
| Deemed distributed loans                                                 |    | (4,135)            |
| Change in net assets available for benefits per the Form 5500            | \$ | <u>(1,254,228)</u> |

#### 11. PLAN TERMINATION

The Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of termination of the Plan, participants will be entitled to 100% of the value of their accounts.

In the event of any merger or consolidation of the Plan with, or transfer of assets of the Plan to any other Plan, each participant's account, immediately after such event, would equal the market value of the account prior to such event.

In 2019, the Company has elected to terminate the Plan and all assets will be transferred to Vanguard with the liquidation date scheduled to occur on December 31, 2019. The Plan assets will be transferred into another plan, which is under the administration of Emerson, the parent of the Company.

## SUPPLEMENTAL SCHEDULES

# AVENTICS 401(K) RETIREMENT PLAN

## SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR) DECEMBER 31, 2018

| (a)                                                          | (b)                                                                                                              | (c)  | (d)                  | (e) |
|--------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|------|----------------------|-----|
| Identity of issuer, borrower, lessor, or similar party       | Description of Investment<br>including maturity date, rate<br>of interest, collateral, par, or<br>maturity value | Cost | Current Value        |     |
| AllianzGI Dynamic Retirement 2025                            | Common/collective trust                                                                                          | **   | \$ 3,572,472         |     |
| AllianzGI Dynamic Retirement 2020                            | Common/collective trust                                                                                          | **   | 2,137,445            |     |
| AllianzGI Dynamic Retirement 2030                            | Common/collective trust                                                                                          | **   | 2,040,041            |     |
| AllianzGI Dynamic Retirement 2035                            | Common/collective trust                                                                                          | **   | 1,694,750            |     |
| Goldman Sachs Stable Value Investor Series Class 1           | Common/collective trust                                                                                          | **   | 1,682,805            |     |
| AllianzGI Dynamic Retirement 2040                            | Common/collective trust                                                                                          | **   | 1,299,916            |     |
| AllianzGI Dynamic Retirement 2045                            | Common/collective trust                                                                                          | **   | 1,066,820            |     |
| AllianzGI Dynamic Retirement 2055                            | Common/collective trust                                                                                          | **   | 849,613              |     |
| AllianzGI Dynamic Multi-Asset Income Fund                    | Common/collective trust                                                                                          | **   | 377,845              |     |
| AllianzGI Dynamic Retirement 2050                            | Common/collective trust                                                                                          | **   | 372,434              |     |
| William Blair Small-Mid Cap Growth Fund Class I              | Mutual fund                                                                                                      | **   | 764,582              |     |
| ClearBridge Large Cap Growth Fund Class 1                    | Mutual fund                                                                                                      | **   | 701,165              |     |
| * Fidelity Mid Cap Index Fund                                | Mutual fund                                                                                                      | **   | 640,468              |     |
| * Fidelity Small Cap Index Fund                              | Mutual fund                                                                                                      | **   | 451,950              |     |
| * Fidelity Total Market Index Fund                           | Mutual fund                                                                                                      | **   | 376,981              |     |
| PGIM Total Return Bond Class Fund - Class R6                 | Mutual fund                                                                                                      | **   | 113,587              |     |
| AllianzGI Emerging Markets Opportunities Fund Inst. Class    | Mutual fund                                                                                                      | **   | 108,579              |     |
| Vanguard Total International Stock Index Fund Admiral Shares | Mutual fund                                                                                                      | **   | 102,258              |     |
| * Fidelity Real Estate Index Fund                            | Mutual fund                                                                                                      | **   | 31,898               |     |
| Janus Henderson Global Equity Inceom Fund Class 1            | Mutual fund                                                                                                      | **   | 30,814               |     |
| Transamerica International Equity I                          | Mutual fund                                                                                                      | **   | 29,993               |     |
| John Hancock Funds Strategic Income Opportunities Fund       | Mutual fund                                                                                                      | **   | 13,057               |     |
| * Loans to participants (1-30 years)                         | Interest rates are 4.25%-6.25%                                                                                   | -0-  | 365,607              |     |
|                                                              |                                                                                                                  |      | <u>\$ 18,825,080</u> |     |

\*A party-in-interest as defined by ERISA.

\*\* Cost omitted for participant directed investments.

Plan Sponsor Employer Identification Number (EIN): 46-1763108

Plan number: 001

*See report of independent auditors.*

# AVENTICS 401(K) RETIREMENT PLAN

## SCHEDULE H, LINE 4a - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS DECEMBER 31, 2018

| Participant contributions<br>transferred late to the Plan            | Total that constitutes nonexempt prohibited transactions |                                            |                                                |                                                        |
|----------------------------------------------------------------------|----------------------------------------------------------|--------------------------------------------|------------------------------------------------|--------------------------------------------------------|
| Check here if late participant<br>loan repayments are included:      | Contributions not<br>corrected                           | Contributions<br>corrected outside<br>VFCP | Contributions<br>pending correction<br>in VFCP | Total fully corrected<br>under VFCP and PTE<br>2002-51 |
| Participant contributions and<br>loan repayments by payroll<br>date: |                                                          |                                            |                                                |                                                        |
| April 8, 2015                                                        | \$ 8,130                                                 | \$ -0-                                     | \$ -0-                                         | \$ -0-                                                 |
| November 2, 2017                                                     | 47,519 *                                                 | -0-                                        | -0-                                            | -0-                                                    |
| November 9, 2017                                                     | 6,413 *                                                  | -0-                                        | -0-                                            | -0-                                                    |
| November 16, 2017                                                    | 50,857 *                                                 | -0-                                        | -0-                                            | -0-                                                    |
| November 22, 2017                                                    | 6,602 *                                                  | -0-                                        | -0-                                            | -0-                                                    |
| November 30, 2017                                                    | 51,686 *                                                 | -0-                                        | -0-                                            | -0-                                                    |
|                                                                      | <u>\$ 171,207</u>                                        | <u>\$ -0-</u>                              | <u>\$ -0-</u>                                  | <u>\$ -0-</u>                                          |

\* All participant contributions have been remitted to the Plan. The Plan sponsor is in the process of finalizing lost earnings.

Plan Sponsor Employer Identification Number (EIN): 46-1763108

Plan number: 001