

Form 5500-SF Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Short Form Annual Return/Report of Small Employee Benefit Plan This form is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA), and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500-SF.	OMB Nos. 1210-0110 1210-0089 2019 This Form is Open to Public Inspection
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Part I Annual Report Identification Information			
For calendar plan year 2019 or fiscal plan year beginning <u>01/01/2019</u> and ending <u>12/31/2019</u>			
A This return/report is for:	☒ a single-employer plan	☐ a multiple-employer plan (not multiemployer) (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)	
	☐ a one-participant plan	☐ a foreign plan	
B This return/report is	☐ the first return/report	☐ the final return/report	
	☐ an amended return/report	☐ a short plan year return/report (less than 12 months)	
C Check box if filing under:	☒ Form 5558	☐ automatic extension	☐ DFVC program
	☐ special extension (enter description)		

Part II Basic Plan Information —enter all requested information			
1a Name of plan <u>SHINCOR SILICONES, INC. RETIREMENT PLAN FOR U.S. EMPLOYEES</u>	1b Three-digit plan number (PN) ►	<u>001</u>	
	1c Effective date of plan	<u>08/01/1991</u>	
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>SHIN-ETSU SILICONES OF AMERICA, INC.</u> <u>1150 DAMAR DRIVE</u> <u>AKRON, OH 44305</u>	2b Employer Identification Number (EIN)	<u>95-4015700</u>	
	2c Sponsor's telephone number	<u>330-630-9460</u>	
	2d Business code (see instructions)	<u>325200</u>	
3a Plan administrator's name and address ☒ Same as Plan Sponsor.	3b Administrator's EIN		
	3c Administrator's telephone number		
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report. a Sponsor's name c Plan Name	4b EIN		
	4d PN		
5a Total number of participants at the beginning of the plan year	5a	<u>83</u>	
b Total number of participants at the end of the plan year	5b	<u>83</u>	
c Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	5c		
d(1) Total number of active participants at the beginning of the plan year	5d(1)	<u>23</u>	
d(2) Total number of active participants at the end of the plan year	5d(2)	<u>22</u>	
e Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	5e	<u>0</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, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	<u>10/13/2020</u>	<u>MICHELLE GEISER</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor

- 6a** Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.)..... ☒ Yes ☐ No
- b** Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.)..... ☒ Yes ☐ No
- If you answered "No" to either line 6a or line 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.**
- c** 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 4230527. (See instructions.)

Part III Financial Information

7 Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a Total plan assets	7a	5383165	6436005
b Total plan liabilities	7b	0	
c Net plan assets (subtract line 7b from line 7a)	7c	5383165	6436005
8 Income, Expenses, and Transfers for this Plan Year		(a) Amount	(b) Total
a Contributions received or receivable from:			
(1) Employers	8a(1)	493028	
(2) Participants	8a(2)	0	
(3) Others (including rollovers)	8a(3)	0	
b Other income (loss)	8b	992735	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		1485763
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d	404675	
e Certain deemed and/or corrective distributions (see instructions) ...	8e	0	
f Administrative service providers (salaries, fees, commissions)	8f	28248	
g Other expenses	8g	0	
h Total expenses (add lines 8d, 8e, 8f, and 8g)	8h		432923
i Net income (loss) (subtract line 8h from line 8c)	8i		1052840
j Transfers to (from) the plan (see instructions)	8j		

Part IV Plan Characteristics

- 9a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1A 1I 3H
- b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

Part V Compliance Questions

10 During the plan year:		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? (See instructions and DOL's Voluntary Fiduciary Correction Program)	10a		☒	
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)	10b		☒	
c Was the plan covered by a fidelity bond?	10c	☒		500000
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	10d		☒	
e Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service, or other organization that provides some or all of the benefits under the plan? (See instructions.)	10e		☒	
f Has the plan failed to provide any benefit when due under the plan?	10f		☒	
g Did the plan have any participant loans? (If "Yes," enter amount as of year-end.)	10g		☒	
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	10h			
i If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	10i			

Part VI Pension Funding Compliance

11 Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500) and lines 11a and b below.) If this is a defined contribution pension plan, leave line 11 blank and complete line 12 below. ☒ Yes ☐ No

a Enter the unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 **11a** 0

b PBGC missed contribution reporting requirements. If the plan is covered by PBGC and the amount reported on line 11a is greater than \$0, 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 _____

12 Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? (If "Yes," complete line 12a or lines 12b, 12c, 12d, and 12e below, as applicable.) If this is a defined benefit pension plan, leave line 12 blank and complete line 11 above. ☐ Yes ☒ No

a 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 letter ruling granting the waiver. Month _____ Day _____ Year _____

If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.

b Enter the minimum required contribution for this plan year **12b**

c Enter the amount contributed by the employer to the plan for this plan year **12c**

d Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount) **12d**

e Will the minimum funding amount reported on line 12d be met by the funding deadline? ☐ Yes ☐ No ☐ N/A

Part VII Plan Terminations and Transfers of Assets

13a Has a resolution to terminate the plan been adopted in any plan year? ☐ Yes ☒ No

If "Yes," enter the amount of any plan assets that reverted to the employer this year. **13a**

b Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? ☐ Yes ☒ No

c 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.)

13c(1) Name of plan(s):	13c(2) EIN(s)	13c(3) PN(s)

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2019 This Form is Open to Public Inspection
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For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

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

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

A Name of plan <u>SHINCOR SILICONES, INC. RETIREMENT PLAN FOR U.S. EMPLOYEES</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>SHIN-ETSU SILICONES OF AMERICA, INC.</u>	D Employer Identification Number (EIN) <u>95-4015700</u>	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B		
F Prior year plan size: ☒ 100 or fewer ☐ 101-500 ☐ More than 500		

Part I	Basic Information		
1 Enter the valuation date:	Month <u>01</u>	Day <u>01</u>	Year <u>2019</u>
2 Assets:			
a Market value	2a	<u>5383095</u>	
b Actuarial value	2b	<u>5383095</u>	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment.....	<u>34</u>	<u>4519981</u>	<u>4519981</u>
b For terminated vested participants.....	<u>26</u>	<u>895215</u>	<u>895215</u>
c For active participants	<u>23</u>	<u>1456222</u>	<u>1464866</u>
d Total.....	<u>83</u>	<u>6871418</u>	<u>6880062</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b		
5 Effective interest rate	5	<u>5.51</u> %	
6 Target normal cost.....	6	<u>29266</u>	

Statement by Enrolled Actuary

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

SIGN HERE		
	Signature of actuary	<u>10/12/2020</u>
	<u>JEFFREY A. SCHAPPEL, EA, MAAA, FCA</u>	Date
	Type or print name of actuary	<u>20-07786</u>
	<u>CBIZ RETIREMENT PLAN SERVICES</u>	Most recent enrollment number
	Firm name	<u>216-525-1990</u>
	6050 OAK TREE BLVD. SOUTH SUITE 500 INDEPENDENCE, OH 44131	Telephone number (including area code)
	Address of the firm	

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

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

**Schedule SB (Form 5500) 2019
v. 190130**

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	86654
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	0	86654
10 Interest on line 9 using prior year's actual return of <u>-6.41</u> %	0	-5555
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		7120
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.68</u> %		404
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		7524
d Portion of (c) to be added to prefunding balance		7524
12 Other reductions in balances due to elections or deemed elections	0	84100
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	4523

Part III Funding Percentages

14 Funding target attainment percentage	14	78.17 %
15 Adjusted funding target attainment percentage	15	80.00 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	91.71 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

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

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/12/2019	36929	0			
07/19/2019	36929	0			
10/15/2019	36929	0			
01/15/2020	36929	0			
09/15/2020	219312	0			
09/26/2019	126000	0			
Totals ▶			18(b)	493028	18(c) 0

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

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	121134
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	342718

20 Quarterly contributions and liquidity shortfalls:

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

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost**21** Discount rate:**a** Segment rates:1st segment:
3.74 %2nd segment:
5.35 %3rd segment:
6.11 %☐ N/A, full yield curve used**b** Applicable month (enter code)**21b**

4

22 Weighted average retirement age**22**

65

23 Mortality table(s) (see instructions)

Prescribed - combined



Prescribed - separate



Substitute

Part VI Miscellaneous Items**24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No**26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No**27** If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.**27****Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years****28** Unpaid minimum required contributions for all prior years **28** 0**29** Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a) **29** 0**30** Remaining amount of unpaid minimum required contributions (line 28 minus line 29) **30** 0**Part VIII Minimum Required Contribution For Current Year****31** Target normal cost and excess assets (see instructions):**a** Target normal cost (line 6) **31a** 29266**b** Excess assets, if applicable, but not greater than line 31a **31b** 0**32** Amortization installments:**a** Net shortfall amortization installment Outstanding Balance 1501490 Installment 313475**b** Waiver amortization installment 0 0**33** If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount **33****34** Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) **34** 342741

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	23	23

36 Additional cash requirement (line 34 minus line 35) **36** 342718**37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) **37** 342718**38** Present value of excess contributions for current year (see instructions)**a** Total (excess, if any, of line 37 over line 36) **38a** 0**b** Portion included in line 38a attributable to use of prefunding and funding standard carryover balances **38b** 0**39** Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) **39** 0**40** Unpaid minimum required contributions for all years **40** 0**Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)****41** If an election was made to use PRA 2010 funding relief for this plan:**a** Schedule elected ☐ 2 plus 7 years ☐ 15 years**b** Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

SCHEDULE SB ATTACHMENT
Line 26 - Schedule of Active Participant Data

Plan Name: Shincor Silicones, Inc. Retirement Plan for U.S. Employees

EIN/PN: 95-4015700/001

Valuation Date: January 1, 2019

Age	Years of Credited Service										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & Over	
Under 25	-	-	-	-	-	-	-	-	-	-	-
25 to 29	-	-	-	-	-	-	-	-	-	-	-
30 to 34	-	-	-	-	-	-	-	-	-	-	-
35 to 39	-	1	3	-	-	-	-	-	-	-	4
40 to 44	-	1	1	-	-	-	-	-	-	-	2
45 to 49	-	1	1	-	2	-	-	-	-	-	4
50 to 54	-	-	1	-	2	1	-	-	-	-	4
55 to 59	-	-	2	-	1	1	-	-	-	-	4
60 to 64	-	-	-	-	2	1	-	-	-	-	3
65 to 69	-	-	-	1	-	-	-	-	-	-	1
70 & Over	-	-	-	1	-	-	-	-	-	-	1
Total 0	-	3	8	2	7	3	-	-	-	-	23

SUMMARY OF ASSUMPTIONS

Funding Discount Rates IRS-Prescribed Three-Segment Rates, for the fourth month prior to the valuation date (Sep).

	Non-Stabilized	Limited to 25- Year Corridor
Segment 1:	2.28%	3.74%
Segment 2:	3.81%	5.35%
Segment 3:	4.46%	6.11%

The "Limited to 25 Year Corridor" rates are adjusted by the applicable maximum and applicable minimum percentages of the 25-year average segment rates, as set forth in the Highway and Transportation Funding Act of 2014 ('HATFA-14') for use in Minimum Required Contribution calculations. The IRS Maximum Deductible Limit Calculations use the rates from the "Non-Stabilized" column above.

The interest rates used to value the Target Liability for determining the minimum and maximum contributions are prescribed by law and based on elections made by the Plan Sponsor.

Effective Interest Rate The Effective Interest Rate (EIR) for the current Plan Year is 5.51%. For the prior Plan Year, the EIR was 5.68%.

The EIR is the single rate of interest which, if used to determine the Funding Target, would equal the Funding Target determined using the Plan Sponsor's above elected discount rates. The EIR is used to discount contributions for minimum funding requirements and to accumulate excess contributions to the end of the year.

Funding Expected Return on Assets Not applicable for funding calculation purposes. A smoothing method is not used to calculate the Actuarial Value of Assets; therefore, the Expected Return on Assets is not used.

Funding Administrative Expenses Administrative expenses were assumed to equal actual expenses in the prior year. Under this assumption, expenses of \$29,266 were included in the Normal Cost.

Salary Scale Not applicable. Plan accruals are frozen.

Inflation None.

Funding Mortality

§430(h) Optional Combined Annuitant/Non-Annuitant Tables for the Current Plan Year

Disability Mortality is assumed to be the same as that used for Healthy Retirees.

The mortality assumptions used to value the Target Liability for determining the minimum and maximum contributions are prescribed by law and based on elections made by the Plan Sponsor.

Withdrawal Rates

T-7 LESS GA51M. Below is a table of representative rates.

Age	Rates
20	9.94%
25	9.67%
30	9.30%
35	8.71%
40	7.75%
45	6.35%
50	4.22%
55	1.55%
60	0.15%

Benefit Commencement Age

Future deferred vested participants are assumed to commence at the Plan's Normal Retirement Age, or valuation age, if later.

Because the employer does not have enough data to do a fully credible experience analysis with respect to termination from active employment, the current assumption has been selected based on the actuary's experience with plans of a similar size, plan design, participant composition, as well as discussions with the Plan Sponsor.

Disability Incidence

None.

Because the employer does not have enough data to do a fully credible experience analysis with respect to disability during active employment, the current assumption has been selected based on the actuary's experience with plans of a similar size, plan design, participant composition, as well as discussions with the Plan Sponsor.

Retirement Rates

All participants are assumed to retire at Normal Retirement Age, or valuation age, if later.

Spousal Assumptions

Because the employer does not have enough data to do a fully credible experience analysis with respect to retirement (from active employment or by terminated vested participants), the current assumption has been selected based on the actuary's experience with plans of a similar size, plan design, participant composition, as well as discussions with the Plan Sponsor.

100% of males and 100% of females are assumed to be married. Females are assumed to be 3 years younger than males.

Form of Payment

Because the employer does not have enough data to do a fully credible experience analysis with respect to spousal information, the current assumption has been selected based on the actuary's experience with plans of a similar size, plan design, participant composition, as well as discussions with the Plan Sponsor.

Participants are assumed to take an annuity in the Normal Form of Payment.

**Changes in non-required
Funding assumptions
since the prior valuation**

Because the employer does not have enough data to do a fully credible experience analysis with respect to Form of Payment, the current assumption has been selected based on the actuary's experience with plans of a similar size, plan design, participant composition, as well as discussions with the Plan Sponsor.

None.

SUMMARY OF METHODS

Minimum Funding Cost Method

The actuarial cost method used to determine the liabilities for minimum funding calculations is the Traditional Unit Credit method. The objective under this method is to fund each participant's benefits under the plan as they accrue. Under this cost method, the actuarial accrued liability is the sum of the individual accrued liabilities for all participants and the normal cost is the sum of the individual normal costs for each participant. The individual accrued liability for a participant is the present value of the accrued benefit as of the valuation date taking into account service and/or pay as of the valuation date. The individual normal cost for a participant is the present value of the benefit expected to accrue in the plan year being valued.

If a plan is frozen, there is no normal cost attributable to benefit accruals.

Maximum Deductible Contribution Method

The actuarial cost method used to determine the liabilities for maximum deductible calculations is the Projected Unit Credit method. The objective under this method is to fund each participant's benefits under the plan as they accrue, taking into consideration expected future compensation increases. Under this cost method, the actuarial accrued liability is the sum of the individual accrued liabilities for all participants and the normal cost is the sum of the individual normal costs for all participant. The individual accrued liability for a participant is the sum of 1) the present value of the accrued benefit earned as of the valuation date taking into account service and/or pay as of the valuation date; plus 2) the present value of the accrued benefit expected to be earned because of any expected future compensation increases.

The individual normal cost for a participant is the sum of the present value of the benefit expected to accrue in the plan year being valued taking into account any expected future compensation increases.

Asset Method

We used financial data submitted by the trustee as of the valuation date without further audit. This information was not verified by a plan's actuary. We have reviewed the information for internal consistency, and we have no reason to doubt its substantial accuracy.

Funding Actuarial Value of Assets

For funding purposes, the Actuarial Value of Assets is equal to the Market Value of Assets.

Accrued contributions are discounted back to the valuation date at the prior year's effective interest rate.

Changes in methods since the prior valuation None.

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2019 This Form is Open to Public Inspection
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For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

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

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

A Name of plan SHINCOR SILICONES, INC. RETIREMENT PLAN FOR U.S. EMPLOYEES	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Shin-Etsu Silicones of America, Inc.	D Employer Identification Number (EIN) 95-4015700
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☒ 100 or fewer ☐ 101-500 ☐ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2019</u>	
2 Assets:	
a Market value.....	2a 5,383,095
b Actuarial value	2b 5,383,095
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment	(1) Number of participants 34 (2) Vested Funding Target 4,519,981 (3) Total Funding Target 4,519,981
b For terminated vested participants	26 895,215 895,215
c For active participants	23 1,456,222 1,464,866
d Total	83 6,871,418 6,880,062
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 5.51%
6 Target normal cost	6 29,266

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

SIGN HERE	Jeffrey A. Schapel, EA, MAAA, FCA 	10/12/2020
	Signature of actuary	Date
JEFFREY A. SCHAPTEL, EA, MAAA, FCA		2007786
	Type or print name of actuary	Most recent enrollment number
CBIZ RETIREMENT PLAN SERVICES		216-525-1990
	Firm name	Telephone number (including area code)
6050 OAK TREE BLVD. SOUTH SUITE 500 INDEPENDENCE OH 44131		
	Address of the firm	

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

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

**Schedule SB (Form 5500) 2019
v. 190130**

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	0	86,654
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8).....	0	86,654
10 Interest on line 9 using prior year's actual return of <u>-6.41%</u>	0	-5,555
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year).....		7,120
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.68%</u>		404
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		7,524
d Portion of (c) to be added to prefunding balance.....		7,524
12 Other reductions in balances due to elections or deemed elections	0	84,100
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	0	4,523

Part III Funding Percentages

14 Funding target attainment percentage	14	78.17%
15 Adjusted funding target attainment percentage.....	15	80.00%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	91.71%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

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

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/12/2019	36,929	0			
07/19/2019	36,929	0			
10/15/2019	36,929	0			
01/15/2020	36,929	0			
09/15/2020	219,312	0			
09/26/2019	126,000	0			
Totals ▶			18(b)	493,028	18(c) 0

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

a Contributions allocated toward unpaid minimum required contributions from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	121,134
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	342,718

20 Quarterly contributions and liquidity shortfalls:

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

Liquidity shortfall as of end of quarter of this plan year				
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th	
0	0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost**21** Discount rate:**a** Segment rates:1st segment:
3.74 %2nd segment:
5.35 %3rd segment:
6.11 %☐ N/A, full yield curve used**b** Applicable month (enter code) **21b** 4**22** Weighted average retirement age **22** 65**23** Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute**Part VI Miscellaneous Items****24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No**26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No**27** If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment **27****Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years****28** Unpaid minimum required contributions for all prior years **28** 0**29** Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a) **29** 0**30** Remaining amount of unpaid minimum required contributions (line 28 minus line 29) **30** 0**Part VIII Minimum Required Contribution For Current Year****31** Target normal cost and excess assets (see instructions):**a** Target normal cost (line 6) **31a** 29,266**b** Excess assets, if applicable, but not greater than line 31a **31b** 0

32 Amortization installments:		Outstanding Balance	Installment
a Net shortfall amortization installment.....		1,501,490	313,475
b Waiver amortization installment.....		0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount **33****34** Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)..... **34** 342,741

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	23	23

36 Additional cash requirement (line 34 minus line 35)..... **36** 342,718**37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)..... **37** 342,718

38 Present value of excess contributions for current year (see instructions)	
a Total (excess, if any, of line 37 over line 36)	38a 0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b 0

39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)..... **39** 0**40** Unpaid minimum required contributions for all years **40** 0**Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)****41** If an election was made to use PRA 2010 funding relief for this plan:**a** Schedule elected ☐ 2 plus 7 years ☐ 15 years**b** Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

SCHEDULE SB ATTACHMENT
Line 22 - Weighted Average Retirement Age

Plan Name: Shincor Silicones, Inc. Retirement Plan for U.S. Employees

EIN/PN: 95-4015700/001

Valuation Date: January 1, 2019

Each participant is assumed to retire at his/her normal retirement age of 65.

SCHEDULE SB ATTACHMENT

Line 19 - Discounted Employer Contributions

Plan Name: Shincor Silicones, Inc. Retirement Plan for U.S. Employees

EIN/PN: 95-4015700/001

Valuation Date: January 1, 2019

	Total Discounted to Valuation	
Total Contributed:	\$367,028.00	Date: \$342,718.00

Date	Amount	Plan Year Beginning	Effective Rate of Interest	Amount Discounted	Penalty Rate of Interest	Additional Amount Discounted	Present Value on Date of Valuation
04/12/2019	36,929	01/2019	5.51%	544			36,385
07/19/2019	36,929	01/2019	5.51%	1,064	10.51%	18	35,847
10/15/2019	36,929	01/2019	5.51%	1,525			35,404
01/15/2020	36,929	01/2019	5.51%	1,998			34,931
09/15/2020	219,312	01/2019	5.51%	19,161			200,151

SUMMARY OF PRINCIPAL PLAN PROVISIONS

Plan Effective Date	August 1, 1991. The plan was last restated effective January 1, 2012 and most recently amended effective July 1, 2013.
Eligibility Requirements	None.
Vesting	100% vesting upon earning 5 Years of Vesting Service.
Accrued Benefit Formula	1.2% of Average Monthly Compensation per Year of Service. Accrued Benefits were frozen as of December 31, 2010.
Average Compensation	Average Compensation is the highest consecutive three year average of pensionable earnings, out of the last ten calendar years.
Credited Service	Elapsed time method.
Vesting Service	Elapsed time method.
Normal Retirement Age	Upon attainment of 65.
Early Retirement	<u>Eligibility:</u> Upon attainment of age 55 and completion of 5 Years of Service. <u>Benefit:</u> The accrued benefit multiplied by the appropriate factor below:

Age	Factor
55	0.720
56	0.785
57	0.850
58	0.880
59	0.910
60	0.940
61	0.970
62	1.000

Disability Retirement None.

Pre-Retirement Death Eligibility: Upon earning 5 Years of Service.

Benefit: The spouse is eligible for 50% of the benefit that would have been payable, if the Participant had live to Early Retirement Eligibility and elected a 50% Qualified Joint and Survivor Annuity. The benefit is payable upon the Participant's Early Retirement Eligibility date.

Normal Form of Payment Unless otherwise elected, the benefit payable a participant who has been married at least one year is an actuarially equivalent 50% Joint and Survivor benefit. For unmarried participants, the Normal Form is a straight-life annuity.

Optional Forms Benefits may be elected from:

- 50%, 75%, and 100% Joint and Survivor
- 5 Year Certain and Continuous
- Lump Sum
- Straight Life Annuity

Changes in Plan Benefits recognized since the last valuation None.

SCHEDULE SB ATTACHMENT
Line 32 - Amortization Bases Used in the Valuation

Plan Name: Shincor Silicones, Inc. Retirement Plan for U.S. Employees

EIN/PN: 95-4015700/001

Valuation Date: January 1, 2019

<u>Original Valuation</u>	<u>Remaining Years</u>	<u>Amortization Type</u>	<u>Outstanding Balance</u>	<u>Current Year Amortization</u>
1/1/2019	7.00	7 year	1,068,561	173,628
1/1/2018	6.00	7 year	36,355	6,704
1/1/2017	5.00	7 year	(72,026)	(15,482)
1/1/2016	4.00	7 year	442,249	116,724
1/1/2015	3.00	7 year	97,701	33,770
1/1/2014	2.00	7 year	(141,561)	(72,080)
1/1/2013	1.00	7 year	70,211	70,211