# Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Annual Return/Report of Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

**2018**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2018 or fiscal plan year beginning 09/30/2018 and ending 09/28/2019

**A** This return/report is for:
- [ ] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- [X] a single-employer plan
- [ ] a DFE (specify) ____

**B** This return/report is:
- [ ] the first return/report
- [ ] the final return/report
- [ ] an amended return/report
- [X] a short plan year return/report (less than 12 months)

**C** If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

**D** Check box if filing under:
- [X] Form 5558
- [ ] automatic extension
- [ ] the DFVC program
- [ ] special extension (enter description)

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

**1a** Name of plan
KENDALL ELECTRIC, INCORPORATED EMPLOYEE STOCK OWNERSHIP PLAN

**1b** Three-digit plan number (PN) ▶ 003

**1c** Effective date of plan 09/30/1989

**2a** Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
KENDALL ELECTRIC, INCORPORATED

5101 S. SPRINKLE RD.
PORTAGE, MI 49002-2049

**2b** Employer Identification Number (EIN) 38-2023622

**2c** Plan Sponsor's telephone number 269-978-3838

**2d** Business code (see instructions) 423600

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

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

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 06/18/2020 | MARTY LEHMAN |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

| | | |
|---|---|---|
| **3a** Plan administrator's name and address [X] Same as Plan Sponsor | **3b** Administrator's EIN | |
| | **3c** Administrator's telephone number | |
| **4** If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:<br>**a** Sponsor's name<br>**c** Plan Name | **4b** EIN<br>**4d** PN | |
| **5** Total number of participants at the beginning of the plan year | **5** | 1158 |
| **6** Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**). | | |
| **a(1)** Total number of active participants at the beginning of the plan year | **6a(1)** | 1092 |
| **a(2)** Total number of active participants at the end of the plan year | **6a(2)** | 1277 |
| **b** Retired or separated participants receiving benefits | **6b** | 0 |
| **c** Other retired or separated participants entitled to future benefits | **6c** | 88 |
| **d** Subtotal. Add lines **6a(2)**, **6b**, and **6c** | **6d** | 1365 |
| **e** Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 1 |
| **f** Total. Add lines **6d** and **6e**. | **6f** | 1366 |
| **g** Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 1294 |
| **h** Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 22 |
| **7** Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

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

2I 2K 2Q

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

| **9a** Plan funding arrangement (check all that apply) | | **9b** Plan benefit arrangement (check all that apply) | |
|---|---|---|---|
| **(1)** Insurance | [ ] | **(1)** Insurance | [ ] |
| **(2)** Code section 412(e)(3) insurance contracts | [ ] | **(2)** Code section 412(e)(3) insurance contracts | [ ] |
| **(3)** Trust | [X] | **(3)** Trust | [X] |
| **(4)** General assets of the sponsor | [ ] | **(4)** General assets of the sponsor | [ ] |

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

**a Pension Schedules**

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

**b General Schedules**

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

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

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

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

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

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

Receipt Confirmation Code_____

# SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2018**

**This Form is Open to Public Inspection**

For calendar plan year 2018 or fiscal plan year beginning 09/30/2018 and ending 09/28/2019

**A** Name of plan
KENDALL ELECTRIC, INCORPORATED EMPLOYEE STOCK OWNERSHIP PLAN

**B** Three-digit plan number (PN) ▶ 003

**C** Plan sponsor's name as shown on line 2a of Form 5500
KENDALL ELECTRIC, INCORPORATED

**D** Employer Identification Number (EIN)
38-2023622

## Part I Asset and Liability Statement

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

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | 1179056 | 776801 |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | 0 | 0 |
| **(2)** Participant contributions | 1b(2) | | |
| **(3)** Other | 1b(3) | 0 | 0 |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 0 | 0 |
| **(2)** U.S. Government securities | 1c(2) | 0 | 0 |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | | |
| **(B)** All other | 1c(3)(B) | | |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | | |
| **(B)** Common | 1c(4)(B) | | |
| **(5)** Partnership/joint venture interests | 1c(5) | | |
| **(6)** Real estate (other than employer real property) | 1c(6) | | |
| **(7)** Loans (other than to participants) | 1c(7) | | |
| **(8)** Participant loans | 1c(8) | | |
| **(9)** Value of interest in common/collective trusts | 1c(9) | | |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | | |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | | |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | | |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | | |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | | |

| | | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | 467576171 | 526839534 |
| | **(2)** Employer real property | 1d(2) | | |
| **e** | Buildings and other property used in plan operation | 1e | | |
| **f** | Total assets (add all amounts in lines 1a through 1e) | 1f | 468755227 | 527616335 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | | |
| **h** | Operating payables | 1h | | |
| **i** | Acquisition indebtedness | 1i | 0 | 0 |
| **j** | Other liabilities | 1j | | |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | 1k | 0 | 0 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 468755227 | 527616335 |

## Part II Income and Expense Statement

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

| | Income | | (a) Amount | (b) Total |
|---|---|---|---|---|
| **a** | **Contributions:** | | | |
| | **(1)** Received or receivable in cash from: **(A)** Employers | 2a(1)(A) | | |
| | **(B)** Participants | 2a(1)(B) | | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | | |
| | **(2)** Noncash contributions | 2a(2) | 14110712 | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 14110712 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | | |
| | **(B)** U.S. Government securities | 2b(1)(B) | | |
| | **(C)** Corporate debt instruments | 2b(1)(C) | | |
| | **(D)** Loans (other than to participants) | 2b(1)(D) | | |
| | **(E)** Participant loans | 2b(1)(E) | | |
| | **(F)** Other | 2b(1)(F) | | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 0 |
| | **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | | |
| | **(B)** Common stock | 2b(2)(B) | | |
| | **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 0 |
| | **(3)** Rents | 2b(3) | | |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | | |
| | **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | | |
| | **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 0 |
| | **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | 2b(5)(A) | | |
| | **(B)** Other | 2b(5)(B) | 103817337 | |
| | **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | 103817337 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | |
| (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | |
| (9) Net investment gain (loss) from 103-12 investment entities | 2b(9) | | |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | |
| c Other income | 2c | | |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 117928049 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 59066941 | |
| (2) To insurance carriers for the provision of benefits | 2e(2) | | |
| (3) Other | 2e(3) | | |
| (4) Total benefit payments. Add lines **2e(1)** through **(3)** | 2e(4) | | 59066941 |
| f Corrective distributions (see instructions) | 2f | | |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | |
| h Interest expense | 2h | | |
| i Administrative expenses: (1) Professional fees | 2i(1) | | |
| (2) Contract administrator fees | 2i(2) | | |
| (3) Investment advisory and management fees | 2i(3) | | |
| (4) Other | 2i(4) | | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 0 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 59066941 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | 58861108 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | |
| (2) From this plan | 2l(2) | | |

## Part III Accountant's Opinion

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

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

**(1)** [X] Unqualified **(2)** [ ] Qualified **(3)** [ ] Disclaimer **(4)** [ ] Adverse

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

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

**(1)** Name: PLANTE & MORAN, PLLC **(2)** EIN: 38-1357951

**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)** [X] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

## Part IV Compliance Questions

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

During the plan year:

| | | Yes | No | Amount |
|---|---|---|---|---|
| **a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) | 4a | | X | |
| **b** Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.) | 4b | | X | |

| | | | Yes | No | Amount |
|---|---|---|---|---|---|
| c | Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) | 4c | | X | |
| d | Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) | 4d | | X | |
| e | Was this plan covered by a fidelity bond? | 4e | X | | 1000000 |
| f | Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | 4f | | X | |
| g | Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4g | | X | |
| h | Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4h | | X | |
| i | Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) | 4i | X | | |
| j | Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) | 4j | X | | |
| k | Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? | 4k | | X | |
| l | Has the plan failed to provide any benefit when due under the plan? | 4l | | X | |
| m | If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | 4m | | X | |
| n | If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. | 4n | | | |

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

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

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

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

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Retirement Plan Information

This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2018**

**This Form is Open to Public Inspection.**

For calendar plan year 2018 or fiscal plan year beginning 09/30/2018 and ending 09/28/2019

**A** Name of plan
KENDALL ELECTRIC, INCORPORATED EMPLOYEE STOCK OWNERSHIP PLAN

**B** Three-digit plan number (PN) ▶ 003

**C** Plan sponsor's name as shown on line 2a of Form 5500
KENDALL ELECTRIC, INCORPORATED

**D** Employer Identification Number (EIN)
38-2023622

## Part I Distributions

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

**1** Total value of distributions paid in property other than in cash or the forms of property specified in the instructions ..... **1** 0

**2** Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 38-3120831

**Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.**

**3** Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year ..... **3**

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

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

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

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

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

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

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

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

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

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

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

## Part III Amendments

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

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

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

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

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

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

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

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

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

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

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

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

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

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

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

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

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

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

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

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

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

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

| | | |
|---|---|---|
| **a** The current year | **14a** | |
| **b** The plan year immediately preceding the current plan year | **14b** | |
| **c** The second preceding plan year | **14c** | |

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

| | | |
|---|---|---|
| **a** The corresponding number for the plan year immediately preceding the current plan year | **15a** | |
| **b** The corresponding number for the second preceding plan year | **15b** | |

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

| | | |
|---|---|---|
| **a** Enter the number of employers who withdrew during the preceding plan year | **16a** | |
| **b** If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers | **16b** | |

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

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

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

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

**a** Enter the percentage of plan assets held as:
Stock: 0.0% 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):

# Kendall Electric, Inc. Employee Stock Ownership Plan and Trust

**Financial Report**

**September 27, 2019**

## Kendall Electric, Inc. Employee Stock Ownership Plan and Trust

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# Independent Auditor's Report

To the Plan Administrator
Kendall Electric, Inc. Employee
Stock Ownership Plan and Trust

We have audited the accompanying financial statements of Kendall Electric, Inc. Employee Stock Ownership Plan and Trust (the "Plan"), which comprise the statement of net assets available for benefits as of September 27, 2019 and September 28, 2018 and the related statement of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

## *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in 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 our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of the Plan as of September 27, 2019 and September 28, 2018 and the changes in net assets for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## *Emphasis of Matter*

As explained in Note 8, the financial statements include investments valued at approximately $526,840,000 at September 27, 2019 and $467,576,000 at September 28, 2018, whose fair values have been estimated by management in the absence of readily determinable market values based on valuation reports prepared by an independent appraisal firm. Our opinion is not modified with respect to this matter.



PRAXITY
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To the Plan Administrator
Kendall Electric, Inc. Employee
Stock Ownership Plan and Trust

**Report on Supplemental Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of assets held at end of year as of September 27, 2019 and reportable transactions for the year ended September 27, 2019 are presented for the purpose of additional analysis and are not a required part of the financial statements, but are supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Plante & Moran, PLLC

Grand Rapids, Michigan
March 30, 2020

## Kendall Electric, Inc. Employee Stock Ownership Plan and Trust

# Statement of Net Assets Available for Benefits

| | September 27, 2019 | September 28, 2018 |
|---|---|---|
| **Assets** | | |
| Investments - Company common stock | $ 526,839,534 | $ 467,576,171 |
| Cash | 776,801 | 1,179,056 |
| **Net Assets Available for Benefits** | **$ 527,616,335** | **$ 468,755,227** |

See notes to financial statements.

## Kendall Electric, Inc. Employee Stock Ownership Plan and Trust

# Statement of Changes in Net Assets Available for Benefits

| | Year Ended September 27, 2019 | | | Year Ended September 28, 2018 | | |
|---|---|---|---|---|---|---|
| | Allocated | Unallocated | Total | Allocated | Unallocated | Total |
| **Additions to Net Assets** | | | | | | |
| Contributions | $ 14,110,712 | $ - | $ 14,110,712 | $ 5,628,815 | $ 268,340 | $ 5,897,155 |
| Investment income: | | | | | | |
| Interest | - | - | - | 6,489 | - | 6,489 |
| Net realized and unrealized gains on investments | 103,817,337 | - | 103,817,337 | 149,701,247 | - | 149,701,247 |
| Total investment income | 103,817,337 | - | 103,817,337 | 149,707,736 | - | 149,707,736 |
| Allocation of shares of company common stock - At market value | - | - | - | 3,874,733 | - | 3,874,733 |
| Total additions to net assets | 117,928,049 | - | 117,928,049 | 159,211,284 | 268,340 | 159,479,624 |
| **Deductions from Net Assets** | | | | | | |
| Benefits paid directly to participants or beneficiaries | 59,066,941 | - | 59,066,941 | 50,804,645 | - | 50,804,645 |
| Interest expense | - | - | - | - | 17,555 | 17,555 |
| Allocation of shares of company common stock - At market value | - | - | - | - | 3,874,733 | 3,874,733 |
| Total deductions from net assets | 59,066,941 | - | 59,066,941 | 50,804,645 | 3,892,288 | 54,696,933 |
| **Net Increase (Decrease)** | 58,861,108 | - | 58,861,108 | 108,406,639 | (3,623,948) | 104,782,691 |
| **Net Assets Available for Benefits** | | | | | | |
| Beginning of year | 468,755,227 | - | 468,755,227 | 360,348,588 | 3,623,948 | 363,972,536 |
| End of year | **$ 527,616,335** | **$ -** | **$ 527,616,335** | **$ 468,755,227** | **$ -** | **$ 468,755,227** |

See notes to financial statements.

## Note 1 - Plan Description

The following description of Kendall Electric, Inc. Employee Stock Ownership Plan and Trust (the "Plan") provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

***General***

Kendall Electric, Inc. (the "Company") established Kendall Electric, Inc. Employee Stock Ownership Plan and Trust effective September 30, 1989. As of September 28, 2018, the Plan operated as a leveraged employee stock ownership plan and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended (the "Code" or IRC), and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. As of September 27, 2019, the Plan no longer operates as a leveraged employee stock ownership plan. The Plan is administered by Kendall Electric, Inc. A trustee committee, as appointed by the Company's board of directors, is the Plan's trustee. Kendall Electric, Inc. Employee Stock Ownership Plan and Trust is the sole stockholder of Kendall Electric, Inc.

Employees of the Company are generally eligible to participate in the Plan at age 18, providing they have worked at least 1,000 hours during the plan year. Participants who do not have at least 1,000 hours of service during such a plan year or are not actively employed on the last working day of a plan year are generally not eligible for an allocation of company contributions for such year. Contribution allocations are based upon a participant's proportional share of total eligible compensation.

***Contributions***

The Company may make annual discretionary contributions to the Plan in the form of cash or stock issuance, as approved by the Company's board of directors. Contributions are allocated to participants on a pro rata basis based on annual compensation, as defined by the plan document.

***Vesting***

Employee accounts vest with years of service. Employees are fully vested in their accounts after seven years of service. After the final loan payment during the previous fiscal year, the vesting period changed to six years. Employees are immediately fully vested when termination is due to death, disability, or normal retirement.

***Benefit Distributions***

No benefit distributions from the Plan will be made until a participant terminates employment with the Company. Benefit distributions are made in cash, with the maximum annual payout to any participant being the greater of $25,000 or one-fifth of his or her account balance at termination. If the participant dies before retirement, the maximum annual payout is the greater of $50,000 or one-fifth of the account balance at death. Beginning in 2014, the benefit distribution process changed to the "put option," as outlined in the following paragraph.

***Put Option***

The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market.

## Note 1 - Plan Description (Continued)

For participants who terminated during the current and previous fiscal year, the put option was exercised by the Company instead of the employee stock ownership plan (ESOP). For participants who elected to diversify during the fiscal year, their shares were recycled within the ESOP. This resulted in 391 shares, at $48.88 per share, exchanged for other participants' cash of $19,112 on a pro rata basis. As a result of the put option, the payments to participants are made in a single payment instead of five annual installments, as was done historically. During fiscal year 2019, the Company concluded to repurchase 1,200,178 shares of common stock from the participants. The purchase price per share was $48.88, which was the fair value per share as of September 28, 2018. During fiscal year 2018, the Company concluded to repurchase 1,418,446 shares of common stock from the participants. The purchase price per share was $33.04, which was the fair value per share as of September 29, 2017. Subsequent to the purchases, the Company retired the shares.

***Diversification***

Participants who have attained the age of 55 and have completed at least 10 years of participation in the Plan are eligible to receive up to 25 percent of the value of the participant's account, less any prior diversification distributions for a five-year period. At the end of the sixth year after the participant becomes eligible for diversification distributions, participants are eligible to receive up to 50 percent of the value of the participant's account, less any prior diversification distributions.

***Voting Company Stock***

Each participant is entitled to exercise, in certain matters, voting rights attributable to the shares allocated to his or her account and is notified by the trustee prior to the time that such rights are to be exercised.

***Termination***

The Company reserves the right to terminate the Plan at any time, subject to the Plan's provisions. Upon termination of the Plan, the Company shall direct the trustee to pay all liabilities and expenses of the Plan and to sell shares of financed stock held in the loan suspense account to the extent it determines such sale to be necessary in order to repay the loan. Upon any full or partial termination, all amounts credited to the affected participants' accounts will become 100 percent vested, and all remaining unallocated amounts will be allocated to the accounts of all participants.

Upon such termination of the Plan, the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan's terms and the Code.

***Basis of Presentation***

The Plan purchased a significant portion of its Kendall Electric, Inc. common shares using the proceeds of loans from the Company and holds the stock in a trust established under the Plan (see Note 6). The borrowings were to be repaid over a period of 20 years by the Company's contributions to the trust fund. As principal payments were made, an appropriate percentage of stock was allocated to eligible employees' accounts in accordance with applicable regulations under the Code.

The borrowings were collateralized by the unallocated shares of stock. Accordingly, the financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to the following:

a. The accounts of employees with vesting rights in allocated stock (allocated)

b. Stock not yet allocated to employees (unallocated), including shares that are committed to be released

As of September 28, 2018, the loan balance was paid off, and all remaining unallocated shares were allocated to participant accounts.

## Note 1 - Plan Description (Continued)

***Year End***

The Plan has adopted a 52-/53-week annual accounting period so that the last day of each fiscal year ends on the Friday nearest September 30.

***Forfeitures***

If a participant is not fully vested on his or her termination date, the nonvested amount of the account is forfeited. The Plan allocates forfeitures to participants based on compensation, as defined.

## Note 2 - Summary of Significant Accounting Policies

***Investment Valuation and Income Recognition***

The common shares of the Company are valued at fair value. Fair value is determined by an annual independent appraisal.

The method 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 method is 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.

***Benefit Payments***

Benefits are recorded when paid. Amounts allocated to accounts of participants who have elected to withdraw from the Plan or have chosen to diversify but have not yet been paid totaled $93,272,949 and $58,664,686 as of September 27, 2019 and September 28, 2018, respectively.

***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

***Risks and Uncertainties***

The Plan invests in 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 financial statements.

***New Accounting Pronouncement***

In August 2018, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement* (ASU No. 2018-13), which primarily removes and modifies Level 3 fair value measurement disclosures. ASU No. 2018-13 is effective for fiscal years beginning after December 15, 2019. Early adoption is permitted for any removed or modified disclosures. Management does not expect the adoption of this ASU to have a significant impact on the Plan's financial statements.

***Subsequent Events***

The financial statements and related disclosures include evaluation of events up through and including March 30, 2020, which is the date the financial statements were available to be issued.

## Note 3 - Tax Status

The Plan has received a determination letter from the Internal Revenue Service indicating that the Plan, as designed, is qualified for tax-exempt treatment under the applicable section of the Internal Revenue Code. Although the Plan has been amended since receiving the determination letter, management believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

## Note 4 - Administration of Plan Assets

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Other administrative expenses are paid by the Company.

## Note 5 - Investments in Common Stock

There are 50,000,000 authorized shares of Company common stock as of September 27, 2019 and September 28, 2018. There were 8,595,848 and 9,565,797 shares issued and outstanding as of September 27, 2019 and September 28, 2018, respectively.

The Plan's investments in company stock at September 27, 2019 and September 28, 2018 are presented in the following table:

| | 2019 Allocated | 2018 Allocated |
|---|---|---|
| Number of shares | 8,595,848 | 9,565,797 |
| Cost | $ 26,933,170 | $ 13,870,261 |
| Fair value | $ 526,839,534 | $ 467,576,171 |

## Note 6 - Notes Payable - Employer

In 1999, the Plan obtained a loan from the Company for the purchase of 4,616,000 shares of Company stock. The original note was for $6,000,800 and bore interest at 7 percent. The note was paid off during the year ended September 28, 2018.

## Note 7 - Employer Contributions

Prior to paying off the loan, as described in Note 6, the Company was obligated to contribute cash to the Plan, which, when aggregated with the Plan's interest earnings, equals the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest on its loans. These obligations could be met in the form of employer contributions or dividends.

## Note 8 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the valuation techniques and inputs used to measure fair value.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Plan has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, and inputs other than quoted prices that are observable for the asset.

## Note 8 - Fair Value Measurements (Continued)

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset. The company stock classified as a Level 3 investment is based on the fair value determined through a third-party appraisal, which utilized the income approach, including the discounted cash flow method. The appraiser took into account historical and projected cash flow, adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA), and appropriate discount rates.

The valuation process involves plan management's selection of an independent appraiser. Plan management accumulates the data for the appraiser from the audited financial statements of the Company. The appraiser prepares a preliminary report, which plan management, along with the ESOP trustees, reviews in detail, discusses, and approves.

In instances whereby inputs used to measure fair value fall into different levels of the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Plan's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The following tables present information about the Plan's assets measured at fair value on a recurring basis at September 27, 2019 and September 28, 2018:

| | Assets Measured at Fair Value on a Recurring Basis at September 27, 2019 | |
|---|---|---|
| | Investments (at Fair Value) | Level 3 |
| Company stock | $ 526,839,534 | $ 526,839,534 |

| | Assets Measured at Fair Value on a Recurring Basis at September 28, 2018 | |
|---|---|---|
| | Investments (at Fair Value) | Level 3 |
| Company stock | $ 467,576,171 | $ 467,576,171 |

The Plan's policy is to recognize transfers between levels of the fair value hierarchy as of the actual date of the event of change in circumstances that caused the transfer. There were no significant transfers between levels of the fair value hierarchy during the years ended September 27, 2019 and September 28, 2018.

Changes in Level 3 assets measured at fair value on a recurring basis for the years ended September 27, 2019 and September 28, 2018 are as follows:

| | Company Stock |
|---|---|
| Balance at September 28, 2018 | $ 467,576,171 |
| Issuances | 14,110,712 |
| Distributions for stock redemptions | (58,664,688) |
| Total realized gains | 57,616,883 |
| Total unrealized gains | 46,200,456 |
| Balance at September 27, 2019 | $ 526,839,534 |

## Note 8 - Fair Value Measurements (Continued)

| | Company Stock |
|---|---|
| Balance at September 29, 2017 | $ 359,121,086 |
| Issuances | 5,619,293 |
| Distributions for stock redemptions | (46,865,455) |
| Total realized gains | 45,627,095 |
| Total unrealized gains | 104,074,152 |
| Balance at September 28, 2018 | $ 467,576,171 |

Both observable and unobservable inputs may be used to determine the fair value of positions classified as Level 3 assets. As a result, the unrealized gains for these assets presented in the tables above may include changes in fair value that were attributable to both observable and unobservable inputs. Based on the selling price of the Plan's sale of company stock, all unrealized gains for the period are reported as such on the statement of changes in net assets available for benefits.

## Note 9 - Subsequent Events

***Impact of Disease Outbreak***

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus a pandemic. First identified in late 2019 and now known as COVID-19, the outbreak has impacted thousands of individuals worldwide. In response, many countries have implemented measures to combat the outbreak that have impacted global business operations. As of the date of issuance of the financial statements, the Company's operations have not been significantly impacted, but the Company continues to monitor the situation. No impairments were recorded as of the statement of net assets available for benefits date, as no triggering events or changes in circumstances had occurred as of year end; however, due to significant uncertainty surrounding the situation, management's judgment regarding this could change in the future. In addition, while the Company's results of operations, cash flows, and financial condition could be negatively impacted, the extent of the impact on the Plan cannot be reasonably estimated at this time.

## Kendall Electric, Inc. Employee Stock Ownership Plan and Trust

# Schedule of Assets Held at End of Year

**Form 5500, Schedule H, Line 4i**
**EIN 38-2023622, Plan No. 003**
**September 27, 2019**

| (a)(b) Identity of Issuer | (c) Description of Investment | (d) Cost | (e) Current Value |
|---|---|---|---|
| Kendall Electric, Inc. | 8,595,848 shares of company common stock | $ 26,933,170 | $ 526,839,534 |

## Kendall Electric, Inc. Employee Stock Ownership Plan and Trust

# Schedule of Reportable Transactions

**Form 5500, Schedule H, Line 4j**
**EIN 38-2023622, Plan No. 003**
**Year Ended September 27, 2019**

| (a) Identity of Party Involved | (b) Description of Asset | (c) Purchase Price | (d) Selling Price | (g) Cost of Asset | (h) Current Value of Asset on Transaction Date | (i) Net Gain (Loss) |
|---|---|---|---|---|---|---|
| Category (iii) - A series of transactions with respect to securities of the same issue that amount, in the aggregate, to more than 5 percent of the beginning value of the total plan assets: | | | | | | |
| | Kendall Electric, Inc. common stock - Sales - 1,200,178 | $ - | $ 58,664,688 | $ 1,047,805 | $ 58,664,688 | $ 57,616,883 |

There were no Category (i), (ii), or (iv) reportable transactions during the year.

## Kendall Electric, Inc. Employee Stock Ownership Plan and Trust

# Schedule of Reportable Transactions

**Form 5500, Schedule H, Line 4j**
**EIN 38-2023622, Plan No. 003**
**Year Ended September 27, 2019**

| (a) Identity of Party Involved | (b) Description of Asset | (c) Purchase Price | (d) Selling Price | (g) Cost of Asset | (h) Current Value of Asset on Transaction Date | (i) Net Gain (Loss) |
|---|---|---|---|---|---|---|
| Category (iii) - A series of transactions with respect to securities of the same issue that amount, in the aggregate, to more than 5 percent of the beginning value of the total plan assets: | | | | | | |
| | Kendall Electric, Inc. common stock - Sales - 1,200,178 | $ - | $ 58,664,688 | $ 1,047,805 | $ 58,664,688 | $ 57,616,883 |

There were no Category (i), (ii), or (iv) reportable transactions during the year.

## Kendall Electric, Inc. Employee Stock Ownership Plan and Trust

# Schedule of Assets Held at End of Year

**Form 5500, Schedule H, Line 4i**
**EIN 38-2023622, Plan No. 003**
**September 27, 2019**

| (a)(b) Identity of Issuer | (c) Description of Investment | (d) Cost | (e) Current Value |
|---|---|---|---|
| Kendall Electric, Inc. | 8,595,848 shares of company common stock | $ 26,933,170 | $ 526,839,534 |