

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2019</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2019 or fiscal plan year beginning <u>01/01/2019</u> and ending <u>12/31/2019</u>	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here. ▶ ☒	
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information		
1a Name of plan <u>APERGY USA, INC. 401(K) PLAN</u>	1b Three-digit plan number (PN) ▶	<u>001</u>	
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>APERGY USA, INC.</u> <u>2445 TECHNOLOGY FOREST BOULEVARD</u> <u>12TH FLOOR</u> <u>THE WOODLANDS, TX 77381</u>		1c Effective date of plan <u>01/01/2018</u>	2b Employer Identification Number (EIN) <u>82-3066935</u>
(Continuation of 2a)		2c Plan Sponsor's telephone number <u>281-403-5792</u>	2d Business code (see instructions) <u>213110</u>

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/06/2020	DOUGLAS R. HULL
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2019)
v. 190130

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 3425
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 2883 6a(2) 2535 6b 0 6c 830 6d 3365 6e 3 6f 3368 6g 3215 6h 149
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7

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

2E 2F 2G 2J 2K 2T 3D

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

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

a Pension Schedules

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

b General Schedules

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

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2019 Form M-1 annual report. If the plan was not required to file the 2019 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

<div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	OMB No. 1210-0110
		2019
		This Form is Open to Public Inspection.

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019		
A Name of plan APERGY USA, INC. 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 APERGY USA, INC.	D Employer Identification Number (EIN) 82-3066935	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
ARISTOTLE
82-3397846

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
COLUMBIA
93-0577450

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
JOHN HANCOCK
04-3483032

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
MFS
04-2747644

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

NORTHERN

39-1777365

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

T. ROWE PRICE

52-2264646

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

VANGUARD

23-1945930

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

WILLIAM BLAIR

36-2214610

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

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

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

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

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)

WELLS FARGO BANK, N.A.

94-1347393

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 21 37 50 62 64	SERVICE PROVIDER	297495	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

WELLS FARGO BANK, N.A.

94-1347393

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 21 37 50 62 64	SERVICE PROVIDER	46339	Yes ☒ No ☐	Yes ☒ No ☐	13361	Yes ☒ No ☐

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

FINANCIAL ENGINES ADVISORS, LLC

94-3250323

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27 51	SERVICE PROVIDER	46339	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
WELLS FARGO BANK, N.A.	15	13361

(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.	
FINANCIAL ENGINES ADVISORS, LLC 94-3250323	QUARTERLY SET UP AND MAINTENANCE FEES PLUS PER PARTICIPANT FEE NOT TO EXCEED 25% OF FEES RECEIVED BY FINANCIAL ENGINES EACH QUARTER	

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2019 This Form is Open to Public Inspection.
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For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

A Name of plan <u>APERGY USA, INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
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C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>APERGY USA, INC.</u>	D Employer Identification Number (EIN) <u>82-3066935</u>
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Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: COLUMBIA TRST STABLE INCOME I-0 FD

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

c EIN-PN <u>41-0007957-060</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>16168949</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE: ARISTOTLE SM/MIDCAP EQ COLL TRST

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

c EIN-PN <u>82-3397846-004</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE: T ROWE PRICE ST/SH SH BEN INT

b Name of sponsor of entity listed in (a): T. ROWE PRICE TRUST COMPANY

c EIN-PN <u>52-1309931-010</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>19658417</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE: WF CORE BOND CIT N

b Name of sponsor of entity listed in (a): WELLS FARGO BANK. N.A.

c EIN-PN <u>94-3222878-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE: WF/CAUSEWAY INTL VALUE CIT N

b Name of sponsor of entity listed in (a): WELLS FARGO BANK, N.A.

c EIN-PN <u>47-6375784-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE: WILLIAM BLAIR SM-MID CAP GR COL INV

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

c EIN-PN <u>27-6331814-007</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>9466593</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2019 This Form is Open to Public Inspection
For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019		
A Name of plan APERGY USA, INC. 401(K) PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 APERGY USA, INC.	D Employer Identification Number (EIN) 82-3066935	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
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 Total noninterest-bearing cash	1a		-466	-3
b Receivables (less allowance for doubtful accounts):				
(1) Employer contributions.....	1b(1)			
(2) Participant contributions.....	1b(2)			
(3) Other.....	1b(3)			
c General investments:				
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)			
(2) U.S. Government securities	1c(2)			
(3) Corporate debt instruments (other than employer securities):				
(A) Preferred	1c(3)(A)			
(B) All other.....	1c(3)(B)			
(4) Corporate stocks (other than employer securities):				
(A) Preferred	1c(4)(A)			
(B) Common.....	1c(4)(B)		15464012	0
(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)		6128628	5476084
(9) Value of interest in common/collective trusts	1c(9)		61102265	45293959
(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)		71483339	144674441
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)			
(15) Other.....	1c(15)			

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	154177778	195444481

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	154177778	195444481
---	-----------	-----------	-----------

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)	11399666	
(B) Participants	2a(1)(B)	12722320	
(C) Others (including rollovers)	2a(1)(C)	1143242	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		25265228
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)	312212	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		312212
(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)	2972875	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		2972875
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	20508924	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	14532792	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		5976132
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		9382262
(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)		18992518
c Other income	2c		100910
d Total income. Add all income amounts in column (b) and enter total	2d		63002137

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	21320199	
(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)		21320199
f Corrective distributions (see instructions)	2f		2446
g Certain deemed distributions of participant loans (see instructions)	2g		91155
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)	321634	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		321634
j Total expenses. Add all expense amounts in column (b) and enter total	2j		21735434

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		41266703
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) ☐ Unmodified (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: **WEAVER AND TIDWELL, LLP**

(2) EIN: **75-0786316**

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

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

Part IV Compliance Questions

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

During the plan year:

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

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

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....			
4d		X	
e Was this plan covered by a fidelity bond?	X		10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
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.)	X		
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 2019 This Form is Open to Public Inspection.
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For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

A Name of plan <u>APERGY USA, INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>APERGY USA, INC.</u>	D Employer Identification Number (EIN) <u>82-3066935</u>

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

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>41-6257133</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	

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

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

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

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

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

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

Schedule R (Form 5500) 2019
v. 190130

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): _____

- 20 PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

- a** Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

- b** If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation _____

Apergy USA, Inc. 401K Plan

Financial Report

December 31, 2019

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Supplementary Information

Schedule H, Line 4a – Schedule of Delinquent Participant Contributions	13
Schedule H, Line 4i – Schedule of Assets (Held at End of Year)	14

All other schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 are omitted because of the absence of the conditions under which they would apply.

Independent Auditor's Report

To the Participants and Plan Administrator of the
Apergy USA, Inc. 401K Plan
Houston, Texas

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Apergy USA, Inc. 401K Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2019 and 2018, and the related statements 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 conducting the audits in accordance with auditing standards generally accepted in the United States of America (US GAAS). Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by 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 and for the years ended December 31, 2019 and 2018, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

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

Weaver and Tidwell, L.L.P.
24 Greenway Plaza, Suite 1800 | Houston, Texas 77046
Main: 713.850.8787

CPAs AND ADVISORS | WEAVER.COM

The Participants and Plan Administrator of the
Apergy USA, Inc. 401K Plan

Emphasis of Matter

As discussed in Note 9 the financial statements, the 2018 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Other Matter – Supplementary Information

The supplementary information listed in the table of contents as of December 31, 2019 is required by DOL's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on the supplementary information.

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 supplementary information, other than that derived from the information certified by the trustee, have been audited by us in accordance with US GAAS and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Houston, Texas
October 5, 2020

Apergy USA, Inc. 401K Plan
Statements of Net Assets Available for Benefits
December 31, 2019 and 2018
(In thousands)

	<u>2019</u>	<u>2018</u>
ASSETS		
Investments, at fair value	\$ 189,968	\$ 148,049
Receivables		
Employer's contributions	4,730	5,643
Notes receivable from participants	<u>5,476</u>	<u>6,129</u>
Total receivables	<u>10,206</u>	<u>11,772</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 200,174</u>	<u>\$ 159,821</u>

The Notes to Financial Statements are an integral part of these statements.

Apergy USA, Inc. 401K Plan
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2019 and 2018
(In thousands)

	2019	2018
ADDITIONS		
Investment income (loss)		
Net appreciation (depreciation) in fair value of investments	\$ 34,452	\$ (14,267)
Interest and dividends	2,973	1,576
	<u>37,425</u>	<u>(12,691)</u>
Net investment income (loss)		
Contributions		
Employer	10,486	15,118
Participants	12,722	10,554
Rollovers	1,143	3,732
	<u>24,351</u>	<u>29,404</u>
Total contributions		
Interest income on notes receivable from participants	312	260
	<u>62,088</u>	<u>16,973</u>
Total additions		
DEDUCTIONS		
Benefits paid directly to participants	21,414	12,631
Administrative expenses	321	190
	<u>21,735</u>	<u>12,821</u>
Total deductions		
Net increase before transfer	40,353	4,152
Transfer from other plans	-	155,669
	<u>40,353</u>	<u>159,821</u>
Net increase after transfer		
NET ASSETS AVAILABLE FOR BENEFITS, beginning of year	<u>159,821</u>	<u>-</u>
NET ASSETS AVAILABLE FOR BENEFITS, end of year	<u>\$ 200,174</u>	<u>\$ 159,821</u>

The Notes to Financial Statements are an integral part of these statements.

Apergy USA, Inc. 401K Plan

Notes to Financial Statements

Note 1. Description of the Plan

The following description of the Apergy USA, Inc. 401K Plan (the Plan) provides only general information. Participants should refer to the *Plan document* for a more complete description of the Plan's provisions, which is available from Plan management.

General

The Plan is a defined contribution plan covering all full-time employees of Apergy USA, Inc. (the Company or Apergy) who are age eighteen or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Benefits and Investment Committee is responsible for oversight of the Plan and monitors investment performance.

On January 1, 2018, in anticipation of the spin-off from Dover Corporation (Dover), the Plan was formed as the Wellsite 401(k) Savings Plan in order to merge the plan assets and participants of Wellsite Corporation (Wellsite), Dover's upstream oil and gas energy segment.

On January 2, 2018, the US Synthetic Corporation 401(k) Plan (a Wellsite division) was merged into the Plan, at which time approximately \$58.8 million of participant account balances and loans were transferred into the Plan. Effective as of January 3, 2018, the participant account balances and assets totaling approximately \$96.8 million related to Wellsite operations were transferred into the Plan from the Dover Corporation Retirement Savings Plan (Dover Plan).

On February 2, 2018, Wellsite Corporation changed its name to Apergy Corporation.

On May 9, 2018, Apergy Corporation became an independent, publicly traded company separately from Dover in a series of transactions. Dover distributed 100% of the issued and outstanding shares of Apergy Corporation common stock to the shareholders of record of Dover common stock as of the close of business on April 30, 2018, in a tax-free separation (the Separation). Each Dover stockholder received one share of Apergy common stock for every two shares of Dover common stock held on the record date. The value of the distribution of Apergy stock associated with the Separation and received by the Plan on May 9, 2018, was approximately \$5.6 million and was recorded within net depreciation of fair value of investments in the accompanying statement of changes in net assets available for benefits.

Effective May 9, 2018, the Wellsite 401(k) Savings Plan was amended to change the name of the Plan to Apergy USA, Inc. 401(k) Plan.

Effective May 8, 2019, the Apergy Stock Fund and Dover Stock Fund were eliminated as investment options under the Plan. Participant balances were transferred to the qualified default investment alternative as defined by the Plan provisions unless changed by the participant.

Effective June 28, 2019, the Company completed the sale of the assets of Accelerated Process Systems, Inc., a wholly owned subsidiary. Employees of Accelerated Process Systems, Inc. were participants of the Plan, some of whose employment ended with the completion of the sale, either to accept employment with the buyer of the assets or elsewhere. The sale resulted in a rollover distribution of assets totaling approximately \$780,000 on July 16, 2019 to another Plan.

Apergy USA, Inc. 401K Plan

Notes to Financial Statements

Contributions

- Each year, participants may contribute up to 50% of pretax annual compensation, as defined in the Plan.
- Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions.
- Effective September 1, 2018, participants may also designate some of their contributions as after tax contributions to a Roth 401(k) option.
- Participants may also contribute (rollover) amounts representing distributions from other qualified defined benefit or defined contribution plans.
- Participants direct the investment of their contributions into various investment options offered by the Plan.
- Effective September 1, 2018, the Plan included an auto-enrollment provision whereby all newly eligible employees are automatically enrolled in the Plan unless they affirmatively elect not to participate in the Plan. Automatically enrolled participants have their deferral rate set at 6% of eligible compensation, increasing annually by 1% until reaching 10%, and their contributions invested in a designated balanced fund until changed by the participant.
- The Company contributes 100%, up to 1%, and contributes 50%, up to the next 5%, of eligible compensation that a participant contributes to the Plan. Catch-up contributions are not matched.
- For Union Norris hourly employees, the Company's matching contribution is equal to 40% of the participant's contributions not to exceed 6% of the employee's compensation and the Company also makes a \$70 per month profit sharing contribution to their accounts. The match formula for Union Participants is determined by the applicable Collective Bargaining Agreement.
- Match is automatically vested.
- An additional automatic contribution can be made by the Company for all eligible participants at 1% of compensation or \$750 for participants employed at the end of the year.
- The Company may also make a profit sharing contribution at the discretion of the Company. Different participating employers under the plan may have different profit sharing formulas. During the year ended December 31, 2019 and 2018, certain participants received a profit sharing contribution from the Company of approximately \$3 million and \$4 million, respectively.
- The Company contributions are invested as directed by the participant.
- Contributions are subject to certain IRS limitations.
- Effective October 1, 2019 there are no vesting requirements for any money types as per Amendment 2019-3.

Participant Accounts

Each participant's account is credited with the participant's and Company matching and contributions and allocations of (a) the Company's automatic contribution (b) the Company's profit sharing contribution and (c) Plan earnings. Participant accounts are charged with an allocation of administrative expenses. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Apergy USA, Inc. 401K Plan

Notes to Financial Statements

Vesting

Participants are vested immediately in their contributions, the Company's matching contributions and the Company's automatic contributions plus actual earnings thereon. Vesting in the Company's profit sharing contribution portion of their accounts is based on years of continuous service. A participant is 100% vested after five years of credited service. Effective October 1, 2019, the Plan amended the vesting in the Company's profit sharing contribution to be immediately 100% vested. The contribution sources that were transferred into the Plan from the Dover Plan will be 100% vested, with the exception of the prior company match from the Dover Plan will be 100% vested after one year of service.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at rates commensurate with local prevailing rates as determined by Plan management. Principal and interest is paid ratably through payroll deductions.

Payment of Benefits

Upon separation of service due to death, disability, retirement or termination of employment, a participant may elect to receive either a lump sum amount equal to the value of the participant's vested interest in his or her account, or annual installments over a period of not more than his or her assumed life expectancy.

Forfeited Accounts

At December 31, 2019 and 2018, forfeited non-vested accounts totaled \$292,284 and \$152,182, respectively. These accounts will be used to reduce future Company contributions and to pay Plan expenses. During 2019 and 2018, no Company contributions were reduced from forfeited non-vested accounts.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

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

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (US GAAP) requires Plan management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Apergy USA, Inc. 401K Plan

Notes to Financial Statements

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. The Benefits and Investment Committee determines the Plan's valuation policies utilizing information provided by the investment advisers, custodians, and insurance company. 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 at the ex-dividend date. Net appreciation (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, 2019 and 2018.

Payment of Benefits

Benefits paid directly to participants are recorded when paid.

Expenses

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Fees related to record keeping and 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 in net appreciation (depreciation) of fair value of investments.

Plan Management's Review of Subsequent Events

The Plan has evaluated subsequent events through October 5, 2020, the date the financial statements were available to be issued.

Note 3. Certified Investments

All investment information disclosed in the accompanying financial statements and supplementary information, including investments held and notes receivable from participants at December 31, 2019 and 2018, and net appreciation (depreciation) in fair value of investments, investment income (loss), and interest income on notes receivable from participants for the years ended December 31, 2019 and 2018, was obtained or derived from information provided to Plan management and certified as complete and accurate by Wells Fargo Bank, N.A., the trustee of the Plan.

Apergy USA, Inc. 401K Plan

Notes to Financial Statements

Note 4. Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

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

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- 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 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:

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

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

Collective investment trusts: Valued at the NAV of units of a bank collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. Participant transactions (purchased and sales) may occur daily. Were the Plan to initiate a full redemption of the collective trust, the investment adviser reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

Apergy USA, Inc. 401K Plan

Notes to Financial Statements

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2019 and 2018 (in thousands):

	2019	2018
Level 1:		
Mutual funds	\$ 144,674	\$ 71,483
Common stocks	-	15,464
	144,674	86,947
Investments measured at net asset value:		
Collective investment trusts	45,294	61,102
Investments at fair value	\$ 189,968	\$ 148,049

Fair Value of Investments in Entities that Use NAV

The following table summarizes investments measured at fair value based on NAV per share as of December 31, 2019 and 2018 (in thousands):

	2019	2018
Collective investment trusts		
Fair value	\$ 45,294	\$ 61,102
Unfunded commitment	None	None
Redemption frequency	Immediate	Immediate
Other redemption restrictions	None	None
Redemption notice period	None	None

Note 5. Related Party Transactions and Party in Interest Transactions

Certain Plan investments are shares of mutual funds, common stock, and common collective trusts provided through Wells Fargo Bank, N.A. Wells Fargo Bank, N.A., is the record keeper and trustee for the Plan and, therefore, these transactions qualify as party in interest transactions. All investment fund earnings or losses posted to each Plan participant's account are net of investment management fees charged by each investment fund under the Plan.

Note 6. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their Employer contributions.

Apergy USA, Inc. 401K Plan

Notes to Financial Statements

Note 7. Tax Status

Effective January 1, 2018, the Plan adopted a prototype volume submitter defined contribution profit sharing plan with Internal Revenue Code Section 401(k) Cash or Deferred Arrangement (CODA), which received a favorable opinion letter from the Internal Revenue Service (IRS), dated March 31, 2014. The Plan has been amended since the date of the last amendment covered by the above mentioned determination letter. However, Plan management believes that the plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

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

Note 8. Risks and Uncertainties

The Plan invests in various investment securities that are exposed to various risks such as interest rates, market and credit risks. Market values of investments may decline for a number of reasons, including changes in prevailing market and interest rates, increases in defaults and credit rating downgrades. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near term and that some changes could materially affect participant account balances and the amounts reported in the statement of net assets available for benefits.

Note 9. Correction of a Misstatement

The financial statements as of and for the year ended December 31, 2018 have been restated to correct a misstatement in employer contributions. Approximately \$5.6 million in employer contributions receivable was omitted from the 2018 financial statements. Upon restatement of the prior period financial statements, employer contribution receivables in the statement of net assets available for benefits and employer contributions in the statement of changes in net assets available for benefits have been increased by \$5,643,405.

Note 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, 2019 and 2018 to Form 5500 (in thousands):

	2019	2018
Net assets available for benefits per the financial statements	\$ 200,174	\$ 159,821
Employer contributions receivable	(4,730)	(5,643)
Net assets available for benefits per Form 5500	\$ 195,444	\$ 154,178

Apergy USA, Inc. 401K Plan

Notes to Financial Statements

The following is a reconciliation of the changes in net assets available for benefits per the financial statements for the years ended December 31, 2019 and 2018, to Form 5500 (in thousands):

	<u>2019</u>	<u>2018</u>
Increase in net assets available for benefits before transfer per the financial statement	\$ 40,353	\$ 4,152
Employer contributions receivable at December 31, 2018	5,643	(5,643)
Employer contributions receivable at December 31, 2019	<u>(4,730)</u>	<u>-</u>
Increase (decrease) in net assets available for benefits per Form 5500	<u>\$ 41,266</u>	<u>\$ (1,491)</u>

Note 11. Subsequent Events

COVID-19

On March 11, 2020, the World Health Organization declared Coronavirus (COVID-19) a pandemic. The extent of the operational and financial impact the COVID-19 pandemic may have on the Plan Sponsor has yet to be determined and is dependent on its duration and spread, any related operational restrictions and the overall economy. The Plan Sponsor is unable to accurately predict how COVID-19 will affect the results of its operations or the Plan because the virus's severity and the duration of the pandemic are uncertain. Potential impacts include, but are not limited to, additional costs for responding to COVID-19, potential shortages of personnel, delays, loss of, or reduction to revenue and overall market decline. Management believes the Plan Sponsor is taking appropriate actions to respond to the pandemic; however, the full impact is unknown and cannot be reasonably estimated at the date the financial statements were available for issuance.

CARES Act

The Plan has implemented certain requirements by the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) and the Setting Every Community Up for Retirement Enhancement Act of 2019 (the SECURE Act), which laws change the Plan to, among others, allow certain eligible individuals to receive coronavirus-related relief for certain distributions and loan repayments, suspend required minimum distributions, and delay the commencement date for required minimum distributions. The optional features within these acts are currently being assessed but have not been implemented to date. Written amendments to the Plan to reflect these operational changes will be adopted at a later date in accordance with applicable law and IRS guidance.

Name Change

Effective June 3, 2020, the parent company the Company, Apergy Corporation, acquired ChampionX Holding Inc. by merging it into a wholly owned subsidiary. In connection with this transaction, Apergy Corporation changed its name to ChampionX Corporation. There were no changes to the Company, any related participating employers, or any of the Company's subsidiaries as a result of the transaction.

Supplementary Information

Apergy USA, Inc. 401(k) Plan

Schedule H, Line 4a – Schedule of Delinquent Participant Contributions

Plan #001 / EIN: 82-3066935

December 31, 2019

	<div>Participant Contributions Transferred Late to Plan</div>		<div>Total that Constitute Nonexempt Prohibited Transactions</div>		
	<div>Check Here if Late Participant Loan Payments are Included:☐</div>	<div>Contributions Not Corrected</div>	<div>Contributions Corrected Outside VFCP</div>	<div>Contributions Pending Correction VFCP</div>	<div>Total Fully Corrected Under VFCP and PTE 2002-51</div>
2018	\$ 1,579	\$ -	\$ 1,579	\$ -	\$ -

Apergy USA, Inc. 401(k) Plan

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

Plan #001 / EIN: 82-3066935

December 31, 2019

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost**	Current value
	Investments:			
	Northern Trust Small Cap Value	Mutual fund	\$ -	\$ 2,877,760
	Vanguard Institutional Index I	Mutual fund	-	16,120,248
	Vanguard Extended Market Idx Adm	Mutual fund	-	4,612,405
	Vanguard Small-Cap Index Admiral	Mutual fund	-	7,374,533
	John Hancock Bond Fund	Mutual fund	-	8,576,560
	MFS International Diversification Fund	Mutual fund	-	14,290,424
	Vanguard Target Retirement Income	Mutual fund	-	2,275,944
	Vanguard Target Retirement 2015 Inv	Mutual fund	-	935,602
	Vanguard Target Retirement 2020 Inv	Mutual fund	-	6,652,900
	Vanguard Target Retirement 2025 Inv	Mutual fund	-	9,569,483
	Vanguard Target Retirement 2030 Inv	Mutual fund	-	12,660,743
	Vanguard Target Retirement 2035 Inv	Mutual fund	-	8,042,302
	Vanguard Target Retirement 2040 Inv	Mutual fund	-	12,622,617
	Vanguard Target Retirement 2045 Inv	Mutual fund	-	11,673,241
	Vanguard Target Retirement 2050 Inv	Mutual fund	-	7,506,960
	Vanguard Target Retirement 2055 Inv	Mutual fund	-	5,619,782
	Vanguard Target Retirement 2060 Inv	Mutual fund	-	1,998,974
	Vanguard Target Retirement 2065 Inv	Mutual fund	-	354,267
	Vanguard Total Intl Stock Index Admiral	Mutual fund	-	5,565,073
	Vanguard Total Bond Market Index Admiral	Mutual fund	-	5,344,623
	Columbia Trust Stable Income 1-0	Common Collective Trust	-	16,168,949
	T. Rowe Price US Structured Research B	Common Collective Trust	-	19,658,417
	William Blair Small-Mid Cap Growth CIT	Common Collective Trust	-	9,466,593
	Total investments		-	189,968,400
		Varying maturity dates and interest rates ranging from 3.25% - 7.75%		
*	Notes receivable from participants		-	5,476,084
			<u>\$ -</u>	<u>\$ 195,444,484</u>

(*) Party-in-interest

(**) Cost is not required for participant directed funds

Apergy USA, Inc. 401K Plan

Financial Report

December 31, 2019

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All other schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 are omitted because of the absence of the conditions under which they would apply.

Independent Auditor's Report

To the Participants and Plan Administrator of the
Apergy USA, Inc. 401K Plan
Houston, Texas

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Apergy USA, Inc. 401K Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2019 and 2018, and the related statements 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 conducting the audits in accordance with auditing standards generally accepted in the United States of America (US GAAS). Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by 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 and for the years ended December 31, 2019 and 2018, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

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

Weaver and Tidwell, L.L.P.
24 Greenway Plaza, Suite 1800 | Houston, Texas 77046
Main: 713.850.8787

CPAs AND ADVISORS | WEAVER.COM

The Participants and Plan Administrator of the
Apergy USA, Inc. 401K Plan

Emphasis of Matter

As discussed in Note 9 the financial statements, the 2018 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Other Matter – Supplementary Information

The supplementary information listed in the table of contents as of December 31, 2019 is required by DOL's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on the supplementary information.

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 supplementary information, other than that derived from the information certified by the trustee, have been audited by us in accordance with US GAAS and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Houston, Texas
October 5, 2020

Apergy USA, Inc. 401K Plan
Statements of Net Assets Available for Benefits
December 31, 2019 and 2018
(In thousands)

	<u>2019</u>	<u>2018</u>
ASSETS		
Investments, at fair value	\$ 189,968	\$ 148,049
Receivables		
Employer's contributions	4,730	5,643
Notes receivable from participants	<u>5,476</u>	<u>6,129</u>
Total receivables	<u>10,206</u>	<u>11,772</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 200,174</u>	<u>\$ 159,821</u>

The Notes to Financial Statements are an integral part of these statements.

Apergy USA, Inc. 401K Plan
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2019 and 2018
(In thousands)

	2019	2018
ADDITIONS		
Investment income (loss)		
Net appreciation (depreciation) in fair value of investments	\$ 34,452	\$ (14,267)
Interest and dividends	2,973	1,576
	<u>37,425</u>	<u>(12,691)</u>
Net investment income (loss)		
Contributions		
Employer	10,486	15,118
Participants	12,722	10,554
Rollovers	1,143	3,732
	<u>24,351</u>	<u>29,404</u>
Total contributions		
Interest income on notes receivable from participants	312	260
	<u>62,088</u>	<u>16,973</u>
Total additions		
DEDUCTIONS		
Benefits paid directly to participants	21,414	12,631
Administrative expenses	321	190
	<u>21,735</u>	<u>12,821</u>
Total deductions		
Net increase before transfer	40,353	4,152
Transfer from other plans	-	155,669
	<u>40,353</u>	<u>159,821</u>
Net increase after transfer		
NET ASSETS AVAILABLE FOR BENEFITS, beginning of year	<u>159,821</u>	<u>-</u>
NET ASSETS AVAILABLE FOR BENEFITS, end of year	<u>\$ 200,174</u>	<u>\$ 159,821</u>

The Notes to Financial Statements are an integral part of these statements.

Apergy USA, Inc. 401K Plan

Notes to Financial Statements

Note 1. Description of the Plan

The following description of the Apergy USA, Inc. 401K Plan (the Plan) provides only general information. Participants should refer to the *Plan document* for a more complete description of the Plan's provisions, which is available from Plan management.

General

The Plan is a defined contribution plan covering all full-time employees of Apergy USA, Inc. (the Company or Apergy) who are age eighteen or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Benefits and Investment Committee is responsible for oversight of the Plan and monitors investment performance.

On January 1, 2018, in anticipation of the spin-off from Dover Corporation (Dover), the Plan was formed as the Wellsite 401(k) Savings Plan in order to merge the plan assets and participants of Wellsite Corporation (Wellsite), Dover's upstream oil and gas energy segment.

On January 2, 2018, the US Synthetic Corporation 401(k) Plan (a Wellsite division) was merged into the Plan, at which time approximately \$58.8 million of participant account balances and loans were transferred into the Plan. Effective as of January 3, 2018, the participant account balances and assets totaling approximately \$96.8 million related to Wellsite operations were transferred into the Plan from the Dover Corporation Retirement Savings Plan (Dover Plan).

On February 2, 2018, Wellsite Corporation changed its name to Apergy Corporation.

On May 9, 2018, Apergy Corporation became an independent, publicly traded company separately from Dover in a series of transactions. Dover distributed 100% of the issued and outstanding shares of Apergy Corporation common stock to the shareholders of record of Dover common stock as of the close of business on April 30, 2018, in a tax-free separation (the Separation). Each Dover stockholder received one share of Apergy common stock for every two shares of Dover common stock held on the record date. The value of the distribution of Apergy stock associated with the Separation and received by the Plan on May 9, 2018, was approximately \$5.6 million and was recorded within net depreciation of fair value of investments in the accompanying statement of changes in net assets available for benefits.

Effective May 9, 2018, the Wellsite 401(k) Savings Plan was amended to change the name of the Plan to Apergy USA, Inc. 401(k) Plan.

Effective May 8, 2019, the Apergy Stock Fund and Dover Stock Fund were eliminated as investment options under the Plan. Participant balances were transferred to the qualified default investment alternative as defined by the Plan provisions unless changed by the participant.

Effective June 28, 2019, the Company completed the sale of the assets of Accelerated Process Systems, Inc., a wholly owned subsidiary. Employees of Accelerated Process Systems, Inc. were participants of the Plan, some of whose employment ended with the completion of the sale, either to accept employment with the buyer of the assets or elsewhere. The sale resulted in a rollover distribution of assets totaling approximately \$780,000 on July 16, 2019 to another Plan.

Apergy USA, Inc. 401K Plan

Notes to Financial Statements

Contributions

- Each year, participants may contribute up to 50% of pretax annual compensation, as defined in the Plan.
- Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions.
- Effective September 1, 2018, participants may also designate some of their contributions as after tax contributions to a Roth 401(k) option.
- Participants may also contribute (rollover) amounts representing distributions from other qualified defined benefit or defined contribution plans.
- Participants direct the investment of their contributions into various investment options offered by the Plan.
- Effective September 1, 2018, the Plan included an auto-enrollment provision whereby all newly eligible employees are automatically enrolled in the Plan unless they affirmatively elect not to participate in the Plan. Automatically enrolled participants have their deferral rate set at 6% of eligible compensation, increasing annually by 1% until reaching 10%, and their contributions invested in a designated balanced fund until changed by the participant.
- The Company contributes 100%, up to 1%, and contributes 50%, up to the next 5%, of eligible compensation that a participant contributes to the Plan. Catch-up contributions are not matched.
- For Union Norris hourly employees, the Company's matching contribution is equal to 40% of the participant's contributions not to exceed 6% of the employee's compensation and the Company also makes a \$70 per month profit sharing contribution to their accounts. The match formula for Union Participants is determined by the applicable Collective Bargaining Agreement.
- Match is automatically vested.
- An additional automatic contribution can be made by the Company for all eligible participants at 1% of compensation or \$750 for participants employed at the end of the year.
- The Company may also make a profit sharing contribution at the discretion of the Company. Different participating employers under the plan may have different profit sharing formulas. During the year ended December 31, 2019 and 2018, certain participants received a profit sharing contribution from the Company of approximately \$3 million and \$4 million, respectively.
- The Company contributions are invested as directed by the participant.
- Contributions are subject to certain IRS limitations.
- Effective October 1, 2019 there are no vesting requirements for any money types as per Amendment 2019-3.

Participant Accounts

Each participant's account is credited with the participant's and Company matching and contributions and allocations of (a) the Company's automatic contribution (b) the Company's profit sharing contribution and (c) Plan earnings. Participant accounts are charged with an allocation of administrative expenses. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Apergy USA, Inc. 401K Plan

Notes to Financial Statements

Vesting

Participants are vested immediately in their contributions, the Company's matching contributions and the Company's automatic contributions plus actual earnings thereon. Vesting in the Company's profit sharing contribution portion of their accounts is based on years of continuous service. A participant is 100% vested after five years of credited service. Effective October 1, 2019, the Plan amended the vesting in the Company's profit sharing contribution to be immediately 100% vested. The contribution sources that were transferred into the Plan from the Dover Plan will be 100% vested, with the exception of the prior company match from the Dover Plan will be 100% vested after one year of service.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at rates commensurate with local prevailing rates as determined by Plan management. Principal and interest is paid ratably through payroll deductions.

Payment of Benefits

Upon separation of service due to death, disability, retirement or termination of employment, a participant may elect to receive either a lump sum amount equal to the value of the participant's vested interest in his or her account, or annual installments over a period of not more than his or her assumed life expectancy.

Forfeited Accounts

At December 31, 2019 and 2018, forfeited non-vested accounts totaled \$292,284 and \$152,182, respectively. These accounts will be used to reduce future Company contributions and to pay Plan expenses. During 2019 and 2018, no Company contributions were reduced from forfeited non-vested accounts.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

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

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (US GAAP) requires Plan management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Apergy USA, Inc. 401K Plan

Notes to Financial Statements

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. The Benefits and Investment Committee determines the Plan's valuation policies utilizing information provided by the investment advisers, custodians, and insurance company. 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 at the ex-dividend date. Net appreciation (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, 2019 and 2018.

Payment of Benefits

Benefits paid directly to participants are recorded when paid.

Expenses

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Fees related to record keeping and 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 in net appreciation (depreciation) of fair value of investments.

Plan Management's Review of Subsequent Events

The Plan has evaluated subsequent events through October 5, 2020, the date the financial statements were available to be issued.

Note 3. Certified Investments

All investment information disclosed in the accompanying financial statements and supplementary information, including investments held and notes receivable from participants at December 31, 2019 and 2018, and net appreciation (depreciation) in fair value of investments, investment income (loss), and interest income on notes receivable from participants for the years ended December 31, 2019 and 2018, was obtained or derived from information provided to Plan management and certified as complete and accurate by Wells Fargo Bank, N.A., the trustee of the Plan.

Apergy USA, Inc. 401K Plan

Notes to Financial Statements

Note 4. Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

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

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- 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 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:

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

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

Collective investment trusts: Valued at the NAV of units of a bank collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. Participant transactions (purchased and sales) may occur daily. Were the Plan to initiate a full redemption of the collective trust, the investment adviser reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

Apergy USA, Inc. 401K Plan

Notes to Financial Statements

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2019 and 2018 (in thousands):

	2019	2018
Level 1:		
Mutual funds	\$ 144,674	\$ 71,483
Common stocks	-	15,464
	144,674	86,947
Investments measured at net asset value:		
Collective investment trusts	45,294	61,102
Investments at fair value	\$ 189,968	\$ 148,049

Fair Value of Investments in Entities that Use NAV

The following table summarizes investments measured at fair value based on NAV per share as of December 31, 2019 and 2018 (in thousands):

	2019	2018
Collective investment trusts		
Fair value	\$ 45,294	\$ 61,102
Unfunded commitment	None	None
Redemption frequency	Immediate	Immediate
Other redemption restrictions	None	None
Redemption notice period	None	None

Note 5. Related Party Transactions and Party in Interest Transactions

Certain Plan investments are shares of mutual funds, common stock, and common collective trusts provided through Wells Fargo Bank, N.A. Wells Fargo Bank, N.A., is the record keeper and trustee for the Plan and, therefore, these transactions qualify as party in interest transactions. All investment fund earnings or losses posted to each Plan participant's account are net of investment management fees charged by each investment fund under the Plan.

Note 6. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their Employer contributions.

Apergy USA, Inc. 401K Plan

Notes to Financial Statements

Note 7. Tax Status

Effective January 1, 2018, the Plan adopted a prototype volume submitter defined contribution profit sharing plan with Internal Revenue Code Section 401(k) Cash or Deferred Arrangement (CODA), which received a favorable opinion letter from the Internal Revenue Service (IRS), dated March 31, 2014. The Plan has been amended since the date of the last amendment covered by the above mentioned determination letter. However, Plan management believes that the plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

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

Note 8. Risks and Uncertainties

The Plan invests in various investment securities that are exposed to various risks such as interest rates, market and credit risks. Market values of investments may decline for a number of reasons, including changes in prevailing market and interest rates, increases in defaults and credit rating downgrades. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near term and that some changes could materially affect participant account balances and the amounts reported in the statement of net assets available for benefits.

Note 9. Correction of a Misstatement

The financial statements as of and for the year ended December 31, 2018 have been restated to correct a misstatement in employer contributions. Approximately \$5.6 million in employer contributions receivable was omitted from the 2018 financial statements. Upon restatement of the prior period financial statements, employer contribution receivables in the statement of net assets available for benefits and employer contributions in the statement of changes in net assets available for benefits have been increased by \$5,643,405.

Note 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, 2019 and 2018 to Form 5500 (in thousands):

	2019	2018
Net assets available for benefits per the financial statements	\$ 200,174	\$ 159,821
Employer contributions receivable	(4,730)	(5,643)
Net assets available for benefits per Form 5500	\$ 195,444	\$ 154,178

Apergy USA, Inc. 401K Plan

Notes to Financial Statements

The following is a reconciliation of the changes in net assets available for benefits per the financial statements for the years ended December 31, 2019 and 2018, to Form 5500 (in thousands):

	2019	2018
Increase in net assets available for benefits before transfer per the financial statement	\$ 40,353	\$ 4,152
Employer contributions receivable at December 31, 2018	5,643	(5,643)
Employer contributions receivable at December 31, 2019	(4,730)	-
Increase (decrease) in net assets available for benefits per Form 5500	\$ 41,266	\$ (1,491)

Note 11. Subsequent Events

COVID-19

On March 11, 2020, the World Health Organization declared Coronavirus (COVID-19) a pandemic. The extent of the operational and financial impact the COVID-19 pandemic may have on the Plan Sponsor has yet to be determined and is dependent on its duration and spread, any related operational restrictions and the overall economy. The Plan Sponsor is unable to accurately predict how COVID-19 will affect the results of its operations or the Plan because the virus's severity and the duration of the pandemic are uncertain. Potential impacts include, but are not limited to, additional costs for responding to COVID-19, potential shortages of personnel, delays, loss of, or reduction to revenue and overall market decline. Management believes the Plan Sponsor is taking appropriate actions to respond to the pandemic; however, the full impact is unknown and cannot be reasonably estimated at the date the financial statements were available for issuance.

CARES Act

The Plan has implemented certain requirements by the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) and the Setting Every Community Up for Retirement Enhancement Act of 2019 (the SECURE Act), which laws change the Plan to, among others, allow certain eligible individuals to receive coronavirus-related relief for certain distributions and loan repayments, suspend required minimum distributions, and delay the commencement date for required minimum distributions. The optional features within these acts are currently being assessed but have not been implemented to date. Written amendments to the Plan to reflect these operational changes will be adopted at a later date in accordance with applicable law and IRS guidance.

Name Change

Effective June 3, 2020, the parent company the Company, Apergy Corporation, acquired ChampionX Holding Inc. by merging it into a wholly owned subsidiary. In connection with this transaction, Apergy Corporation changed its name to ChampionX Corporation. There were no changes to the Company, any related participating employers, or any of the Company's subsidiaries as a result of the transaction.

Supplementary Information

Apergy USA, Inc. 401(k) Plan

Schedule H, Line 4a – Schedule of Delinquent Participant Contributions

Plan #001 / EIN: 82-3066935

December 31, 2019

	Participant Contributions Transferred Late to Plan		Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PTE 2002-51
	Check Here if Late Participant Loan Payments are Included: ☐	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction VFCP		
2018	\$ 1,579	\$ -	\$ 1,579	\$ -	\$ -	

Apergy USA, Inc. 401(k) Plan

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

Plan #001 / EIN: 82-3066935

December 31, 2019

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost**	Current value
	Investments:			
	Northern Trust Small Cap Value	Mutual fund	\$ -	\$ 2,877,760
	Vanguard Institutional Index I	Mutual fund	-	16,120,248
	Vanguard Extended Market Idx Adm	Mutual fund	-	4,612,405
	Vanguard Small-Cap Index Admiral	Mutual fund	-	7,374,533
	John Hancock Bond Fund	Mutual fund	-	8,576,560
	MFS International Diversification Fund	Mutual fund	-	14,290,424
	Vanguard Target Retirement Income	Mutual fund	-	2,275,944
	Vanguard Target Retirement 2015 Inv	Mutual fund	-	935,602
	Vanguard Target Retirement 2020 Inv	Mutual fund	-	6,652,900
	Vanguard Target Retirement 2025 Inv	Mutual fund	-	9,569,483
	Vanguard Target Retirement 2030 Inv	Mutual fund	-	12,660,743
	Vanguard Target Retirement 2035 Inv	Mutual fund	-	8,042,302
	Vanguard Target Retirement 2040 Inv	Mutual fund	-	12,622,617
	Vanguard Target Retirement 2045 Inv	Mutual fund	-	11,673,241
	Vanguard Target Retirement 2050 Inv	Mutual fund	-	7,506,960
	Vanguard Target Retirement 2055 Inv	Mutual fund	-	5,619,782
	Vanguard Target Retirement 2060 Inv	Mutual fund	-	1,998,974
	Vanguard Target Retirement 2065 Inv	Mutual fund	-	354,267
	Vanguard Total Intl Stock Index Admiral	Mutual fund	-	5,565,073
	Vanguard Total Bond Market Index Admiral	Mutual fund	-	5,344,623
	Columbia Trust Stable Income 1-0	Common Collective Trust	-	16,168,949
	T. Rowe Price US Structured Research B	Common Collective Trust	-	19,658,417
	William Blair Small-Mid Cap Growth CIT	Common Collective Trust	-	9,466,593
	Total investments		-	189,968,400
		Varying maturity dates and interest rates ranging from 3.25% - 7.75%		
*	Notes receivable from participants		-	5,476,084
			<u>\$ -</u>	<u>\$ 195,444,484</u>

(*) Party-in-interest

(**) Cost is not required for participant directed funds

Apergy USA, Inc. 401K Plan

Financial Report

December 31, 2019

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All other schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 are omitted because of the absence of the conditions under which they would apply.

Independent Auditor's Report

To the Participants and Plan Administrator of the
Apergy USA, Inc. 401K Plan
Houston, Texas

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Apergy USA, Inc. 401K Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2019 and 2018, and the related statements 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 conducting the audits in accordance with auditing standards generally accepted in the United States of America (US GAAS). Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by 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 and for the years ended December 31, 2019 and 2018, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

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

Weaver and Tidwell, L.L.P.
24 Greenway Plaza, Suite 1800 | Houston, Texas 77046
Main: 713.850.8787

CPAs AND ADVISORS | WEAVER.COM

The Participants and Plan Administrator of the
Apergy USA, Inc. 401K Plan

Emphasis of Matter

As discussed in Note 9 the financial statements, the 2018 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Other Matter – Supplementary Information

The supplementary information listed in the table of contents as of December 31, 2019 is required by DOL's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on the supplementary information.

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 supplementary information, other than that derived from the information certified by the trustee, have been audited by us in accordance with US GAAS and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Houston, Texas
October 5, 2020

Apergy USA, Inc. 401K Plan
Statements of Net Assets Available for Benefits
December 31, 2019 and 2018
(In thousands)

	<u>2019</u>	<u>2018</u>
ASSETS		
Investments, at fair value	\$ 189,968	\$ 148,049
Receivables		
Employer's contributions	4,730	5,643
Notes receivable from participants	<u>5,476</u>	<u>6,129</u>
Total receivables	<u>10,206</u>	<u>11,772</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 200,174</u>	<u>\$ 159,821</u>

The Notes to Financial Statements are an integral part of these statements.

Apergy USA, Inc. 401K Plan
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2019 and 2018
(In thousands)

	2019	2018
ADDITIONS		
Investment income (loss)		
Net appreciation (depreciation) in fair value of investments	\$ 34,452	\$ (14,267)
Interest and dividends	2,973	1,576
	<u>37,425</u>	<u>(12,691)</u>
Net investment income (loss)		
Contributions		
Employer	10,486	15,118
Participants	12,722	10,554
Rollovers	1,143	3,732
	<u>24,351</u>	<u>29,404</u>
Total contributions		
Interest income on notes receivable from participants	312	260
	<u>62,088</u>	<u>16,973</u>
Total additions		
DEDUCTIONS		
Benefits paid directly to participants	21,414	12,631
Administrative expenses	321	190
	<u>21,735</u>	<u>12,821</u>
Total deductions		
Net increase before transfer	40,353	4,152
Transfer from other plans	-	155,669
	<u>40,353</u>	<u>159,821</u>
Net increase after transfer		
NET ASSETS AVAILABLE FOR BENEFITS, beginning of year	<u>159,821</u>	<u>-</u>
NET ASSETS AVAILABLE FOR BENEFITS, end of year	<u><u>\$ 200,174</u></u>	<u><u>\$ 159,821</u></u>

The Notes to Financial Statements are an integral part of these statements.

Apergy USA, Inc. 401K Plan

Notes to Financial Statements

Note 1. Description of the Plan

The following description of the Apergy USA, Inc. 401K Plan (the Plan) provides only general information. Participants should refer to the *Plan document* for a more complete description of the Plan's provisions, which is available from Plan management.

General

The Plan is a defined contribution plan covering all full-time employees of Apergy USA, Inc. (the Company or Apergy) who are age eighteen or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Benefits and Investment Committee is responsible for oversight of the Plan and monitors investment performance.

On January 1, 2018, in anticipation of the spin-off from Dover Corporation (Dover), the Plan was formed as the Wellsite 401(k) Savings Plan in order to merge the plan assets and participants of Wellsite Corporation (Wellsite), Dover's upstream oil and gas energy segment.

On January 2, 2018, the US Synthetic Corporation 401(k) Plan (a Wellsite division) was merged into the Plan, at which time approximately \$58.8 million of participant account balances and loans were transferred into the Plan. Effective as of January 3, 2018, the participant account balances and assets totaling approximately \$96.8 million related to Wellsite operations were transferred into the Plan from the Dover Corporation Retirement Savings Plan (Dover Plan).

On February 2, 2018, Wellsite Corporation changed its name to Apergy Corporation.

On May 9, 2018, Apergy Corporation became an independent, publicly traded company separately from Dover in a series of transactions. Dover distributed 100% of the issued and outstanding shares of Apergy Corporation common stock to the shareholders of record of Dover common stock as of the close of business on April 30, 2018, in a tax-free separation (the Separation). Each Dover stockholder received one share of Apergy common stock for every two shares of Dover common stock held on the record date. The value of the distribution of Apergy stock associated with the Separation and received by the Plan on May 9, 2018, was approximately \$5.6 million and was recorded within net depreciation of fair value of investments in the accompanying statement of changes in net assets available for benefits.

Effective May 9, 2018, the Wellsite 401(k) Savings Plan was amended to change the name of the Plan to Apergy USA, Inc. 401(k) Plan.

Effective May 8, 2019, the Apergy Stock Fund and Dover Stock Fund were eliminated as investment options under the Plan. Participant balances were transferred to the qualified default investment alternative as defined by the Plan provisions unless changed by the participant.

Effective June 28, 2019, the Company completed the sale of the assets of Accelerated Process Systems, Inc., a wholly owned subsidiary. Employees of Accelerated Process Systems, Inc. were participants of the Plan, some of whose employment ended with the completion of the sale, either to accept employment with the buyer of the assets or elsewhere. The sale resulted in a rollover distribution of assets totaling approximately \$780,000 on July 16, 2019 to another Plan.

Apergy USA, Inc. 401K Plan

Notes to Financial Statements

Contributions

- Each year, participants may contribute up to 50% of pretax annual compensation, as defined in the Plan.
- Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions.
- Effective September 1, 2018, participants may also designate some of their contributions as after tax contributions to a Roth 401(k) option.
- Participants may also contribute (rollover) amounts representing distributions from other qualified defined benefit or defined contribution plans.
- Participants direct the investment of their contributions into various investment options offered by the Plan.
- Effective September 1, 2018, the Plan included an auto-enrollment provision whereby all newly eligible employees are automatically enrolled in the Plan unless they affirmatively elect not to participate in the Plan. Automatically enrolled participants have their deferral rate set at 6% of eligible compensation, increasing annually by 1% until reaching 10%, and their contributions invested in a designated balanced fund until changed by the participant.
- The Company contributes 100%, up to 1%, and contributes 50%, up to the next 5%, of eligible compensation that a participant contributes to the Plan. Catch-up contributions are not matched.
- For Union Norris hourly employees, the Company's matching contribution is equal to 40% of the participant's contributions not to exceed 6% of the employee's compensation and the Company also makes a \$70 per month profit sharing contribution to their accounts. The match formula for Union Participants is determined by the applicable Collective Bargaining Agreement.
- Match is automatically vested.
- An additional automatic contribution can be made by the Company for all eligible participants at 1% of compensation or \$750 for participants employed at the end of the year.
- The Company may also make a profit sharing contribution at the discretion of the Company. Different participating employers under the plan may have different profit sharing formulas. During the year ended December 31, 2019 and 2018, certain participants received a profit sharing contribution from the Company of approximately \$3 million and \$4 million, respectively.
- The Company contributions are invested as directed by the participant.
- Contributions are subject to certain IRS limitations.
- Effective October 1, 2019 there are no vesting requirements for any money types as per Amendment 2019-3.

Participant Accounts

Each participant's account is credited with the participant's and Company matching and contributions and allocations of (a) the Company's automatic contribution (b) the Company's profit sharing contribution and (c) Plan earnings. Participant accounts are charged with an allocation of administrative expenses. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Apergy USA, Inc. 401K Plan

Notes to Financial Statements

Vesting

Participants are vested immediately in their contributions, the Company's matching contributions and the Company's automatic contributions plus actual earnings thereon. Vesting in the Company's profit sharing contribution portion of their accounts is based on years of continuous service. A participant is 100% vested after five years of credited service. Effective October 1, 2019, the Plan amended the vesting in the Company's profit sharing contribution to be immediately 100% vested. The contribution sources that were transferred into the Plan from the Dover Plan will be 100% vested, with the exception of the prior company match from the Dover Plan will be 100% vested after one year of service.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at rates commensurate with local prevailing rates as determined by Plan management. Principal and interest is paid ratably through payroll deductions.

Payment of Benefits

Upon separation of service due to death, disability, retirement or termination of employment, a participant may elect to receive either a lump sum amount equal to the value of the participant's vested interest in his or her account, or annual installments over a period of not more than his or her assumed life expectancy.

Forfeited Accounts

At December 31, 2019 and 2018, forfeited non-vested accounts totaled \$292,284 and \$152,182, respectively. These accounts will be used to reduce future Company contributions and to pay Plan expenses. During 2019 and 2018, no Company contributions were reduced from forfeited non-vested accounts.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

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

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (US GAAP) requires Plan management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Apergy USA, Inc. 401K Plan

Notes to Financial Statements

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. The Benefits and Investment Committee determines the Plan's valuation policies utilizing information provided by the investment advisers, custodians, and insurance company. 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 at the ex-dividend date. Net appreciation (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, 2019 and 2018.

Payment of Benefits

Benefits paid directly to participants are recorded when paid.

Expenses

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Fees related to record keeping and 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 in net appreciation (depreciation) of fair value of investments.

Plan Management's Review of Subsequent Events

The Plan has evaluated subsequent events through October 5, 2020, the date the financial statements were available to be issued.

Note 3. Certified Investments

All investment information disclosed in the accompanying financial statements and supplementary information, including investments held and notes receivable from participants at December 31, 2019 and 2018, and net appreciation (depreciation) in fair value of investments, investment income (loss), and interest income on notes receivable from participants for the years ended December 31, 2019 and 2018, was obtained or derived from information provided to Plan management and certified as complete and accurate by Wells Fargo Bank, N.A., the trustee of the Plan.

Apergy USA, Inc. 401K Plan

Notes to Financial Statements

Note 4. Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

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

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- 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 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:

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

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

Collective investment trusts: Valued at the NAV of units of a bank collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. Participant transactions (purchased and sales) may occur daily. Were the Plan to initiate a full redemption of the collective trust, the investment adviser reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

Apergy USA, Inc. 401K Plan

Notes to Financial Statements

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2019 and 2018 (in thousands):

	2019	2018
Level 1:		
Mutual funds	\$ 144,674	\$ 71,483
Common stocks	-	15,464
	144,674	86,947
Investments measured at net asset value:		
Collective investment trusts	45,294	61,102
Investments at fair value	\$ 189,968	\$ 148,049

Fair Value of Investments in Entities that Use NAV

The following table summarizes investments measured at fair value based on NAV per share as of December 31, 2019 and 2018 (in thousands):

	2019	2018
Collective investment trusts		
Fair value	\$ 45,294	\$ 61,102
Unfunded commitment	None	None
Redemption frequency	Immediate	Immediate
Other redemption restrictions	None	None
Redemption notice period	None	None

Note 5. Related Party Transactions and Party in Interest Transactions

Certain Plan investments are shares of mutual funds, common stock, and common collective trusts provided through Wells Fargo Bank, N.A. Wells Fargo Bank, N.A., is the record keeper and trustee for the Plan and, therefore, these transactions qualify as party in interest transactions. All investment fund earnings or losses posted to each Plan participant's account are net of investment management fees charged by each investment fund under the Plan.

Note 6. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their Employer contributions.

Apergy USA, Inc. 401K Plan

Notes to Financial Statements

Note 7. Tax Status

Effective January 1, 2018, the Plan adopted a prototype volume submitter defined contribution profit sharing plan with Internal Revenue Code Section 401(k) Cash or Deferred Arrangement (CODA), which received a favorable opinion letter from the Internal Revenue Service (IRS), dated March 31, 2014. The Plan has been amended since the date of the last amendment covered by the above mentioned determination letter. However, Plan management believes that the plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

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

Note 8. Risks and Uncertainties

The Plan invests in various investment securities that are exposed to various risks such as interest rates, market and credit risks. Market values of investments may decline for a number of reasons, including changes in prevailing market and interest rates, increases in defaults and credit rating downgrades. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near term and that some changes could materially affect participant account balances and the amounts reported in the statement of net assets available for benefits.

Note 9. Correction of a Misstatement

The financial statements as of and for the year ended December 31, 2018 have been restated to correct a misstatement in employer contributions. Approximately \$5.6 million in employer contributions receivable was omitted from the 2018 financial statements. Upon restatement of the prior period financial statements, employer contribution receivables in the statement of net assets available for benefits and employer contributions in the statement of changes in net assets available for benefits have been increased by \$5,643,405.

Note 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, 2019 and 2018 to Form 5500 (in thousands):

	2019	2018
Net assets available for benefits per the financial statements	\$ 200,174	\$ 159,821
Employer contributions receivable	(4,730)	(5,643)
Net assets available for benefits per Form 5500	\$ 195,444	\$ 154,178

Apergy USA, Inc. 401K Plan

Notes to Financial Statements

The following is a reconciliation of the changes in net assets available for benefits per the financial statements for the years ended December 31, 2019 and 2018, to Form 5500 (in thousands):

	2019	2018
Increase in net assets available for benefits before transfer per the financial statement	\$ 40,353	\$ 4,152
Employer contributions receivable at December 31, 2018	5,643	(5,643)
Employer contributions receivable at December 31, 2019	(4,730)	-
Increase (decrease) in net assets available for benefits per Form 5500	\$ 41,266	\$ (1,491)

Note 11. Subsequent Events

COVID-19

On March 11, 2020, the World Health Organization declared Coronavirus (COVID-19) a pandemic. The extent of the operational and financial impact the COVID-19 pandemic may have on the Plan Sponsor has yet to be determined and is dependent on its duration and spread, any related operational restrictions and the overall economy. The Plan Sponsor is unable to accurately predict how COVID-19 will affect the results of its operations or the Plan because the virus's severity and the duration of the pandemic are uncertain. Potential impacts include, but are not limited to, additional costs for responding to COVID-19, potential shortages of personnel, delays, loss of, or reduction to revenue and overall market decline. Management believes the Plan Sponsor is taking appropriate actions to respond to the pandemic; however, the full impact is unknown and cannot be reasonably estimated at the date the financial statements were available for issuance.

CARES Act

The Plan has implemented certain requirements by the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) and the Setting Every Community Up for Retirement Enhancement Act of 2019 (the SECURE Act), which laws change the Plan to, among others, allow certain eligible individuals to receive coronavirus-related relief for certain distributions and loan repayments, suspend required minimum distributions, and delay the commencement date for required minimum distributions. The optional features within these acts are currently being assessed but have not been implemented to date. Written amendments to the Plan to reflect these operational changes will be adopted at a later date in accordance with applicable law and IRS guidance.

Name Change

Effective June 3, 2020, the parent company the Company, Apergy Corporation, acquired ChampionX Holding Inc. by merging it into a wholly owned subsidiary. In connection with this transaction, Apergy Corporation changed its name to ChampionX Corporation. There were no changes to the Company, any related participating employers, or any of the Company's subsidiaries as a result of the transaction.

Supplementary Information

Apergy USA, Inc. 401(k) Plan

Schedule H, Line 4a – Schedule of Delinquent Participant Contributions

Plan #001 / EIN: 82-3066935

December 31, 2019

	<div>Participant Contributions Transferred Late to Plan</div>		<div>Total that Constitute Nonexempt Prohibited Transactions</div>		
	<div>Check Here if Late Participant Loan Payments are Included:☐</div>	<div>Contributions Not Corrected</div>	<div>Contributions Corrected Outside VFCP</div>	<div>Contributions Pending Correction VFCP</div>	<div>Total Fully Corrected Under VFCP and PTE 2002-51</div>
2018	\$ 1,579	\$ -	\$ 1,579	\$ -	\$ -

Apergy USA, Inc. 401(k) Plan

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

Plan #001 / EIN: 82-3066935

December 31, 2019

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost**	Current value
	Investments:			
	Northern Trust Small Cap Value	Mutual fund	\$ -	\$ 2,877,760
	Vanguard Institutional Index I	Mutual fund	-	16,120,248
	Vanguard Extended Market Idx Adm	Mutual fund	-	4,612,405
	Vanguard Small-Cap Index Admiral	Mutual fund	-	7,374,533
	John Hancock Bond Fund	Mutual fund	-	8,576,560
	MFS International Diversification Fund	Mutual fund	-	14,290,424
	Vanguard Target Retirement Income	Mutual fund	-	2,275,944
	Vanguard Target Retirement 2015 Inv	Mutual fund	-	935,602
	Vanguard Target Retirement 2020 Inv	Mutual fund	-	6,652,900
	Vanguard Target Retirement 2025 Inv	Mutual fund	-	9,569,483
	Vanguard Target Retirement 2030 Inv	Mutual fund	-	12,660,743
	Vanguard Target Retirement 2035 Inv	Mutual fund	-	8,042,302
	Vanguard Target Retirement 2040 Inv	Mutual fund	-	12,622,617
	Vanguard Target Retirement 2045 Inv	Mutual fund	-	11,673,241
	Vanguard Target Retirement 2050 Inv	Mutual fund	-	7,506,960
	Vanguard Target Retirement 2055 Inv	Mutual fund	-	5,619,782
	Vanguard Target Retirement 2060 Inv	Mutual fund	-	1,998,974
	Vanguard Target Retirement 2065 Inv	Mutual fund	-	354,267
	Vanguard Total Intl Stock Index Admiral	Mutual fund	-	5,565,073
	Vanguard Total Bond Market Index Admiral	Mutual fund	-	5,344,623
	Columbia Trust Stable Income 1-0	Common Collective Trust	-	16,168,949
	T. Rowe Price US Structured Research B	Common Collective Trust	-	19,658,417
	William Blair Small-Mid Cap Growth CIT	Common Collective Trust	-	9,466,593
	Total investments		-	189,968,400
		Varying maturity dates and interest rates ranging from 3.25% - 7.75%		
*	Notes receivable from participants		-	5,476,084
			<u>\$ -</u>	<u>\$ 195,444,484</u>

(*) Party-in-interest

(**) Cost is not required for participant directed funds