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

|                                                                                                                                                                                                                                                                                                                                                                                 |                                                                |                                                                     |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------|--|
| <b>Part II</b>                                                                                                                                                                                                                                                                                                                                                                  | <b>Basic Plan Information</b> —enter all requested information |                                                                     |  |
| <b>1a</b> Name of plan<br><br><u>PROFIT SHARING &amp; 401(K) PLAN FOR CERTAIN BARGAINING UNIT EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES</u>                                                                                                                                                                                                                            | <b>1b</b> Three-digit plan number (PN) ▶                       | <u>002</u>                                                          |  |
| <b>2a</b> Plan sponsor's name (employer, if for a single-employer plan)<br>Mailing address (include room, apt., suite no. and street, or P.O. Box)<br>City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)<br><br><u>HBD INDUSTRIES, INC.</u><br><br><br><u>5200 UPPER METRO PLACE, SUITE 110</u><br><u>DUBLIN, OH 43017</u> |                                                                | <b>1c</b> Effective date of plan<br><u>11/08/2003</u>               |  |
|                                                                                                                                                                                                                                                                                                                                                                                 |                                                                | <b>2b</b> Employer Identification Number (EIN)<br><u>25-1555749</u> |  |
|                                                                                                                                                                                                                                                                                                                                                                                 |                                                                | <b>2c</b> Plan Sponsor's telephone number<br><u>614-526-7000</u>    |  |
|                                                                                                                                                                                                                                                                                                                                                                                 |                                                                | <b>2d</b> Business code (see instructions)<br><u>326200</u>         |  |

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

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

|                  |                                                   |            |                                                              |
|------------------|---------------------------------------------------|------------|--------------------------------------------------------------|
| <b>SIGN HERE</b> | Filed with authorized/valid electronic signature. | 10/13/2020 | ROBERT SIRAK                                                 |
|                  | Signature of plan administrator                   | Date       | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b> |                                                   |            |                                                              |
|                  | Signature of employer/plan sponsor                | Date       | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b> |                                                   |            |                                                              |
|                  | Signature of DFE                                  | Date       | Enter name of individual signing as DFE                      |

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

Form 5500 (2019)  
v. 190130

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3a</b> Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>3b</b> Administrator's EIN<br><br><b>3c</b> Administrator's telephone number<br><br><div style="background-color: #cccccc; height: 40px; width: 100%;"></div> |
| <b>4</b> If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:<br><b>a</b> Sponsor's name<br><b>c</b> Plan Name                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>4b</b> EIN<br><br><b>4d</b> PN                                                                                                                                |
| <b>5</b> Total number of participants at the beginning of the plan year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>5</b> 324                                                                                                                                                     |
| <b>6</b> Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines <b>6a(1)</b> , <b>6a(2)</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).<br><br><b>a(1)</b> Total number of active participants at the beginning of the plan year .....<br><b>a(2)</b> Total number of active participants at the end of the plan year .....<br><br><b>b</b> Retired or separated participants receiving benefits.....<br><b>c</b> Other retired or separated participants entitled to future benefits .....<br><b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> .....<br><b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. ....<br><b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....<br><br><b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) .....<br><br><b>h</b> Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested ..... | <b>6a(1)</b> 267<br><b>6a(2)</b> 275<br><b>6b</b> 3<br><b>6c</b> 32<br><b>6d</b> 310<br><b>6e</b> 0<br><b>6f</b> 310<br><b>6g</b> 310<br><b>6h</b> 6             |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>7</b>                                                                                                                                                         |
| <b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:<br>2E 2F 2G 2J 2K 2T 3D<br><br><b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                  |

|                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>9a</b> Plan funding arrangement (check all that apply)<br><b>(1)</b> <input checked="" type="checkbox"/> Insurance<br><b>(2)</b> <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br><b>(3)</b> <input checked="" type="checkbox"/> Trust<br><b>(4)</b> <input type="checkbox"/> General assets of the sponsor | <b>9b</b> Plan benefit arrangement (check all that apply)<br><b>(1)</b> <input checked="" type="checkbox"/> Insurance<br><b>(2)</b> <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br><b>(3)</b> <input checked="" type="checkbox"/> Trust<br><b>(4)</b> <input type="checkbox"/> General assets of the sponsor |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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

**a Pension Schedules**

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

**b General Schedules**

- (1)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☒ 1 **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 \_\_\_\_\_

|                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                           |                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE A</b><br><b>(Form 5500)</b><br>Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | <b>Insurance Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br>▶ <b>File as an attachment to Form 5500.</b><br><br>▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2). | OMB No. 1210-0110<br><br><b>2019</b><br><br><b>This Form is Open to Public Inspection</b> |
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|                                                                                                                                      |                                                             |     |
|--------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-----|
| For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019                                           |                                                             |     |
| <b>A</b> Name of plan<br>PROFIT SHARING & 401(K) PLAN FOR CERTAIN BARGAINING UNIT EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES | <b>B</b> Three-digit plan number (PN) ▶                     | 002 |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br>HBD INDUSTRIES, INC.                                                | <b>D</b> Employer Identification Number (EIN)<br>25-1555749 |     |

|               |                                                                                                                                                                                                                                                     |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b> | <b>Information Concerning Insurance Contract Coverage, Fees, and Commissions</b> Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A. |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                |
|--------------------------------|
| <b>1</b> Coverage Information: |
|--------------------------------|

|                                                                                     |
|-------------------------------------------------------------------------------------|
| <b>(a)</b> Name of insurance carrier<br>THE PRUDENTIAL INSURANCE COMPANY OF AMERICA |
|-------------------------------------------------------------------------------------|

| (b) EIN    | (c) NAIC code | (d) Contract or identification number | (e) Approximate number of persons covered at end of policy or contract year | Policy or contract year |            |
|------------|---------------|---------------------------------------|-----------------------------------------------------------------------------|-------------------------|------------|
|            |               |                                       |                                                                             | (f) From                | (g) To     |
| 22-1211670 | 68241         | 002410                                | 310                                                                         | 01/01/2019              | 12/31/2019 |

|                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>2</b> Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid. |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                             |                                      |
|---------------------------------------------|--------------------------------------|
| <b>(a)</b> Total amount of commissions paid | <b>(b)</b> Total amount of fees paid |
| 0                                           | 0                                    |

|                                                                                                              |
|--------------------------------------------------------------------------------------------------------------|
| <b>3</b> Persons receiving commissions and fees. (Complete as many entries as needed to report all persons). |
|--------------------------------------------------------------------------------------------------------------|

|                                                                                                         |
|---------------------------------------------------------------------------------------------------------|
| <b>(a)</b> Name and address of the agent, broker, or other person to whom commissions or fees were paid |
|---------------------------------------------------------------------------------------------------------|

| (b) Amount of sales and base commissions paid | Fees and other commissions paid |             | (e) Organization code |
|-----------------------------------------------|---------------------------------|-------------|-----------------------|
|                                               | (c) Amount                      | (d) Purpose |                       |
|                                               |                                 |             |                       |

|                                                                                                         |
|---------------------------------------------------------------------------------------------------------|
| <b>(a)</b> Name and address of the agent, broker, or other person to whom commissions or fees were paid |
|---------------------------------------------------------------------------------------------------------|

| (b) Amount of sales and base commissions paid | Fees and other commissions paid |             | (e) Organization code |
|-----------------------------------------------|---------------------------------|-------------|-----------------------|
|                                               | (c) Amount                      | (d) Purpose |                       |
|                                               |                                 |             |                       |

---

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b><br>Organization code |
|------------------------------------------------------|---------------------------------|--------------------|---------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                                 |
|                                                      |                                 |                    |                                 |

---

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b><br>Organization code |
|------------------------------------------------------|---------------------------------|--------------------|---------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                                 |
|                                                      |                                 |                    |                                 |

---

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b><br>Organization code |
|------------------------------------------------------|---------------------------------|--------------------|---------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                                 |
|                                                      |                                 |                    |                                 |

---

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b><br>Organization code |
|------------------------------------------------------|---------------------------------|--------------------|---------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                                 |
|                                                      |                                 |                    |                                 |

---

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b><br>Organization code |
|------------------------------------------------------|---------------------------------|--------------------|---------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                                 |
|                                                      |                                 |                    |                                 |

**Part II Investment and Annuity Contract Information**

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

|                                                                                                        |          |        |
|--------------------------------------------------------------------------------------------------------|----------|--------|
| <b>4</b> Current value of plan's interest under this contract in the general account at year end ..... | <b>4</b> | 843651 |
| <b>5</b> Current value of plan's interest under this contract in separate accounts at year end .....   | <b>5</b> | 0      |

**6** Contracts With Allocated Funds:**a** State the basis of premium rates ▶

|                                                                                                                                                                                                                |           |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--|
| <b>b</b> Premiums paid to carrier.....                                                                                                                                                                         | <b>6b</b> |  |
| <b>c</b> Premiums due but unpaid at the end of the year.....                                                                                                                                                   | <b>6c</b> |  |
| <b>d</b> If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. ....<br>Specify nature of costs ▶ | <b>6d</b> |  |

**e** Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity  
(3) ☐ other (specify) ▶

**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

**a** Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee  
(3) ☐ guaranteed investment (4) ☒ other ▶ **GUARANTEED GENERAL ACCOUNT CONTRACT**

|                                                       |           |        |
|-------------------------------------------------------|-----------|--------|
| <b>b</b> Balance at the end of the previous year..... | <b>7b</b> | 754158 |
|-------------------------------------------------------|-----------|--------|

|                                                                       |              |        |
|-----------------------------------------------------------------------|--------------|--------|
| <b>c</b> Additions: (1) Contributions deposited during the year ..... | <b>7c(1)</b> | 116004 |
|                                                                       | <b>7c(2)</b> |        |
|                                                                       | <b>7c(3)</b> | 17194  |
|                                                                       | <b>7c(4)</b> |        |
|                                                                       | <b>7c(5)</b> | 119660 |

▶ **FORFEITURE CREDITS, TRANSFERS IN LOAN REPAYMENTS  
MISC. IN**

|                          |              |        |
|--------------------------|--------------|--------|
| (6) Total additions..... | <b>7c(6)</b> | 252858 |
|--------------------------|--------------|--------|

|                                                                                       |           |         |
|---------------------------------------------------------------------------------------|-----------|---------|
| <b>d</b> Total of balance and additions (add lines <b>7b</b> and <b>7c(6)</b> ) ..... | <b>7d</b> | 1007016 |
|---------------------------------------------------------------------------------------|-----------|---------|

|                                                                                                         |              |        |
|---------------------------------------------------------------------------------------------------------|--------------|--------|
| <b>e</b> Deductions:<br>(1) Disbursed from fund to pay benefits or purchase annuities during year ..... | <b>7e(1)</b> | 142856 |
|                                                                                                         | <b>7e(2)</b> | 210    |
|                                                                                                         | <b>7e(3)</b> |        |
|                                                                                                         | <b>7e(4)</b> | 20299  |

▶ **FORF. DR., TRANSFERS OUT LOAN INITIATIONS MISC. OUT**

|                           |              |        |
|---------------------------|--------------|--------|
| (5) Total deductions..... | <b>7e(5)</b> | 163365 |
|---------------------------|--------------|--------|

|                                                                                                         |           |        |
|---------------------------------------------------------------------------------------------------------|-----------|--------|
| <b>f</b> Balance at the end of the current year (subtract line <b>7e(5)</b> from line <b>7d</b> ) ..... | <b>7f</b> | 843651 |
|---------------------------------------------------------------------------------------------------------|-----------|--------|

**Part III Welfare Benefit Contract Information**

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

**8** Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)     
 **b** ☐ Dental     
 **c** ☐ Vision     
 **d** ☐ Life insurance  
**e** ☐ Temporary disability (accident and sickness)     
 **f** ☐ Long-term disability     
 **g** ☐ Supplemental unemployment     
 **h** ☐ Prescription drug  
**i** ☐ Stop loss (large deductible)     
 **j** ☐ HMO contract     
 **k** ☐ PPO contract     
 **l** ☐ Indemnity contract  
**m** ☐ Other (specify) ▶

**9** Experience-rated contracts:

|                                                                                                                                                   |                 |                 |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|--|
| <b>a</b> Premiums: (1) Amount received.....                                                                                                       | <b>9a(1)</b>    |                 |  |
| (2) Increase (decrease) in amount due but unpaid.....                                                                                             | <b>9a(2)</b>    |                 |  |
| (3) Increase (decrease) in unearned premium reserve .....                                                                                         | <b>9a(3)</b>    |                 |  |
| (4) Earned ((1) + (2) - (3)).....                                                                                                                 |                 | <b>9a(4)</b>    |  |
| <b>b</b> Benefit charges (1) Claims paid.....                                                                                                     | <b>9b(1)</b>    |                 |  |
| (2) Increase (decrease) in claim reserves.....                                                                                                    | <b>9b(2)</b>    |                 |  |
| (3) Incurred claims (add (1) and (2)) .....                                                                                                       |                 | <b>9b(3)</b>    |  |
| (4) Claims charged .....                                                                                                                          |                 | <b>9b(4)</b>    |  |
| <b>c</b> Remainder of premium: (1) Retention charges (on an accrual basis) --                                                                     |                 |                 |  |
| (A) Commissions .....                                                                                                                             | <b>9c(1)(A)</b> |                 |  |
| (B) Administrative service or other fees.....                                                                                                     | <b>9c(1)(B)</b> |                 |  |
| (C) Other specific acquisition costs .....                                                                                                        | <b>9c(1)(C)</b> |                 |  |
| (D) Other expenses.....                                                                                                                           | <b>9c(1)(D)</b> |                 |  |
| (E) Taxes .....                                                                                                                                   | <b>9c(1)(E)</b> |                 |  |
| (F) Charges for risks or other contingencies.....                                                                                                 | <b>9c(1)(F)</b> |                 |  |
| (G) Other retention charges .....                                                                                                                 | <b>9c(1)(G)</b> |                 |  |
| (H) Total retention.....                                                                                                                          |                 | <b>9c(1)(H)</b> |  |
| (2) Dividends or retroactive rate refunds. (These amounts were <input type="checkbox"/> paid in cash, or <input type="checkbox"/> credited.)..... |                 | <b>9c(2)</b>    |  |
| <b>d</b> Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement .....                               |                 | <b>9d(1)</b>    |  |
| (2) Claim reserves .....                                                                                                                          |                 | <b>9d(2)</b>    |  |
| (3) Other reserves.....                                                                                                                           |                 | <b>9d(3)</b>    |  |
| <b>e</b> Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).) .....                                          |                 | <b>9e</b>       |  |

**10** Nonexperience-rated contracts:

|                                                                                                                                                                                                                                |            |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> Total premiums or subscription charges paid to carrier .....                                                                                                                                                          | <b>10a</b> |  |
| <b>b</b> If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount..... | <b>10b</b> |  |

Specify nature of costs.

**Part IV Provision of Information**

**11** Did the insurance company fail to provide any information necessary to complete Schedule A? ..... ☐ Yes ☒ No

**12** If the answer to line 11 is "Yes," specify the information not provided. ▶

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

|                                                                                                                                      |                                                             |     |
|--------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-----|
| For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019                                           |                                                             |     |
| <b>A</b> Name of plan<br>PROFIT SHARING & 401(K) PLAN FOR CERTAIN BARGAINING UNIT EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES | <b>B</b> Three-digit plan number (PN) ▶                     | 002 |
|                                                                                                                                      |                                                             |     |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br>HBD INDUSTRIES, INC.                                                | <b>D</b> Employer Identification Number (EIN)<br>25-1555749 |     |

|               |                                                        |
|---------------|--------------------------------------------------------|
| <b>Part I</b> | <b>Service Provider Information (see instructions)</b> |
|---------------|--------------------------------------------------------|

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>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
| THE PRUDENTIAL INSURANCE COMPANY OF                                                                               |
| 22-1211670                                                                                                        |

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

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

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

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

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

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

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

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

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

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

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

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

THE PRUDENTIAL INSURANCE COMPANY OF

22-1211670

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 13 15 37<br>50 64      | NONE                                                                                              | 9992                                                                   | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                  | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                            | 0                                                                                                                                                                               | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                          |

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

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

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

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

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

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

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

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

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

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

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

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

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

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

| (a) Enter service provider name as it appears on line 2 | (b) Service Codes<br>(see instructions) | (c) Enter amount of indirect<br>compensation |
|---------------------------------------------------------|-----------------------------------------|----------------------------------------------|
| THE PRUDENTIAL INSURANCE COMPANY OF                     | 15 60 64                                | 0                                            |

| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any<br>formula used to determine the service provider's eligibility<br>for or the amount of the indirect compensation. |  |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| PRUDENTIAL INVESTMENTS, LLC<br><br>22-3468527                       | 27.000 BPS AND \$0.00 PER PARTICIPANT INVESTED IN<br>THE FUND FROM 1/1/2019 TO 12/31/2019 PGIM GLOBAL<br>REAL ESTATE A                                                   |  |

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

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

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

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

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

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

|                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                              |                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | <b>Financial Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110                             |
|                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                              | <b>2019</b>                                   |
|                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                              | <b>This Form is Open to Public Inspection</b> |

|                                                                                                                                                 |                                                                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| For calendar plan year 2019 or fiscal plan year beginning <b>01/01/2019</b> and ending <b>12/31/2019</b>                                        |                                                                    |
| <b>A</b> Name of plan<br><b>PROFIT SHARING &amp; 401(K) PLAN FOR CERTAIN BARGAINING UNIT EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES</b> | <b>B</b> Three-digit plan number (PN) <b>►</b> <b>002</b>          |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><b>HBD INDUSTRIES, INC.</b>                                                    | <b>D</b> Employer Identification Number (EIN)<br><b>25-1555749</b> |

|               |                                      |
|---------------|--------------------------------------|
| <b>Part I</b> | <b>Asset and Liability Statement</b> |
|---------------|--------------------------------------|

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

| Assets                                                                                            |                 | (a) Beginning of Year | (b) End of Year |
|---------------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>a</b> Total noninterest-bearing cash .....                                                     | <b>1a</b>       |                       |                 |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                      |                 |                       |                 |
| <b>(1)</b> Employer contributions.....                                                            | <b>1b(1)</b>    |                       |                 |
| <b>(2)</b> Participant contributions.....                                                         | <b>1b(2)</b>    |                       |                 |
| <b>(3)</b> Other.....                                                                             | <b>1b(3)</b>    |                       |                 |
| <b>c</b> General investments:                                                                     |                 |                       |                 |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit).....   | <b>1c(1)</b>    |                       |                 |
| <b>(2)</b> U.S. Government securities .....                                                       | <b>1c(2)</b>    |                       |                 |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                           |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                        | <b>1c(3)(A)</b> |                       |                 |
| <b>(B)</b> All other.....                                                                         | <b>1c(3)(B)</b> |                       |                 |
| <b>(4)</b> Corporate stocks (other than employer securities):                                     |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                        | <b>1c(4)(A)</b> |                       |                 |
| <b>(B)</b> Common.....                                                                            | <b>1c(4)(B)</b> |                       |                 |
| <b>(5)</b> Partnership/joint venture interests .....                                              | <b>1c(5)</b>    |                       |                 |
| <b>(6)</b> Real estate (other than employer real property).....                                   | <b>1c(6)</b>    |                       |                 |
| <b>(7)</b> Loans (other than to participants) .....                                               | <b>1c(7)</b>    |                       |                 |
| <b>(8)</b> Participant loans.....                                                                 | <b>1c(8)</b>    | 56204                 | 85107           |
| <b>(9)</b> Value of interest in common/collective trusts .....                                    | <b>1c(9)</b>    |                       |                 |
| <b>(10)</b> Value of interest in pooled separate accounts .....                                   | <b>1c(10)</b>   |                       |                 |
| <b>(11)</b> Value of interest in master trust investment accounts .....                           | <b>1c(11)</b>   |                       |                 |
| <b>(12)</b> Value of interest in 103-12 investment entities.....                                  | <b>1c(12)</b>   |                       |                 |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....        | <b>1c(13)</b>   | 2408781               | 3273636         |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts)..... | <b>1c(14)</b>   | 754158                | 843651          |
| <b>(15)</b> Other.....                                                                            | <b>1c(15)</b>   |                       |                 |

|                    |                                                                  | (a) Beginning of Year | (b) End of Year |
|--------------------|------------------------------------------------------------------|-----------------------|-----------------|
| <b>1d</b>          | Employer-related investments:                                    |                       |                 |
| (1)                | Employer securities .....                                        | <b>1d(1)</b>          |                 |
| (2)                | Employer real property .....                                     | <b>1d(2)</b>          |                 |
| <b>e</b>           | Buildings and other property used in plan operation .....        | <b>1e</b>             |                 |
| <b>f</b>           | Total assets (add all amounts in lines 1a through 1e) .....      | <b>1f</b>             | 3219143 4202394 |
| <b>Liabilities</b> |                                                                  |                       |                 |
| <b>g</b>           | Benefit claims payable .....                                     | <b>1g</b>             |                 |
| <b>h</b>           | Operating payables .....                                         | <b>1h</b>             |                 |
| <b>i</b>           | Acquisition indebtedness .....                                   | <b>1i</b>             |                 |
| <b>j</b>           | Other liabilities .....                                          | <b>1j</b>             |                 |
| <b>k</b>           | Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b>             | 0 0             |
| <b>Net Assets</b>  |                                                                  |                       |                 |
| <b>l</b>           | Net assets (subtract line 1k from line 1f) .....                 | <b>1l</b>             | 3219143 4202394 |

**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.

|          |                                                                                                        | (a) Amount      | (b) Total |
|----------|--------------------------------------------------------------------------------------------------------|-----------------|-----------|
| <b>a</b> | <b>Contributions:</b>                                                                                  |                 |           |
| (1)      | Received or receivable in cash from: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> | 195373    |
|          | <b>(B)</b> Participants .....                                                                          | <b>2a(1)(B)</b> | 216072    |
|          | <b>(C)</b> Others (including rollovers) .....                                                          | <b>2a(1)(C)</b> | 496473    |
| (2)      | Noncash contributions .....                                                                            | <b>2a(2)</b>    |           |
| (3)      | Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    | 907918    |
| <b>b</b> | <b>Earnings on investments:</b>                                                                        |                 |           |
| (1)      | Interest:                                                                                              |                 |           |
|          | <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....   | <b>2b(1)(A)</b> |           |
|          | <b>(B)</b> U.S. Government securities .....                                                            | <b>2b(1)(B)</b> |           |
|          | <b>(C)</b> Corporate debt instruments .....                                                            | <b>2b(1)(C)</b> |           |
|          | <b>(D)</b> Loans (other than to participants) .....                                                    | <b>2b(1)(D)</b> |           |
|          | <b>(E)</b> Participant loans .....                                                                     | <b>2b(1)(E)</b> | 4152      |
|          | <b>(F)</b> Other .....                                                                                 | <b>2b(1)(F)</b> | 17194     |
|          | <b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                          | <b>2b(1)(G)</b> | 21346     |
| (2)      | Dividends: <b>(A)</b> Preferred stock .....                                                            | <b>2b(2)(A)</b> |           |
|          | <b>(B)</b> Common stock .....                                                                          | <b>2b(2)(B)</b> |           |
|          | <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                              | <b>2b(2)(C)</b> | 57003     |
|          | <b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....              | <b>2b(2)(D)</b> | 57003     |
| (3)      | Rents .....                                                                                            | <b>2b(3)</b>    |           |
| (4)      | Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                                 | <b>2b(4)(A)</b> |           |
|          | <b>(B)</b> Aggregate carrying amount (see instructions) .....                                          | <b>2b(4)(B)</b> |           |
|          | <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....              | <b>2b(4)(C)</b> | 0         |
| (5)      | Unrealized appreciation (depreciation) of assets: <b>(A)</b> Real estate .....                         | <b>2b(5)(A)</b> |           |
|          | <b>(B)</b> Other .....                                                                                 | <b>2b(5)(B)</b> |           |
|          | <b>(C)</b> Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....     | <b>2b(5)(C)</b> | 0         |

|                                                                                                 |        | (a) Amount | (b) Total |
|-------------------------------------------------------------------------------------------------|--------|------------|-----------|
| (6) Net investment gain (loss) from common/collective trusts .....                              | 2b(6)  |            |           |
| (7) Net investment gain (loss) from pooled separate accounts .....                              | 2b(7)  |            |           |
| (8) Net investment gain (loss) from master trust investment accounts .....                      | 2b(8)  |            |           |
| (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) |            | 544144    |
| c Other income .....                                                                            | 2c     |            |           |
| d Total income. Add all <b>income</b> amounts in column (b) and enter total .....               | 2d     |            | 1530411   |

**Expenses**

|                                                                                      |       |        |        |
|--------------------------------------------------------------------------------------|-------|--------|--------|
| e Benefit payment and payments to provide benefits:                                  |       |        |        |
| (1) Directly to participants or beneficiaries, including direct rollovers .....      | 2e(1) | 536854 |        |
| (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) |        | 536854 |
| f Corrective distributions (see instructions) .....                                  | 2f    |        |        |
| g Certain deemed distributions of participant loans (see instructions) .....         | 2g    |        |        |
| h Interest expense .....                                                             | 2h    |        |        |
| i Administrative expenses: (1) Professional fees .....                               | 2i(1) |        |        |
| (2) Contract administrator fees .....                                                | 2i(2) |        |        |
| (3) Investment advisory and management fees .....                                    | 2i(3) |        |        |
| (4) Other .....                                                                      | 2i(4) | 10306  |        |
| (5) Total administrative expenses. Add lines 2i(1) through (4) .....                 | 2i(5) |        | 10306  |
| j Total expenses. Add all <b>expense</b> amounts in column (b) and enter total ..... | 2j    |        | 547160 |

**Net Income and Reconciliation**

|                                                          |       |  |        |
|----------------------------------------------------------|-------|--|--------|
| k Net income (loss). Subtract line 2j from line 2d ..... | 2k    |  | 983251 |
| 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: REA & ASSOCIATES, INC.

(2) EIN: 34-1310124

**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   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|----------|
| <b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) .....                                          |     |    |          |
| <b>4c</b>                                                                                                                                                                                                                     |     | X  |          |
| <b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....                                |     |    |          |
| <b>4d</b>                                                                                                                                                                                                                     |     | X  |          |
| <b>e</b> Was this plan covered by a fidelity bond? .....                                                                                                                                                                      | X   |    | 10000000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                       |     | X  |          |
| <b>4f</b>                                                                                                                                                                                                                     |     | X  |          |
| <b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?.....                                                     |     |    |          |
| <b>4g</b>                                                                                                                                                                                                                     |     | X  |          |
| <b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?.....                                           |     |    |          |
| <b>4h</b>                                                                                                                                                                                                                     |     | X  |          |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) .....                                                                | X   |    |          |
| <b>4i</b>                                                                                                                                                                                                                     | X   |    |          |
| <b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) ..... |     |    |          |
| <b>4j</b>                                                                                                                                                                                                                     |     | X  |          |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? .....                                                           |     |    |          |
| <b>4k</b>                                                                                                                                                                                                                     |     | X  |          |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan?.....                                                                                                                                             |     |    |          |
| <b>4l</b>                                                                                                                                                                                                                     |     | X  |          |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) .....                                                                                                  |     |    |          |
| <b>4m</b>                                                                                                                                                                                                                     |     | X  |          |
| <b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. ....                                      |     |    |          |
| <b>4n</b>                                                                                                                                                                                                                     |     |    |          |

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

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

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

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

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                             |                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>SCHEDULE R</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Retirement Plan Information</b><br><br>This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2019</b><br><br><b>This Form is Open to Public Inspection.</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

|                                                                                                                                                 |                                                                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>PROFIT SHARING &amp; 401(K) PLAN FOR CERTAIN BARGAINING UNIT EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES</u> | <b>B</b> Three-digit plan number (PN) ▶ <u>002</u>                 |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>HBD INDUSTRIES, INC.</u>                                                    | <b>D</b> Employer Identification Number (EIN)<br><u>25-1555749</u> |

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

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

|                                                                                                                                                                                                                                                                    |          |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions .....                                                                                                                             | <b>1</b> | <u>0</u> |
| <b>2</b> Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):<br><br>EIN(s): <u>22-1211670</u> |          |          |
| Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.                                                                                                                                                                                                   |          |          |
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year .....                                                                                                                                   | <b>3</b> |          |

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

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

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

|                                                                                                                                                                                                                            |                                   |                                   |                               |                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------|
| <b>9</b> If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... | <input type="checkbox"/> Increase | <input type="checkbox"/> Decrease | <input type="checkbox"/> Both | <input type="checkbox"/> No |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------|

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

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

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

Schedule R (Form 5500) 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 \_\_\_\_\_

Profit Sharing & 401(k) Plan for  
Certain Bargaining Unit Employees of  
HBD Industries, Inc. and Subsidiaries  
*Audited Financial Statements*

December 31, 2019 and 2018



[www.reacpa.com](http://www.reacpa.com)

**PROFIT SHARING & 401(K) PLAN FOR CERTAIN BARGAINING UNIT  
EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES**

\*\*\*\*\*

**FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018**

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October 6, 2020

To the Board of Trustees and Participants  
Profit Sharing & 401(k) Plan for Certain Bargaining Unit  
Employees of HBD Industries, Inc. and Subsidiaries  
Dublin, Ohio

### **INDEPENDENT AUDITOR'S REPORT**

#### **Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of the Profit Sharing & 401(k) Plan for Certain Bargaining Unit Employees of HBD Industries, Inc. and Subsidiaries (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2019 and 2018, and the related statement of changes in net assets available for benefits for the year ended December 31, 2019, and the related notes to the financial statements.

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

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

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

#### ***Basis for Disclaimer of Opinion***

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Prudential Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. 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 certifications from the trustee as of December 31, 2019 and 2018 and for the year ended December 31, 2019, that the information provided to the plan administrator by the trustee is complete and accurate.

### ***Disclaimer of Opinion***

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

### ***Other Matter***

The supplemental schedule as outlined in the Table of Contents is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for purposes of additional analysis and is not a required part of the financial statements. The supplemental schedule is the responsibility of the Plan's management. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule.

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

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

*Rea & Associates, Inc.*

Dublin, Ohio

PROFIT SHARING & 401(K) PLAN FOR CERTAIN BARGAINING UNIT  
EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
AS OF DECEMBER 31, 2019 AND 2018

|                                                            | <u>2019</u>         | <u>2018</u>         |
|------------------------------------------------------------|---------------------|---------------------|
| ASSETS:                                                    |                     |                     |
| Mutual funds, at fair value (see footnote 4)               | 3,273,636           | 2,408,781           |
| Guaranteed income fund, at contract value (see footnote 5) | <u>843,651</u>      | <u>754,158</u>      |
| Total investments                                          | 4,117,287           | 3,162,939           |
| RECEIVABLES:                                               |                     |                     |
| Notes receivable from participants                         | <u>85,107</u>       | <u>56,204</u>       |
| Total contributions receivable                             | 85,107              | 56,204              |
| NET ASSETS AVAILABLE FOR BENEFITS                          | <u>\$ 4,202,394</u> | <u>\$ 3,219,143</u> |

The accompanying notes are an integral part of these financial statements.

PROFIT SHARING & 401(K) PLAN FOR CERTAIN BARGAINING UNIT  
EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES

STATEMENT OF CHANGES IN NET ASSETS  
AVAILABLE FOR BENEFITS  
FOR THE YEAR ENDED DECEMBER 31, 2019

|                                                       | <u>2019</u>                |
|-------------------------------------------------------|----------------------------|
| ADDITIONS TO NET ASSETS:                              |                            |
| Contributions:                                        |                            |
| Employer                                              | \$ 195,373                 |
| Participants                                          | 216,072                    |
| Rollovers                                             | <u>496,473</u>             |
| Total contributions                                   | 907,918                    |
| Investment income:                                    |                            |
| Net appreciation in fair value of mutual funds        | 544,144                    |
| Interest income from guaranteed income fund           | 17,194                     |
| Interest and dividends from mutual funds              | <u>57,003</u>              |
| Total investment income                               | 618,341                    |
| Interest earned on notes receivable from participants | <u>4,152</u>               |
| TOTAL ADDITIONS                                       | 1,530,411                  |
| DEDUCTIONS FROM NET ASSETS:                           |                            |
| Benefits paid to participants                         | 536,854                    |
| Administrative expenses                               | <u>10,306</u>              |
| TOTAL DEDUCTIONS                                      | <u>547,160</u>             |
| NET DECREASE IN NET ASSETS AVAILABLE FOR BENEFITS     | 983,251                    |
| NET ASSETS AVAILABLE FOR BENEFITS - BEGINNING OF YEAR | <u>3,219,143</u>           |
| NET ASSETS AVAILABLE FOR BENEFITS - END OF YEAR       | <u><u>\$ 4,202,394</u></u> |

The accompanying notes are an integral part of these financial statements.

PROFIT SHARING & 401(K) PLAN FOR CERTAIN BARGAINING UNIT  
EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: DESCRIPTION OF PLAN

General

The Profit Sharing & 401(k) Plan for Certain Bargaining Unit Employees of HBD Industries, Inc. and Subsidiaries (the "Plan"), is a single plan comprising separate benefit schedules or sub-plans for (1) hourly bargaining unit employees at HBD/Thermoid, Inc.'s Bellefontaine, OH operations, (2) hourly bargaining unit employees at HBD/Thermoid, Inc.'s Chanute, KS operations, (3) hourly bargaining employees at the Oneida, Tennessee facility, and, effective July 1, 2018, (4) bargaining unit employees at Ohio Magnetics, Inc. at Maple Heights, OH (collectively, the "Company"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Board of Trustees is responsible for oversight of the Plan. The Plan's Pension Management Committee determines the appropriateness of the Plan's investment offerings, monitors investment performance, and reports to the Plan's Board of Trustees. Employees become eligible for the Plan upon rendering one hour of service for any of the above mentioned employers. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

Contributions

Participants may elect to contribute between 1% of their pretax base compensation up to the maximum dollar limitation allowed by Section 402(g) of the Internal Revenue Service Code into the Plan as an elective deferral contribution. Participants may also elect to contribute from 1% up to the maximum allowable of their base compensation, on an after-tax basis. Any participant who has attained age 50 by the end of the Plan year may elect to contribute additional "catch-up" contributions. Participants may also contribute in the form of a direct rollover, amounts representing distributions from other qualified plans.

The Company makes a basic contribution to the Plan based on the base compensation paid to eligible hourly employees as follows:

| Location             | Percentage |
|----------------------|------------|
| Bellefontaine        | 1.5%       |
| Chanute              | 2%         |
| Oneida               | 3%         |
| Ohio Magnetics, Inc. | 4%         |

The Company also makes a mandatory matching contribution equal to 25% of the first 6% of base compensation each participant elects to defer for its Chanute location. Effective January 1, 2017, Bellefontaine employees receive a matching contribution equal to 50% of the first 3% of base compensation. Bargaining employees at Oneida and Ohio Magnetics, Inc. are not eligible to receive matching contributions. In addition to the basic and mandatory matching contributions, the Company may, at the discretion of the Board of Trustees, make an additional profit sharing or matching contribution. The Company did not authorize any discretionary profit sharing or matching contributions in 2019.

Participant Accounts

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

PROFIT SHARING & 401(K) PLAN FOR CERTAIN BARGAINING UNIT  
EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: DESCRIPTION OF PLAN (CONTINUED)

Participant-directed Investment Options

Upon enrollment in the Plan, a participant may direct the investment of their contributions into any of several investment options with varying degrees of risk and volatility, allowing participants to allocate their investments in accordance with their own risk tolerances and time horizons. Participants may change their investment options at any time.

Vesting

Participants are immediately vested in their elective deferral contributions, plus actual earnings thereon. Additionally, participants immediately vest in the Company's mandatory, discretionary matching and qualified nonelective contributions.

Participants, other than bargaining employees at Oneida and Ohio Magnetics Inc., become vested in the Company's basic and discretionary profit sharing contribution in accordance with the following schedule:

| <u>Years of Service</u>       | <u>Vested Interest</u> |
|-------------------------------|------------------------|
| Less than 2 years             | 0%                     |
| 2 years but less than 3 years | 20%                    |
| 3 years but less than 4 years | 40%                    |
| 4 years but less than 5 years | 60%                    |
| 5 years but less than 6 years | 80%                    |
| 6 years or more               | 100%                   |

Bargaining employees at Oneida and Ohio Magnetics, Inc. vest fully after a 3-year period.

Notes Receivable from Participants

The Plan allows participants to apply for and obtain loans, limited to 50% of the participant's vested account balance not to exceed \$50,000, from the vested balance of the participant's account. All loans must be repaid within five years unless the loan is used to finance the participant's primary residence, in which case the term of the loan is not to exceed ten years. The participant must reduce the \$50,000 amount, above, if he or she already had an outstanding loan from the Plan (or any other plan of the employer or related employer) during the one year period ending the day before the loan. The amount of the reduction is the participant's highest outstanding loan balance during that period minus the outstanding balance on the date of the new loan. Interest is charged at a rate equal to the prime rate plus 2%. Payments of principal and interest are paid ratably through payroll deductions.

Payment of Benefits

Upon termination of service, a participant may elect to receive the value of the vested portion of their account as a lump-sum payment. A participant becomes fully vested in their account balance upon retirement, death, disability, or the permanent shutdown of a Company profit center.

Forfeited Accounts

As of December 31, 2019 and 2018, unallocated forfeited accounts totaled \$11,911 and \$10,753, respectively. These amounts are to be used to reduce Company contributions to the Plan and/or to pay permissible expenses of the Plan. Forfeitures totaling \$27,345 were used to reduce Company contributions during the year ended December 31, 2019. No forfeitures were used to pay permissible expenses during the year ended December 31, 2019.

PROFIT SHARING & 401(K) PLAN FOR CERTAIN BARGAINING UNIT  
EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Investments held by a defined contribution plan are required to be reported at fair value, except for fully benefit-responsive investment contracts. Contract value is the relevant measure for the portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the Plan.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for plan benefits as of the date of the financial statements and the reported amounts of changes in net assets available for plan benefits during the reporting period. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value (except for the fully benefit-responsive investment contract, which is reported at contract 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 Plan's Committee determines the Plan's valuation policies utilizing information provided by the investment custodian 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 on the ex-dividend date. Net appreciation includes the Plan's net 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. Such loans bear a rate of interest equal to the prime rate charged for a loan made under similar circumstances by persons in the business of lending money plus 2%. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document. No allowance for credit losses has been recorded as of December 31, 2019 and 2018.

Payment of Benefits

Benefits are recorded when paid.

Administrative Expenses

All expenses of maintaining the Plan have been paid by the Company or through the use of forfeitures, with the exception of loan fees, which are paid directly by the Plan. Furthermore, expenses paid by the plan sponsor are excluded from the financial statements.

Subsequent Events

Subsequent events have been evaluated through October 6, 2020, which is the date the financial statements were available to be issued.

PROFIT SHARING & 401(K) PLAN FOR CERTAIN BARGAINING UNIT  
EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Due to national and world-wide disruptions caused by COVID-19 in 2020, the Plan may be adversely impacted. At this time, any financial impact of potential COVID-19 related disruptions are not known.

NOTE 3: INFORMATION PREPARED AND CERTIFIED BY PRUDENTIAL TRUST COMPANY

Certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and supplemental schedule, including investments and notes receivable from participants held at December 31, 2019 and 2018, and net appreciation in fair value of investments, interest, and dividends for the year ended December 31, 2019, was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by Prudential Trust Company (the trustee of the Plan).

NOTE 4: FAIR VALUE MEASUREMENTS

Generally accepted accounting principles include a 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

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

Level 2      Inputs to the valuation methodology include:

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

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

Level 3      Inputs to the valuation methodology are unobservable and significant to the fair value measurement. At the end of 2019, the Plan did not hold any Level 3 financial instruments.

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2019 and 2018.

PROFIT SHARING & 401(K) PLAN FOR CERTAIN BARGAINING UNIT  
EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4: FAIR VALUE MEASUREMENTS (CONTINUED)

*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 fund held by the Plan are deemed to be actively traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2019:

| Description       | Level 1      | Level 2 | Level 3 | Total               |
|-------------------|--------------|---------|---------|---------------------|
| Mutual Funds      | \$ 3,273,636 | \$ -    | \$ -    | \$ 3,273,636        |
| Total investments |              |         |         | <u>\$ 3,273,636</u> |

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2018:

| Description       | Level 1      | Level 2 | Level 3 | Total               |
|-------------------|--------------|---------|---------|---------------------|
| Mutual Funds      | \$ 2,408,781 | \$ -    | \$ -    | \$ 2,408,781        |
| Total investments |              |         |         | <u>\$ 2,408,781</u> |

For the year ended December 31, 2019, the Plan did not hold any Level 3 assets.

NOTE 5: GUARANTEED INVESTMENT CONTRACT WITH PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY

In 2010, the Plan entered into a traditional fully benefit-responsive guaranteed annuity contract with Prudential Life Insurance Company ("Prudential") totaling \$843,651 and \$754,158 as of December 31, 2019 and 2018, respectively. Prudential maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan. The crediting rate is based on a formula established by the contract issuer but may not be less than 1.5 percent. The crediting rate is reviewed on a monthly basis of resetting. The guaranteed investment contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

This contract meets the fully benefit-responsive investment contract criteria and therefore is reported at contract value. Contract value is the relevant measurement for fully benefit-responsive investment contracts because this is the amount received by participants if they were to initiate permitted transactions under the terms of the Plan. Contract value, as reported to the Plan, by Prudential, represents contributions made under the contract, plus earnings less participant withdrawals and administrative expenses. Participants may ordinarily direct withdrawals or transfers of all or a portion of their investment at contract value.

PROFIT SHARING & 401(K) PLAN FOR CERTAIN BARGAINING UNIT  
EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5: GUARANTEED INVESTMENT CONTRACT WITH PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY (CONTINUED)

The Plan's ability to receive amounts due is dependent on the issuer's ability to meet its financial obligations. The issuer's ability to meet its contractual obligations may be affected by future economic and regulatory developments.

Certain events might limit the ability of the Plan to transact at contract value with the issuer. Such events include (1) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (2) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the Plan Sponsor or other Plan Sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan, (4) failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA, or (5) premature termination of the contract. The plan administrator believes that no events that would limit the Plan's ability to transact at contract value with participants are probable of occurring.

In addition, certain events allow the issuer to terminate the contract with the Plan and settle at an amount different from contract value. Such events include (1) an uncured violation of the Plan's investment guidelines, (2) a breach of material obligation under the contract, (3) a material misrepresentation, or (4) a material amendment to the agreement without the consent of the issuer.

|                                  | 2019       | 2018       |
|----------------------------------|------------|------------|
| Traditional Investment Contracts | \$ 843,651 | \$ 754,158 |

NOTE 6: PARTY-IN-INTEREST TRANSACTIONS

Parties-in-interest are defined under Department of Labor Regulations as any fiduciary of the Plan, any party rendering service to the Plan, the employer and certain others. At December 31, 2019 and 2018, the Plan received record keeping, asset custody, and investment management services from Prudential Trust Company, the trustee of the Plan, for which Prudential received indirect compensation. During 2019, the Plan paid administrative fees of \$10,242 directly from Plan assets to Prudential. Additionally, at December 31, 2019 and 2018, the Plan holds party-in-interest receivables of \$85,107 and \$56,204, respectively, in the form of participant loans. Certain Plan investments are accumulation units of variable annuity portfolios managed by affiliates of Prudential, trustee of the Plan (see Note 3). Therefore, these transactions qualify as party-in-interest transactions.

NOTE 7: PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right to terminate the Plan subject to the provisions of ERISA. In the event of a plan termination, participants will become fully vested in their accounts.

NOTE 8: TAX STATUS

The Plan obtained its latest determination letter dated October 13, 2015, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Company believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

PROFIT SHARING & 401(K) PLAN FOR CERTAIN BARGAINING UNIT  
EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8: TAX STATUS (CONTINUED)

Accounting principles generally accepted in the United States of America require management of a plan to evaluate tax positions taken by the plan and recognize a tax liability if the plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Plan management has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 9: VARIOUS RISKS AND UNCERTAINTIES

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

PROFIT SHARING & 401(K) PLAN FOR CERTAIN BARGAINING UNIT  
EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES

FORM 5500, SCHEDULE H, PART IV, LINE 4i,  
SCHEDULE OF ASSETS HELD AT END OF YEAR  
AS OF DECEMBER 31, 2019

EIN: 25-1555749

Plan Number: 002

| (a)                                                      | (b)                                                                                                                      | (c)  | (d)                 | (e) |
|----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|------|---------------------|-----|
| Identity of issue, borrower, lessor, or<br>similar party | Description of investment including maturity date, rate<br>of interest, collateral, par, or maturity value               | Cost | Current Value       |     |
| * Prudential Insurance Co. of America                    | Guaranteed Income                                                                                                        | **   | \$ 843,651          |     |
| American Funds                                           | Euro Pacific Growth R6                                                                                                   | **   | 479,478             |     |
| Vanguard                                                 | Growth Index                                                                                                             | **   | 438,756             |     |
| Vanguard                                                 | Equity Income Admiral                                                                                                    | **   | 377,608             |     |
| Western Asset                                            | Core Bond                                                                                                                | **   | 326,712             |     |
| Vanguard                                                 | Mid Cap Value                                                                                                            | **   | 353,084             |     |
| American Funds                                           | American Balanced R6                                                                                                     | **   | 460,301             |     |
| Vanguard                                                 | Trust 500 Admiral                                                                                                        | **   | 260,338             |     |
| Vanguard                                                 | Small Cap Growth                                                                                                         | **   | 204,438             |     |
| AB Global                                                | Bond Fund Z                                                                                                              | **   | 163,933             |     |
| American Funds                                           | New World Fund R6                                                                                                        | **   | 160,887             |     |
| Western Asset                                            | Income Fund                                                                                                              | **   | 8,307               |     |
| American Funds                                           | New Perspective R6                                                                                                       | **   | 11,178              |     |
| Eaton Vance                                              | Atlanta Capital Smid Cap R6                                                                                              | **   | 10,157              |     |
| Vanguard                                                 | Small Cap Index Admiral                                                                                                  | **   | 12,996              |     |
| PGIM                                                     | Global Real Estate Fund R6                                                                                               | **   | 3,534               |     |
| Vanguard                                                 | Mid Cap Index                                                                                                            | **   | 1,929               |     |
|                                                          | Subtotal                                                                                                                 |      | 4,117,287           |     |
| * Participant loans                                      | (Interest of 5.25% to 7.50%, maturing at<br>various dates through 2024, secured<br>by balance in participants' accounts) | **   | 85,107              |     |
|                                                          | Total                                                                                                                    |      | <u>\$ 4,202,394</u> |     |

\* Denotes party in interest

\*\* Investment is participant directed, therefore, historical cost is not required.

Note: This schedule is based upon information which has been certified as complete and accurate by Prudential Trust Company, the trustee of the Plan.

See accompanying independent auditor's report.

# Profit Sharing & 401(k) Plan for Certain Bargaining Unit Employees of HBD Industries, Inc. and Subsidiaries *Audited Financial Statements*

December 31, 2019 and 2018



[www.reacpa.com](http://www.reacpa.com)

**PROFIT SHARING & 401(K) PLAN FOR CERTAIN BARGAINING UNIT  
EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES**

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**FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018**

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October 6, 2020

To the Board of Trustees and Participants  
Profit Sharing & 401(k) Plan for Certain Bargaining Unit  
Employees of HBD Industries, Inc. and Subsidiaries  
Dublin, Ohio

### **INDEPENDENT AUDITOR'S REPORT**

#### **Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of the Profit Sharing & 401(k) Plan for Certain Bargaining Unit Employees of HBD Industries, Inc. and Subsidiaries (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2019 and 2018, and the related statement of changes in net assets available for benefits for the year ended December 31, 2019, and the related notes to the financial statements.

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

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

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

#### ***Basis for Disclaimer of Opinion***

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Prudential Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. 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 certifications from the trustee as of December 31, 2019 and 2018 and for the year ended December 31, 2019, that the information provided to the plan administrator by the trustee is complete and accurate.

### ***Disclaimer of Opinion***

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

### ***Other Matter***

The supplemental schedule as outlined in the Table of Contents is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for purposes of additional analysis and is not a required part of the financial statements. The supplemental schedule is the responsibility of the Plan's management. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule.

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

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

*Rea & Associates, Inc.*

Dublin, Ohio

PROFIT SHARING & 401(K) PLAN FOR CERTAIN BARGAINING UNIT  
EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
AS OF DECEMBER 31, 2019 AND 2018

|                                                            | <u>2019</u>                | <u>2018</u>                |
|------------------------------------------------------------|----------------------------|----------------------------|
| ASSETS:                                                    |                            |                            |
| Mutual funds, at fair value (see footnote 4)               | 3,273,636                  | 2,408,781                  |
| Guaranteed income fund, at contract value (see footnote 5) | <u>843,651</u>             | <u>754,158</u>             |
| Total investments                                          | 4,117,287                  | 3,162,939                  |
| RECEIVABLES:                                               |                            |                            |
| Notes receivable from participants                         | <u>85,107</u>              | <u>56,204</u>              |
| Total contributions receivable                             | <u>85,107</u>              | <u>56,204</u>              |
| NET ASSETS AVAILABLE FOR BENEFITS                          | <u><u>\$ 4,202,394</u></u> | <u><u>\$ 3,219,143</u></u> |

The accompanying notes are an integral part of these financial statements.

PROFIT SHARING & 401(K) PLAN FOR CERTAIN BARGAINING UNIT  
EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES

STATEMENT OF CHANGES IN NET ASSETS  
AVAILABLE FOR BENEFITS  
FOR THE YEAR ENDED DECEMBER 31, 2019

|                                                       | <u>2019</u>                |
|-------------------------------------------------------|----------------------------|
| ADDITIONS TO NET ASSETS:                              |                            |
| Contributions:                                        |                            |
| Employer                                              | \$ 195,373                 |
| Participants                                          | 216,072                    |
| Rollovers                                             | <u>496,473</u>             |
| Total contributions                                   | 907,918                    |
| Investment income:                                    |                            |
| Net appreciation in fair value of mutual funds        | 544,144                    |
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| NET ASSETS AVAILABLE FOR BENEFITS - END OF YEAR       | <u><u>\$ 4,202,394</u></u> |

The accompanying notes are an integral part of these financial statements.

PROFIT SHARING & 401(K) PLAN FOR CERTAIN BARGAINING UNIT  
EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: DESCRIPTION OF PLAN

General

The Profit Sharing & 401(k) Plan for Certain Bargaining Unit Employees of HBD Industries, Inc. and Subsidiaries (the "Plan"), is a single plan comprising separate benefit schedules or sub-plans for (1) hourly bargaining unit employees at HBD/Thermoid, Inc.'s Bellefontaine, OH operations, (2) hourly bargaining unit employees at HBD/Thermoid, Inc.'s Chanute, KS operations, (3) hourly bargaining employees at the Oneida, Tennessee facility, and, effective July 1, 2018, (4) bargaining unit employees at Ohio Magnetics, Inc. at Maple Heights, OH (collectively, the "Company"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Board of Trustees is responsible for oversight of the Plan. The Plan's Pension Management Committee determines the appropriateness of the Plan's investment offerings, monitors investment performance, and reports to the Plan's Board of Trustees. Employees become eligible for the Plan upon rendering one hour of service for any of the above mentioned employers. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

Contributions

Participants may elect to contribute between 1% of their pretax base compensation up to the maximum dollar limitation allowed by Section 402(g) of the Internal Revenue Service Code into the Plan as an elective deferral contribution. Participants may also elect to contribute from 1% up to the maximum allowable of their base compensation, on an after-tax basis. Any participant who has attained age 50 by the end of the Plan year may elect to contribute additional "catch-up" contributions. Participants may also contribute in the form of a direct rollover, amounts representing distributions from other qualified plans.

The Company makes a basic contribution to the Plan based on the base compensation paid to eligible hourly employees as follows:

| Location             | Percentage |
|----------------------|------------|
| Bellefontaine        | 1.5%       |
| Chanute              | 2%         |
| Oneida               | 3%         |
| Ohio Magnetics, Inc. | 4%         |

The Company also makes a mandatory matching contribution equal to 25% of the first 6% of base compensation each participant elects to defer for its Chanute location. Effective January 1, 2017, Bellefontaine employees receive a matching contribution equal to 50% of the first 3% of base compensation. Bargaining employees at Oneida and Ohio Magnetics, Inc. are not eligible to receive matching contributions. In addition to the basic and mandatory matching contributions, the Company may, at the discretion of the Board of Trustees, make an additional profit sharing or matching contribution. The Company did not authorize any discretionary profit sharing or matching contributions in 2019.

Participant Accounts

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

PROFIT SHARING & 401(K) PLAN FOR CERTAIN BARGAINING UNIT  
EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: DESCRIPTION OF PLAN (CONTINUED)

Participant-directed Investment Options

Upon enrollment in the Plan, a participant may direct the investment of their contributions into any of several investment options with varying degrees of risk and volatility, allowing participants to allocate their investments in accordance with their own risk tolerances and time horizons. Participants may change their investment options at any time.

Vesting

Participants are immediately vested in their elective deferral contributions, plus actual earnings thereon. Additionally, participants immediately vest in the Company's mandatory, discretionary matching and qualified nonelective contributions.

Participants, other than bargaining employees at Oneida and Ohio Magnetics Inc., become vested in the Company's basic and discretionary profit sharing contribution in accordance with the following schedule:

| <u>Years of Service</u>       | <u>Vested Interest</u> |
|-------------------------------|------------------------|
| Less than 2 years             | 0%                     |
| 2 years but less than 3 years | 20%                    |
| 3 years but less than 4 years | 40%                    |
| 4 years but less than 5 years | 60%                    |
| 5 years but less than 6 years | 80%                    |
| 6 years or more               | 100%                   |

Bargaining employees at Oneida and Ohio Magnetics, Inc. vest fully after a 3-year period.

Notes Receivable from Participants

The Plan allows participants to apply for and obtain loans, limited to 50% of the participant's vested account balance not to exceed \$50,000, from the vested balance of the participant's account. All loans must be repaid within five years unless the loan is used to finance the participant's primary residence, in which case the term of the loan is not to exceed ten years. The participant must reduce the \$50,000 amount, above, if he or she already had an outstanding loan from the Plan (or any other plan of the employer or related employer) during the one year period ending the day before the loan. The amount of the reduction is the participant's highest outstanding loan balance during that period minus the outstanding balance on the date of the new loan. Interest is charged at a rate equal to the prime rate plus 2%. Payments of principal and interest are paid ratably through payroll deductions.

Payment of Benefits

Upon termination of service, a participant may elect to receive the value of the vested portion of their account as a lump-sum payment. A participant becomes fully vested in their account balance upon retirement, death, disability, or the permanent shutdown of a Company profit center.

Forfeited Accounts

As of December 31, 2019 and 2018, unallocated forfeited accounts totaled \$11,911 and \$10,753, respectively. These amounts are to be used to reduce Company contributions to the Plan and/or to pay permissible expenses of the Plan. Forfeitures totaling \$27,345 were used to reduce Company contributions during the year ended December 31, 2019. No forfeitures were used to pay permissible expenses during the year ended December 31, 2019.

PROFIT SHARING & 401(K) PLAN FOR CERTAIN BARGAINING UNIT  
EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Investments held by a defined contribution plan are required to be reported at fair value, except for fully benefit-responsive investment contracts. Contract value is the relevant measure for the portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the Plan.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for plan benefits as of the date of the financial statements and the reported amounts of changes in net assets available for plan benefits during the reporting period. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value (except for the fully benefit-responsive investment contract, which is reported at contract 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 Plan's Committee determines the Plan's valuation policies utilizing information provided by the investment custodian 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 on the ex-dividend date. Net appreciation includes the Plan's net 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. Such loans bear a rate of interest equal to the prime rate charged for a loan made under similar circumstances by persons in the business of lending money plus 2%. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document. No allowance for credit losses has been recorded as of December 31, 2019 and 2018.

Payment of Benefits

Benefits are recorded when paid.

Administrative Expenses

All expenses of maintaining the Plan have been paid by the Company or through the use of forfeitures, with the exception of loan fees, which are paid directly by the Plan. Furthermore, expenses paid by the plan sponsor are excluded from the financial statements.

Subsequent Events

Subsequent events have been evaluated through October 6, 2020, which is the date the financial statements were available to be issued.

PROFIT SHARING & 401(K) PLAN FOR CERTAIN BARGAINING UNIT  
EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Due to national and world-wide disruptions caused by COVID-19 in 2020, the Plan may be adversely impacted. At this time, any financial impact of potential COVID-19 related disruptions are not known.

NOTE 3: INFORMATION PREPARED AND CERTIFIED BY PRUDENTIAL TRUST COMPANY

Certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and supplemental schedule, including investments and notes receivable from participants held at December 31, 2019 and 2018, and net appreciation in fair value of investments, interest, and dividends for the year ended December 31, 2019, was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by Prudential Trust Company (the trustee of the Plan).

NOTE 4: FAIR VALUE MEASUREMENTS

Generally accepted accounting principles include a 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

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

Level 2      Inputs to the valuation methodology include:

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

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

Level 3      Inputs to the valuation methodology are unobservable and significant to the fair value measurement. At the end of 2019, the Plan did not hold any Level 3 financial instruments.

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2019 and 2018.

PROFIT SHARING & 401(K) PLAN FOR CERTAIN BARGAINING UNIT  
EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4: FAIR VALUE MEASUREMENTS (CONTINUED)

*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 fund held by the Plan are deemed to be actively traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2019:

| Description       | Level 1      | Level 2 | Level 3 | Total               |
|-------------------|--------------|---------|---------|---------------------|
| Mutual Funds      | \$ 3,273,636 | \$ -    | \$ -    | \$ 3,273,636        |
| Total investments |              |         |         | <u>\$ 3,273,636</u> |

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2018:

| Description       | Level 1      | Level 2 | Level 3 | Total               |
|-------------------|--------------|---------|---------|---------------------|
| Mutual Funds      | \$ 2,408,781 | \$ -    | \$ -    | \$ 2,408,781        |
| Total investments |              |         |         | <u>\$ 2,408,781</u> |

For the year ended December 31, 2019, the Plan did not hold any Level 3 assets.

NOTE 5: GUARANTEED INVESTMENT CONTRACT WITH PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY

In 2010, the Plan entered into a traditional fully benefit-responsive guaranteed annuity contract with Prudential Life Insurance Company ("Prudential") totaling \$843,651 and \$754,158 as of December 31, 2019 and 2018, respectively. Prudential maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan. The crediting rate is based on a formula established by the contract issuer but may not be less than 1.5 percent. The crediting rate is reviewed on a monthly basis of resetting. The guaranteed investment contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

This contract meets the fully benefit-responsive investment contract criteria and therefore is reported at contract value. Contract value is the relevant measurement for fully benefit-responsive investment contracts because this is the amount received by participants if they were to initiate permitted transactions under the terms of the Plan. Contract value, as reported to the Plan, by Prudential, represents contributions made under the contract, plus earnings less participant withdrawals and administrative expenses. Participants may ordinarily direct withdrawals or transfers of all or a portion of their investment at contract value.

PROFIT SHARING & 401(K) PLAN FOR CERTAIN BARGAINING UNIT  
EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5: GUARANTEED INVESTMENT CONTRACT WITH PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY (CONTINUED)

The Plan's ability to receive amounts due is dependent on the issuer's ability to meet its financial obligations. The issuer's ability to meet its contractual obligations may be affected by future economic and regulatory developments.

Certain events might limit the ability of the Plan to transact at contract value with the issuer. Such events include (1) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (2) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the Plan Sponsor or other Plan Sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan, (4) failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA, or (5) premature termination of the contract. The plan administrator believes that no events that would limit the Plan's ability to transact at contract value with participants are probable of occurring.

In addition, certain events allow the issuer to terminate the contract with the Plan and settle at an amount different from contract value. Such events include (1) an uncured violation of the Plan's investment guidelines, (2) a breach of material obligation under the contract, (3) a material misrepresentation, or (4) a material amendment to the agreement without the consent of the issuer.

|                                  | 2019       | 2018       |
|----------------------------------|------------|------------|
| Traditional Investment Contracts | \$ 843.651 | \$ 754,158 |

NOTE 6: PARTY-IN-INTEREST TRANSACTIONS

Parties-in-interest are defined under Department of Labor Regulations as any fiduciary of the Plan, any party rendering service to the Plan, the employer and certain others. At December 31, 2019 and 2018, the Plan received record keeping, asset custody, and investment management services from Prudential Trust Company, the trustee of the Plan, for which Prudential received indirect compensation. During 2019, the Plan paid administrative fees of \$10,242 directly from Plan assets to Prudential. Additionally, at December 31, 2019 and 2018, the Plan holds party-in-interest receivables of \$85,107 and \$56,204, respectively, in the form of participant loans. Certain Plan investments are accumulation units of variable annuity portfolios managed by affiliates of Prudential, trustee of the Plan (see Note 3). Therefore, these transactions qualify as party-in-interest transactions.

NOTE 7: PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right to terminate the Plan subject to the provisions of ERISA. In the event of a plan termination, participants will become fully vested in their accounts.

NOTE 8: TAX STATUS

The Plan obtained its latest determination letter dated October 13, 2015, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Company believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

PROFIT SHARING & 401(K) PLAN FOR CERTAIN BARGAINING UNIT  
EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8: TAX STATUS (CONTINUED)

Accounting principles generally accepted in the United States of America require management of a plan to evaluate tax positions taken by the plan and recognize a tax liability if the plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Plan management has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 9: VARIOUS RISKS AND UNCERTAINTIES

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

PROFIT SHARING & 401(K) PLAN FOR CERTAIN BARGAINING UNIT  
EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES

FORM 5500, SCHEDULE H, PART IV, LINE 4i,  
SCHEDULE OF ASSETS HELD AT END OF YEAR  
AS OF DECEMBER 31, 2019

EIN: 25-1555749

Plan Number: 002

| (a)                                                      | (b)                                                                                                                      | (c)  | (d)                 | (e) |
|----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|------|---------------------|-----|
| Identity of issue, borrower, lessor, or<br>similar party | Description of investment including maturity date, rate<br>of interest, collateral, par, or maturity value               | Cost | Current Value       |     |
| * Prudential Insurance Co. of America                    | Guaranteed Income                                                                                                        | **   | \$ 843,651          |     |
| American Funds                                           | Euro Pacific Growth R6                                                                                                   | **   | 479,478             |     |
| Vanguard                                                 | Growth Index                                                                                                             | **   | 438,756             |     |
| Vanguard                                                 | Equity Income Admiral                                                                                                    | **   | 377,608             |     |
| Western Asset                                            | Core Bond                                                                                                                | **   | 326,712             |     |
| Vanguard                                                 | Mid Cap Value                                                                                                            | **   | 353,084             |     |
| American Funds                                           | American Balanced R6                                                                                                     | **   | 460,301             |     |
| Vanguard                                                 | Trust 500 Admiral                                                                                                        | **   | 260,338             |     |
| Vanguard                                                 | Small Cap Growth                                                                                                         | **   | 204,438             |     |
| AB Global                                                | Bond Fund Z                                                                                                              | **   | 163,933             |     |
| American Funds                                           | New World Fund R6                                                                                                        | **   | 160,887             |     |
| Western Asset                                            | Income Fund                                                                                                              | **   | 8,307               |     |
| American Funds                                           | New Perspective R6                                                                                                       | **   | 11,178              |     |
| Eaton Vance                                              | Atlanta Capital Smid Cap R6                                                                                              | **   | 10,157              |     |
| Vanguard                                                 | Small Cap Index Admiral                                                                                                  | **   | 12,996              |     |
| PGIM                                                     | Global Real Estate Fund R6                                                                                               | **   | 3,534               |     |
| Vanguard                                                 | Mid Cap Index                                                                                                            | **   | 1,929               |     |
|                                                          | Subtotal                                                                                                                 |      | 4,117,287           |     |
| * Participant loans                                      | (Interest of 5.25% to 7.50%, maturing at<br>various dates through 2024, secured<br>by balance in participants' accounts) | **   | 85,107              |     |
|                                                          | Total                                                                                                                    |      | <u>\$ 4,202,394</u> |     |

\* Denotes party in interest

\*\* Investment is participant directed, therefore, historical cost is not required.

Note: This schedule is based upon information which has been certified as complete and accurate by Prudential Trust Company, the trustee of the Plan.

See accompanying independent auditor's report.

**Profit Sharing & 401(k) Plan for  
Certain Bargaining Unit Employees of  
HBD Industries, Inc. and Subsidiaries**  
*Audited Financial Statements*

December 31, 2019 and 2018



[www.reacpa.com](http://www.reacpa.com)

**PROFIT SHARING & 401(K) PLAN FOR CERTAIN BARGAINING UNIT  
EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES**

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**FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018**

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October 6, 2020

To the Board of Trustees and Participants  
Profit Sharing & 401(k) Plan for Certain Bargaining Unit  
Employees of HBD Industries, Inc. and Subsidiaries  
Dublin, Ohio

### **INDEPENDENT AUDITOR'S REPORT**

#### **Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of the Profit Sharing & 401(k) Plan for Certain Bargaining Unit Employees of HBD Industries, Inc. and Subsidiaries (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2019 and 2018, and the related statement of changes in net assets available for benefits for the year ended December 31, 2019, and the related notes to the financial statements.

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

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

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

#### ***Basis for Disclaimer of Opinion***

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Prudential Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. 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 certifications from the trustee as of December 31, 2019 and 2018 and for the year ended December 31, 2019, that the information provided to the plan administrator by the trustee is complete and accurate.

### ***Disclaimer of Opinion***

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

### ***Other Matter***

The supplemental schedule as outlined in the Table of Contents is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for purposes of additional analysis and is not a required part of the financial statements. The supplemental schedule is the responsibility of the Plan's management. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule.

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

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

*Rea & Associates, Inc.*

Dublin, Ohio

PROFIT SHARING & 401(K) PLAN FOR CERTAIN BARGAINING UNIT  
EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
AS OF DECEMBER 31, 2019 AND 2018

|                                                            | <u>2019</u>                | <u>2018</u>                |
|------------------------------------------------------------|----------------------------|----------------------------|
| ASSETS:                                                    |                            |                            |
| Mutual funds, at fair value (see footnote 4)               | 3,273,636                  | 2,408,781                  |
| Guaranteed income fund, at contract value (see footnote 5) | <u>843,651</u>             | <u>754,158</u>             |
| Total investments                                          | 4,117,287                  | 3,162,939                  |
| RECEIVABLES:                                               |                            |                            |
| Notes receivable from participants                         | <u>85,107</u>              | <u>56,204</u>              |
| Total contributions receivable                             | <u>85,107</u>              | <u>56,204</u>              |
| NET ASSETS AVAILABLE FOR BENEFITS                          | <u><u>\$ 4,202,394</u></u> | <u><u>\$ 3,219,143</u></u> |

The accompanying notes are an integral part of these financial statements.

PROFIT SHARING & 401(K) PLAN FOR CERTAIN BARGAINING UNIT  
EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES

STATEMENT OF CHANGES IN NET ASSETS  
AVAILABLE FOR BENEFITS  
FOR THE YEAR ENDED DECEMBER 31, 2019

|                                                       | <u>2019</u>                |
|-------------------------------------------------------|----------------------------|
| ADDITIONS TO NET ASSETS:                              |                            |
| Contributions:                                        |                            |
| Employer                                              | \$ 195,373                 |
| Participants                                          | 216,072                    |
| Rollovers                                             | <u>496,473</u>             |
| Total contributions                                   | 907,918                    |
| Investment income:                                    |                            |
| Net appreciation in fair value of mutual funds        | 544,144                    |
| Interest income from guaranteed income fund           | 17,194                     |
| Interest and dividends from mutual funds              | <u>57,003</u>              |
| Total investment income                               | 618,341                    |
| Interest earned on notes receivable from participants | <u>4,152</u>               |
| TOTAL ADDITIONS                                       | 1,530,411                  |
| DEDUCTIONS FROM NET ASSETS:                           |                            |
| Benefits paid to participants                         | 536,854                    |
| Administrative expenses                               | <u>10,306</u>              |
| TOTAL DEDUCTIONS                                      | <u>547,160</u>             |
| NET DECREASE IN NET ASSETS AVAILABLE FOR BENEFITS     | 983,251                    |
| NET ASSETS AVAILABLE FOR BENEFITS - BEGINNING OF YEAR | <u>3,219,143</u>           |
| NET ASSETS AVAILABLE FOR BENEFITS - END OF YEAR       | <u><u>\$ 4,202,394</u></u> |

The accompanying notes are an integral part of these financial statements.

PROFIT SHARING & 401(K) PLAN FOR CERTAIN BARGAINING UNIT  
EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: DESCRIPTION OF PLAN

General

The Profit Sharing & 401(k) Plan for Certain Bargaining Unit Employees of HBD Industries, Inc. and Subsidiaries (the "Plan"), is a single plan comprising separate benefit schedules or sub-plans for (1) hourly bargaining unit employees at HBD/Thermoid, Inc.'s Bellefontaine, OH operations, (2) hourly bargaining unit employees at HBD/Thermoid, Inc.'s Chanute, KS operations, (3) hourly bargaining employees at the Oneida, Tennessee facility, and, effective July 1, 2018, (4) bargaining unit employees at Ohio Magnetics, Inc. at Maple Heights, OH (collectively, the "Company"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Board of Trustees is responsible for oversight of the Plan. The Plan's Pension Management Committee determines the appropriateness of the Plan's investment offerings, monitors investment performance, and reports to the Plan's Board of Trustees. Employees become eligible for the Plan upon rendering one hour of service for any of the above mentioned employers. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

Contributions

Participants may elect to contribute between 1% of their pretax base compensation up to the maximum dollar limitation allowed by Section 402(g) of the Internal Revenue Service Code into the Plan as an elective deferral contribution. Participants may also elect to contribute from 1% up to the maximum allowable of their base compensation, on an after-tax basis. Any participant who has attained age 50 by the end of the Plan year may elect to contribute additional "catch-up" contributions. Participants may also contribute in the form of a direct rollover, amounts representing distributions from other qualified plans.

The Company makes a basic contribution to the Plan based on the base compensation paid to eligible hourly employees as follows:

| <u>Location</u>      | <u>Percentage</u> |
|----------------------|-------------------|
| Bellefontaine        | 1.5%              |
| Chanute              | 2%                |
| Oneida               | 3%                |
| Ohio Magnetics, Inc. | 4%                |

The Company also makes a mandatory matching contribution equal to 25% of the first 6% of base compensation each participant elects to defer for its Chanute location. Effective January 1, 2017, Bellefontaine employees receive a matching contribution equal to 50% of the first 3% of base compensation. Bargaining employees at Oneida and Ohio Magnetics, Inc. are not eligible to receive matching contributions. In addition to the basic and mandatory matching contributions, the Company may, at the discretion of the Board of Trustees, make an additional profit sharing or matching contribution. The Company did not authorize any discretionary profit sharing or matching contributions in 2019.

Participant Accounts

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

PROFIT SHARING & 401(K) PLAN FOR CERTAIN BARGAINING UNIT  
EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: DESCRIPTION OF PLAN (CONTINUED)

Participant-directed Investment Options

Upon enrollment in the Plan, a participant may direct the investment of their contributions into any of several investment options with varying degrees of risk and volatility, allowing participants to allocate their investments in accordance with their own risk tolerances and time horizons. Participants may change their investment options at any time.

Vesting

Participants are immediately vested in their elective deferral contributions, plus actual earnings thereon. Additionally, participants immediately vest in the Company's mandatory, discretionary matching and qualified nonelective contributions.

Participants, other than bargaining employees at Oneida and Ohio Magnetics Inc., become vested in the Company's basic and discretionary profit sharing contribution in accordance with the following schedule:

| <u>Years of Service</u>       | <u>Vested Interest</u> |
|-------------------------------|------------------------|
| Less than 2 years             | 0%                     |
| 2 years but less than 3 years | 20%                    |
| 3 years but less than 4 years | 40%                    |
| 4 years but less than 5 years | 60%                    |
| 5 years but less than 6 years | 80%                    |
| 6 years or more               | 100%                   |

Bargaining employees at Oneida and Ohio Magnetics, Inc. vest fully after a 3-year period.

Notes Receivable from Participants

The Plan allows participants to apply for and obtain loans, limited to 50% of the participant's vested account balance not to exceed \$50,000, from the vested balance of the participant's account. All loans must be repaid within five years unless the loan is used to finance the participant's primary residence, in which case the term of the loan is not to exceed ten years. The participant must reduce the \$50,000 amount, above, if he or she already had an outstanding loan from the Plan (or any other plan of the employer or related employer) during the one year period ending the day before the loan. The amount of the reduction is the participant's highest outstanding loan balance during that period minus the outstanding balance on the date of the new loan. Interest is charged at a rate equal to the prime rate plus 2%. Payments of principal and interest are paid ratably through payroll deductions.

Payment of Benefits

Upon termination of service, a participant may elect to receive the value of the vested portion of their account as a lump-sum payment. A participant becomes fully vested in their account balance upon retirement, death, disability, or the permanent shutdown of a Company profit center.

Forfeited Accounts

As of December 31, 2019 and 2018, unallocated forfeited accounts totaled \$11,911 and \$10,753, respectively. These amounts are to be used to reduce Company contributions to the Plan and/or to pay permissible expenses of the Plan. Forfeitures totaling \$27,345 were used to reduce Company contributions during the year ended December 31, 2019. No forfeitures were used to pay permissible expenses during the year ended December 31, 2019.

PROFIT SHARING & 401(K) PLAN FOR CERTAIN BARGAINING UNIT  
EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Investments held by a defined contribution plan are required to be reported at fair value, except for fully benefit-responsive investment contracts. Contract value is the relevant measure for the portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the Plan.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for plan benefits as of the date of the financial statements and the reported amounts of changes in net assets available for plan benefits during the reporting period. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value (except for the fully benefit-responsive investment contract, which is reported at contract 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 Plan's Committee determines the Plan's valuation policies utilizing information provided by the investment custodian 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 on the ex-dividend date. Net appreciation includes the Plan's net 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. Such loans bear a rate of interest equal to the prime rate charged for a loan made under similar circumstances by persons in the business of lending money plus 2%. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document. No allowance for credit losses has been recorded as of December 31, 2019 and 2018.

Payment of Benefits

Benefits are recorded when paid.

Administrative Expenses

All expenses of maintaining the Plan have been paid by the Company or through the use of forfeitures, with the exception of loan fees, which are paid directly by the Plan. Furthermore, expenses paid by the plan sponsor are excluded from the financial statements.

Subsequent Events

Subsequent events have been evaluated through October 6, 2020, which is the date the financial statements were available to be issued.

PROFIT SHARING & 401(K) PLAN FOR CERTAIN BARGAINING UNIT  
EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Due to national and world-wide disruptions caused by COVID-19 in 2020, the Plan may be adversely impacted. At this time, any financial impact of potential COVID-19 related disruptions are not known.

NOTE 3: INFORMATION PREPARED AND CERTIFIED BY PRUDENTIAL TRUST COMPANY

Certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and supplemental schedule, including investments and notes receivable from participants held at December 31, 2019 and 2018, and net appreciation in fair value of investments, interest, and dividends for the year ended December 31, 2019, was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by Prudential Trust Company (the trustee of the Plan).

NOTE 4: FAIR VALUE MEASUREMENTS

Generally accepted accounting principles include a 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

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

Level 2      Inputs to the valuation methodology include:

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

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

Level 3      Inputs to the valuation methodology are unobservable and significant to the fair value measurement. At the end of 2019, the Plan did not hold any Level 3 financial instruments.

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2019 and 2018.

PROFIT SHARING & 401(K) PLAN FOR CERTAIN BARGAINING UNIT  
EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4: FAIR VALUE MEASUREMENTS (CONTINUED)

*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 fund held by the Plan are deemed to be actively traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2019:

| Description       | Level 1      | Level 2 | Level 3 | Total               |
|-------------------|--------------|---------|---------|---------------------|
| Mutual Funds      | \$ 3,273,636 | \$ -    | \$ -    | \$ 3,273,636        |
| Total investments |              |         |         | <u>\$ 3,273,636</u> |

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2018:

| Description       | Level 1      | Level 2 | Level 3 | Total               |
|-------------------|--------------|---------|---------|---------------------|
| Mutual Funds      | \$ 2,408,781 | \$ -    | \$ -    | \$ 2,408,781        |
| Total investments |              |         |         | <u>\$ 2,408,781</u> |

For the year ended December 31, 2019, the Plan did not hold any Level 3 assets.

NOTE 5: GUARANTEED INVESTMENT CONTRACT WITH PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY

In 2010, the Plan entered into a traditional fully benefit-responsive guaranteed annuity contract with Prudential Life Insurance Company ("Prudential") totaling \$843,651 and \$754,158 as of December 31, 2019 and 2018, respectively. Prudential maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan. The crediting rate is based on a formula established by the contract issuer but may not be less than 1.5 percent. The crediting rate is reviewed on a monthly basis of resetting. The guaranteed investment contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

This contract meets the fully benefit-responsive investment contract criteria and therefore is reported at contract value. Contract value is the relevant measurement for fully benefit-responsive investment contracts because this is the amount received by participants if they were to initiate permitted transactions under the terms of the Plan. Contract value, as reported to the Plan, by Prudential, represents contributions made under the contract, plus earnings less participant withdrawals and administrative expenses. Participants may ordinarily direct withdrawals or transfers of all or a portion of their investment at contract value.

PROFIT SHARING & 401(K) PLAN FOR CERTAIN BARGAINING UNIT  
EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5: GUARANTEED INVESTMENT CONTRACT WITH PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY (CONTINUED)

The Plan's ability to receive amounts due is dependent on the issuer's ability to meet its financial obligations. The issuer's ability to meet its contractual obligations may be affected by future economic and regulatory developments.

Certain events might limit the ability of the Plan to transact at contract value with the issuer. Such events include (1) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (2) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the Plan Sponsor or other Plan Sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan, (4) failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA, or (5) premature termination of the contract. The plan administrator believes that no events that would limit the Plan's ability to transact at contract value with participants are probable of occurring.

In addition, certain events allow the issuer to terminate the contract with the Plan and settle at an amount different from contract value. Such events include (1) an uncured violation of the Plan's investment guidelines, (2) a breach of material obligation under the contract, (3) a material misrepresentation, or (4) a material amendment to the agreement without the consent of the issuer.

|                                  | 2019       | 2018       |
|----------------------------------|------------|------------|
| Traditional Investment Contracts | \$ 843.651 | \$ 754,158 |

NOTE 6: PARTY-IN-INTEREST TRANSACTIONS

Parties-in-interest are defined under Department of Labor Regulations as any fiduciary of the Plan, any party rendering service to the Plan, the employer and certain others. At December 31, 2019 and 2018, the Plan received record keeping, asset custody, and investment management services from Prudential Trust Company, the trustee of the Plan, for which Prudential received indirect compensation. During 2019, the Plan paid administrative fees of \$10,242 directly from Plan assets to Prudential. Additionally, at December 31, 2019 and 2018, the Plan holds party-in-interest receivables of \$85,107 and \$56,204, respectively, in the form of participant loans. Certain Plan investments are accumulation units of variable annuity portfolios managed by affiliates of Prudential, trustee of the Plan (see Note 3). Therefore, these transactions qualify as party-in-interest transactions.

NOTE 7: PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right to terminate the Plan subject to the provisions of ERISA. In the event of a plan termination, participants will become fully vested in their accounts.

NOTE 8: TAX STATUS

The Plan obtained its latest determination letter dated October 13, 2015, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Company believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

PROFIT SHARING & 401(K) PLAN FOR CERTAIN BARGAINING UNIT  
EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8: TAX STATUS (CONTINUED)

Accounting principles generally accepted in the United States of America require management of a plan to evaluate tax positions taken by the plan and recognize a tax liability if the plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Plan management has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 9: VARIOUS RISKS AND UNCERTAINTIES

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

PROFIT SHARING & 401(K) PLAN FOR CERTAIN BARGAINING UNIT  
EMPLOYEES OF HBD INDUSTRIES, INC. AND SUBSIDIARIES

FORM 5500, SCHEDULE H, PART IV, LINE 4i,  
SCHEDULE OF ASSETS HELD AT END OF YEAR  
AS OF DECEMBER 31, 2019

EIN: 25-1555749

Plan Number: 002

| (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       |     |
| * Prudential Insurance Co. of America                 | Guaranteed Income                                                                                                  | **   | \$ 843,651          |     |
| American Funds                                        | Euro Pacific Growth R6                                                                                             | **   | 479,478             |     |
| Vanguard                                              | Growth Index                                                                                                       | **   | 438,756             |     |
| Vanguard                                              | Equity Income Admiral                                                                                              | **   | 377,608             |     |
| Western Asset                                         | Core Bond                                                                                                          | **   | 326,712             |     |
| Vanguard                                              | Mid Cap Value                                                                                                      | **   | 353,084             |     |
| American Funds                                        | American Balanced R6                                                                                               | **   | 460,301             |     |
| Vanguard                                              | Trust 500 Admiral                                                                                                  | **   | 260,338             |     |
| Vanguard                                              | Small Cap Growth                                                                                                   | **   | 204,438             |     |
| AB Global                                             | Bond Fund Z                                                                                                        | **   | 163,933             |     |
| American Funds                                        | New World Fund R6                                                                                                  | **   | 160,887             |     |
| Western Asset                                         | Income Fund                                                                                                        | **   | 8,307               |     |
| American Funds                                        | New Perspective R6                                                                                                 | **   | 11,178              |     |
| Eaton Vance                                           | Atlanta Capital Smid Cap R6                                                                                        | **   | 10,157              |     |
| Vanguard                                              | Small Cap Index Admiral                                                                                            | **   | 12,996              |     |
| PGIM                                                  | Global Real Estate Fund R6                                                                                         | **   | 3,534               |     |
| Vanguard                                              | Mid Cap Index                                                                                                      | **   | 1,929               |     |
|                                                       | Subtotal                                                                                                           |      | 4,117,287           |     |
| * Participant loans                                   | (Interest of 5.25% to 7.50%, maturing at various dates through 2024, secured by balance in participants' accounts) | **   | 85,107              |     |
|                                                       | Total                                                                                                              |      | <u>\$ 4,202,394</u> |     |

\* Denotes party in interest

\*\* Investment is participant directed, therefore, historical cost is not required.

Note: This schedule is based upon information which has been certified as complete and accurate by Prudential Trust Company, the trustee of the Plan.

See accompanying independent auditor's report.