# Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Annual Return/Report of Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

**2019**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

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

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

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

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

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

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

**1a** Name of plan
CHEMICALS INCORPORATED EMPLOYEE 401(K) PLAN

**1b** Three-digit plan number (PN) ▶ 001

**1c** Effective date of plan 01/01/1996

**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)
CHEMICALS, INCORPORATED.

12321 HATCHERVILLE ROAD
BAYTOWN, TX 77521

**2b** Employer Identification Number (EIN) 76-0125191

**2c** Plan Sponsor's telephone number 281-576-5000

**2d** Business code (see instructions) 325900

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

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

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/13/2020 | TINA GOETSCHIUS |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

**3a** Plan administrator's name and address [X] Same as Plan Sponsor

**3b** Administrator's EIN

**3c** Administrator's telephone number

**4** If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:
**a** Sponsor's name
**c** Plan Name

**4b** EIN

**4d** PN

| | | |
|---|---|---|
| **5** Total number of participants at the beginning of the plan year | **5** | 144 |
| **6** Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**). | | |
| **a(1)** Total number of active participants at the beginning of the plan year | **6a(1)** | 133 |
| **a(2)** Total number of active participants at the end of the plan year | **6a(2)** | 153 |
| **b** Retired or separated participants receiving benefits | **6b** | 0 |
| **c** Other retired or separated participants entitled to future benefits | **6c** | 11 |
| **d** Subtotal. Add lines **6a(2)**, **6b**, and **6c** | **6d** | 164 |
| **e** Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 0 |
| **f** Total. Add lines **6d** and **6e**. | **6f** | 164 |
| **g** Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 50 |
| **h** Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 3 |
| **7** Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

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

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

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

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

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

**a Pension Schedules**

**(1)** [X] **R** (Retirement Plan Information)

**(2)** [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary

**(3)** [ ] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

**b General Schedules**

**(1)** [X] **H** (Financial Information)

**(2)** [ ] **I** (Financial Information – Small Plan)

**(3)** [ ] ___ **A** (Insurance Information)

**(4)** [X] **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_____

# SCHEDULE C (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Service Provider Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

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

OMB No. 1210-0110

**2019**

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

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

**A** Name of plan
CHEMICALS INCORPORATED EMPLOYEE 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

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

**D** Employer Identification Number (EIN)
76-0125191

## Part I Service Provider Information (see instructions)

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

### 1 Information on Persons Receiving Only Eligible Indirect Compensation

**a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . [X] Yes [ ] No

**b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

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

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

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 37 60 64 65 | RECORDKEEPER | 2535 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [X] No [ ] |

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

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

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

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

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

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

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

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

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

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

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

## Part I Service Provider Information (continued)

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

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| EV INC FUND BOSTON A - BNY MELLON<br>P.O. BOX 9793<br>PROVIDENCE, RI 02940 | 0.50% |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| MM PR SM CAP OPPS R5 - STATE STREE<br><br>04-0025081 | 0.15% |

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

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

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

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

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

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

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

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

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

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

## Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

# SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Financial Information

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

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

OMB No. 1210-0110

**2019**

**This Form is Open to Public Inspection**

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

**A** Name of plan
CHEMICALS INCORPORATED EMPLOYEE 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

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

**D** Employer Identification Number (EIN)
76-0125191

## Part I Asset and Liability Statement

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

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | 0 | 0 |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | 0 | 0 |
| **(2)** Participant contributions | 1b(2) | 0 | 0 |
| **(3)** Other | 1b(3) | 0 | 0 |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 283864 | 227262 |
| **(2)** U.S. Government securities | 1c(2) | 0 | 0 |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | 0 | 0 |
| **(B)** All other | 1c(3)(B) | 0 | 0 |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | 0 | 0 |
| **(B)** Common | 1c(4)(B) | 0 | 0 |
| **(5)** Partnership/joint venture interests | 1c(5) | 0 | 0 |
| **(6)** Real estate (other than employer real property) | 1c(6) | 0 | 0 |
| **(7)** Loans (other than to participants) | 1c(7) | 0 | 0 |
| **(8)** Participant loans | 1c(8) | 73511 | 90138 |
| **(9)** Value of interest in common/collective trusts | 1c(9) | 0 | 0 |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | 0 | 0 |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | 0 | 0 |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | 0 | 0 |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | 2433816 | 2211115 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | 0 | 0 |

| | | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | 0 | 0 |
| | **(2)** Employer real property | 1d(2) | 0 | 0 |
| **e** | Buildings and other property used in plan operation | 1e | 0 | 0 |
| **f** | Total assets (add all amounts in lines 1a through 1e) | 1f | 2791191 | 2528515 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | 0 | 0 |
| **h** | Operating payables | 1h | 0 | 0 |
| **i** | Acquisition indebtedness | 1i | 0 | 0 |
| **j** | Other liabilities | 1j | 0 | 0 |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | 1k | 0 | 0 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 2791191 | 2528515 |

## Part II Income and Expense Statement

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

| | Income | | (a) Amount | (b) Total |
|---|---|---|---|---|
| **a** | **Contributions:** | | | |
| | **(1)** Received or receivable in cash from: **(A)** Employers | 2a(1)(A) | 150262 | |
| | **(B)** Participants | 2a(1)(B) | 272191 | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | 67058 | |
| | **(2)** Noncash contributions | 2a(2) | 0 | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 489511 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | 4776 | |
| | **(B)** U.S. Government securities | 2b(1)(B) | 0 | |
| | **(C)** Corporate debt instruments | 2b(1)(C) | 0 | |
| | **(D)** Loans (other than to participants) | 2b(1)(D) | 0 | |
| | **(E)** Participant loans | 2b(1)(E) | 4088 | |
| | **(F)** Other | 2b(1)(F) | 0 | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 8864 |
| | **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | 0 | |
| | **(B)** Common stock | 2b(2)(B) | 0 | |
| | **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | 115173 | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 115173 |
| | **(3)** Rents | 2b(3) | | 0 |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | 0 | |
| | **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | 0 | |
| | **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 0 |
| | **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | 2b(5)(A) | 0 | |
| | **(B)** Other | 2b(5)(B) | 0 | |
| | **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | 0 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| **(6)** Net investment gain (loss) from common/collective trusts | 2b(6) | | 0 |
| **(7)** Net investment gain (loss) from pooled separate accounts | 2b(7) | | 0 |
| **(8)** Net investment gain (loss) from master trust investment accounts | 2b(8) | | 0 |
| **(9)** Net investment gain (loss) from 103-12 investment entities | 2b(9) | | 0 |
| **(10)** Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | 500832 |
| **c** Other income | 2c | | 0 |
| **d** Total income. Add all **income** amounts in column (b) and enter total | 2d | | 1114380 |
| **Expenses** | | | |
| **e** Benefit payment and payments to provide benefits: | | | |
| **(1)** Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 1320061 | |
| **(2)** To insurance carriers for the provision of benefits | 2e(2) | 0 | |
| **(3)** Other | 2e(3) | 0 | |
| **(4)** Total benefit payments. Add lines **2e(1)** through **(3)** | 2e(4) | | 1320061 |
| **f** Corrective distributions (see instructions) | 2f | | 52400 |
| **g** Certain deemed distributions of participant loans (see instructions) | 2g | | 0 |
| **h** Interest expense | 2h | | 0 |
| **i** Administrative expenses: **(1)** Professional fees | 2i(1) | 0 | |
| **(2)** Contract administrator fees | 2i(2) | 0 | |
| **(3)** Investment advisory and management fees | 2i(3) | 0 | |
| **(4)** Other | 2i(4) | 4595 | |
| **(5)** Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 4595 |
| **j** Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 1377056 |
| **Net Income and Reconciliation** | | | |
| **k** Net income (loss). Subtract line **2j** from line **2d** | 2k | | -262676 |
| **l** Transfers of assets: | | | |
| **(1)** To this plan | 2l(1) | | 0 |
| **(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: DARSHAN WADHWA CPA PC **(2)** EIN: 82-0632007

**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:

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

| | | | Yes | No | Amount |
|---|---|---|---|---|---|
| c | Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) | 4c | | X | |
| d | Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) | 4d | | X | |
| e | Was this plan covered by a fidelity bond? | 4e | X | | 300000 |
| f | Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | 4f | | X | |
| g | Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4g | | X | |
| h | Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4h | | X | |
| i | Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) | 4i | X | | |
| j | Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) | 4j | | X | |
| k | Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? | 4k | | X | |
| l | Has the plan failed to provide any benefit when due under the plan? | 4l | | X | |
| m | If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | 4m | | X | |
| n | If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. | 4n | | X | |

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

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

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

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

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Retirement Plan Information

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

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

OMB No. 1210-0110

**2019**

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

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

**A** Name of plan
CHEMICALS INCORPORATED EMPLOYEE 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

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

**D** Employer Identification Number (EIN)
76-0125191

## Part I Distributions

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

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

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

EIN(s): 04-6568107

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

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

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

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

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

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

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

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

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

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

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

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

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

## Part III Amendments

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

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

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

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

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

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

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

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

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# CHEMICALS INCORPORATED
# EMPLOYEE 401(K) PLAN # 001

Employer ID No: 76-0125191

Financial Statements, and Supplemental
Schedule as of December 31, 2019 and 2018.

**CHEMICALS INCORPORATED EMPLOYEE 401(K) PLAN # 001**
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NOTE: All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

**DR. DARSHAN WADHWA CPA, PC**
**4212 Sunset Blvd**
**Houston, Texas 77005**
**(713) 349-0273 or (832) 668-4770**
**Fax (713) 357-4822 ◆ WADHWA1181@gmail.com**

## INDEPENDENT AUDITOR'S REPORT

To the Administrative Committee of
Chemicals Incorporated Employee 401(K) Plan # 001

**Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of Chemicals Incorporated Employee 401(K) Plan # 001, which comprise the statements of net assets available for benefits as of December 31, 2019 and 2018, and the related statements of changes in net assets available for benefits for the years then ended December 31, 2019, and the related notes to the financial statements.

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

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. 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 4, which was certified by Fidelity Trust Management Company, the trustee of the Plan except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and execute investment transactions.

The plan administrator has obtained a certification 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 of Assets (Held at End of Year) as of December 31, 2019 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 the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this 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 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.

Darshan Wadhwa

Dr. Darshan Wadhwa, CPA PC
Houston, Texas
October 9, 2020

**CHEMICALS INCORPORATED EMPLOYEE 401(K) PLAN**
**PLAN # 001**
**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**
**AS OF DECEMBER 31, 2019 AND 2018**

| | 2019 | 2018 |
|---|---|---|
| ASSETS: | | |
| Investments at fair value (Note 3) | $ 2,438,377 | $ 2,717,680 |
| Total investments | 2,438,377 | 2,717,680 |
| RECEIVABLES: | | |
| Notes receivable from participants | 90,138 | 73,511 |
| NET ASSETS AVAILABLE FOR BENEFITS | $ 2,528,515 | $ 2,791,191 |

The accompanying notes are an integral part of these financial statements

**CHEMICALS INCORPORATED EMPLOYEE 401(K) PLAN**
**PLAN # 001**
**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**
**FOR THE YEAR ENDED DECEMBER 31, 2019**

| | |
|---|---|
| ADDITIONS: | |
| Investment income: | |
| Net depreciation in fair value of investments | 500,832 |
| Interest | 4,776 |
| Dividend | 115,173 |
| Net investment income | 620,781 |
| Interest income on notes receivable from participants | 4,088 |
| Contributions: | |
| Participant contributions | 272,191 |
| Employer contributions | 150,262 |
| Rollovers | 67,058 |
| Total contributions | 489,511 |
| Total additions | 1,114,380 |
| DEDUCTIONS: | |
| Benefits paid to participants | (1,320,061) |
| Corrective Distributions | (52,400) |
| Administrative expenses | (4,595) |
| Total deductions | (1,377,056) |
| Net Decrease | (262,676) |
| NET ASSETS AVAILABLE FOR BENEFITS: | |
| Beginning of year | 2,791,191 |
| End of year | $ 2,528,515 |

The accompanying notes are an integral part of these financial statements

## NOTE 1 - DESCRIPTION OF THE PLAN

The following description of the Chemicals Incorporated Employee 401(K) Plan # 001 (the "Plan") is provided for general information purposes only. Participants should refer to the plan document for a more complete description of the Plan's provisions.

This plan began on January 1, 1996. The Plan is a defined contribution plan sponsored by Chemicals Incorporated Employee 401(K) Plan # 001 (the "Plan"). The following provides only general information and participants should refer to the plan agreement for a more complete description of the Plan's provisions.

### General

The Plan, which became effective on January 1, 1996, as amended and restated effective August 3, 2009 and April 19, 2018, is a defined contribution plan subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") and the Internal Revenue Code ("IRC"). The Plan was amended in 2018 to include an additional two related employers.

### Employee Contributions

Each year, participants may contribute up to Internal Revenue Code (IRC) limitations. The Company makes matching contributions as follows:

| Employer Match | Qualified Annual Salary Range |
|---|---|
| 8% | 0 - $50,000/ annually |
| 6% | $50,000 – 100,000/ annually |
| 5% | $100,000 and above/ annually |

Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contributions plans. Contributions are subject to certain Internal Revenue Code limitations. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions; these additional contributions are ineligible for a Company matching contribution.

### Participant Accounts

Individual accounts are maintained for each participant of the Plan. Each participant's account is credited with the participant's contribution and an allocation of (a) the employer's contribution (b) Plan earnings, and (c) the indirect costs of brokerage fees, commissions, taxes, and other expenses incident to the income or assets of the Plan or the purchase or sale of securities by the Trustees. Allocations are based on contributions, participant earnings or account balances, as defined in the Plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account balance.

**Investments**
Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers a variety of mutual funds options for participants.

**Vesting**
Participants are vested immediately in their contributions plus investment earnings thereon. Participants are immediately vested in their contributions and rollover accounts, plus actual earnings thereon.

Effective August 3, 2009, vesting in the Company's matching contributions is based on years of service according to the following schedule:

| Vesting | Vesting Percentage |
|---|---|
| Less than 1 year | 0% |
| 1 year | 20% |
| 2 years | 40% |
| 3 years | 60% |
| 4 years | 80% |
| 5 years | 100% |

**Notes Receivable from Participants**
Any participant having vested account balances is eligible to obtain a loan. The minimum loan amount is $1,000 and the maximum loan amount is the lesser of $50,000, or 50% of the vested balances of all of the participant's accounts. Loans are repayable through payroll deductions over a period up to 60 months (loan repayment may extend to 10 years if the loan is for the purpose of a principal residence). The notes receivable is secured by the balance in the participant's account. All notes are considered a directed investment from the participant's Plan account with all principal and interest credited to the participant's account. A maximum of one loan outstanding is allowed per participant at a time. Each loan shall bear a reasonable fixed rate of interest to be determined by the Administrator. As of December 31, 2019, participant loans have maturities through 2024 at interest rates of 4.25% percent.

Notes receivable are measured at their unpaid principal balance plus accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based on the terms of the Plan document. Participant loans are considered delinquent if any payment or principal and interest, or any portion thereof, remains unpaid for more than 90 days.

**Payment of Benefits**
Participating employees receive a lump-sum distribution equal to their vested account balances upon retirement, total and permanent disability, death, or termination of employment. As allowed under the provisions of the Plan and in compliance with regulatory requirements, certain participating employees may withdraw participant contributions and vested employer matching contributions from their accounts. Participants that reach the age of 70 ½ are required to take a minimum distribution from their account.

**Forfeitures**
Forfeitures can be used to reduce future employer contributions or to pay administrative expenses. The Plan used approximately $8,557 of non-vested amounts to pay administrative expenses and employer contributions in the current year.

When terminations of participation in the Plan occur, the non-vested portion of the participant's account balance represents a forfeiture. The plan document permits the use of forfeitures to reduce employer contributions. At December 31, 2019 and 2018, forfeited non-vested account balances totaled $4,845 and $22,170 respectively. These amounts are available to pay Plan expenses or to reduce future Company contributions.

**Amendments**
The Company has the right to amend the Plan at any time. In no event, however, will any amendment authorize or permit any part of the Plan assets to be used for purposes other than the exclusive benefit of participants or their beneficiaries. Additionally, no amendment will cause any reduction in the amount credited to your account. There were no amendments to the Plan in 2019.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting**
The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

**New Accounting Pronouncement**
In August 2018, the Financial Accounting Standard Board ("FASB") issued Accounting Standards Update ("ASU") 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirement for Fair Value measurement, which eliminates, adds and modifies certain disclosure requirements for fair value measurements. The amendments are effective for all entities for fiscal years beginning after December 15, 2019, but entities are permitted to early adopt the provisions that eliminate or modify the fair disclosures. Plan Management does not anticipate that the adoption of the standard will have a material impact on the Plan's financial statements.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions to net assets available for benefits during the reporting period. Actual results could differ from those estimates.

### Risks and Uncertainties

The Plan investments instruments are primarily mutual funds. Investment securities, in general, are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the value of the participants' account balances and the amounts reported in the financial statements.

### Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Mutual Funds are valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded. Fair value of a financial instrument 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.

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 (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

### Notes Receivable from Participants

Notes receivables from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2019 or 2018. Delinquent participant loans are recorded as distributions based on the terms of the plan document as expenses.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Administrative Expenses

Certain administrative expenses of the Plan are paid by the Plan Sponsor as provided in the plan document. This includes recordkeeping fees of $20 per participant on an annual basis. Participants pay administrative costs for loans and qualified domestic relation orders.

All investment management and transaction fees directly related to the Plan investments are paid by the Plan. Management fees and operating expenses charged to the Plan for investments are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments.

### Payment of Benefits

Benefit payments to participants are recorded when paid.

### Excess Contribution Payable

The Plan is required to return contributions received during the Plan year in excess of the Internal Revenue Code limits.

## NOTE 3 - FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurements and Disclosures*, provides 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, as follows:

Level 1, which refers to securities valued using unadjusted quoted prices from active markets for identical assets; Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available; and Level 3, which refers to securities valued based on significant unobservable inputs.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Plan's policy is to recognize significant transfers between levels at year-end. For the year ended December 31, 2019, there were no transfers.

The following tables set forth by level within the fair value hierarchy the Plan's assets at fair value as of December 31, 2019 and 2018.

**Assets at Fair Value as of December 31, 2019**

| | (Level 1) | (Level 2) | (Level 3) | Total |
|---|---|---|---|---|
| Mutual funds | $ 2,438,377 | $ - | $ - | $ 2,438,377 |
| Total | 2,438,377 | - | - | 2,438,377 |

**Assets at Fair Value as of December 31, 2018**

| | (Level 1) | (Level 2) | (Level 3) | Total |
|---|---|---|---|---|
| Mutual funds | $ 2,717,680 | $ - | $ - | $ 2,717,680 |
| Total | 2,717,680 | - | - | 2,717,680 |

## NOTE 4 - INFORMATION CERTIFIED BY THE TRUSTEES

The following is a summary of the unaudited information regarding the Plan as of December 31, 2019, and 2018, and for the year ended December 31, 2019, included in the Plan's financial statements and supplemental schedule, that was prepared by or derived from information prepared by Fidelity Trust Management Company, the trustee of the Plan in 2019 and 2018, and furnished to the Plan administrator. The Plan administrator has obtained the certifications from the trustees that such information is complete and accurate. The information below is certified by the trustee:

Supplemental schedules: All investment balances and information included in the supplemental schedule of assets (held at end of year).

| | 2019 | 2018 |
|---|---|---|
| **Statements of Net Assets Available for Benefits** | | |
| Participant-directed investments – at fair value | $ 2,438,377 | $ 2,717,680 |
| Notes Receivable from participants | 90,138 | 73,511 |

| | |
|---|---|
| **Statements of Changes in Net Assets Available for Benefits for the Year Ended December 31, 2019** | |
| Interest and Dividends | $ 119,948 |
| Net depreciation in fair value of investments | 500,832 |
| Interest income on notes receivable from participants | 4,088 |

## NOTE 5 - RELATED-PARTY TRANSACTIONS

Investments in mutual funds are managed by Fidelity Trust Management Company, the custodian of the Plan's assets. Any sales and purchases are performed in open market at fair value. Such transactions, while considered party-in-interest transactions under ERISA regulations, are permitted under the provisions of the Plan and are specifically exempt from the prohibition of party-in-interest transaction under ERISA.

## NOTE 6 - PLAN TERMINATION

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA. In the event that the Plan is terminated, participants would become 100% vested in their accounts.

## NOTE 7 - TAX STATUS

As of March 31, 2014, the Plan uses a prototype document which states that the prototype document satisfies the applicable provisions of the IRS. The Plan itself has not received a determination letter from the IRS. However, the Plan's management 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 tax has been included in the Plan's financial statements.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2016.

## NOTE 8 – SUBSEQUENT EVENTS

Subsequent events were evaluated through October 9, 2020, the date the financial statements were available to be issued. In March 2020, the World Health Organization declared COVID-19 a pandemic. The COVID-19 pandemic and resulting global disruptions have caused substantial economic uncertainty and volatility in financial markets. As a result, the Plan's various investments have experience significant volatility since December 31, 2019. The potential economic impact brought by, and the duration of, the COVID-19 pandemic is difficult to assess or predict, and the ultimate financial effects cannot be reasonably estimated at this time.

Effective April 1, 2020, the Plan adopted the temporary loan repayment deferral provision of the Coronavirus Aid Relief, and Economic Security ("CARES") Act that was signed into law on March 27, 2020. The deferral provision adopted by the Plan allows qualified Plan participants who have Plan loan repayments to defer such repayments until December 31, 2020. The Plan did not adopt the optional distribution provisions of the CARES Act.

Effective January 1, 2020, the Setting Every Community Up for Retirement Enhancement Act of 2019 (the "SECURE" Act) increased the required minimum distribution age from 70.5 to 72. Additionally, the CARES Act waives all required minimum distribution obligations for 2020.

**SUPPLEMENTAL SCHEDULE**

**CHEMICALS INCORPORATED EMPLOYEE 401(K) PLAN**
**PLAN # 001**
**EMPLOYER ID No: 76-0125191**

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

| (a) | (b) Identity of Issue, Borrower, Lessor, or Similar Party | (c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value | (d) Cost ** | (e) Current Value |
|---|---|---|---|---|
| | MassMutual Premier Small Cap Opportunities Fund Class R5 | Mutual Fund | $ | $ 48,897 |
| | Eaton Vance Income Fund of Boston Class A | Mutual Fund | | 53,094 |
| * | Fidelity Value Strategies Fund | Mutual Fund | | 81,990 |
| * | Fidelity Equity-Income Fund | Mutual Fund | | 106,271 |
| * | Fidelity Growth & Income Portfolio | Mutual Fund | | 81,420 |
| * | Fidelity Overseas Fund | Mutual Fund | | 31,701 |
| * | Fidelity Balanced Fund | Mutual Fund | | 103,963 |
| * | Fidelity Blue Chip Growth Fund | Mutual Fund | | 243,436 |
| * | Fidelity Stock Selector All Cap Fund | Mutual Fund | | 30,103 |
| * | Fidelity Dividend Growth Fund | Mutual Fund | | 157,314 |
| * | Fidelity International Capital Appreciation Fund | Mutual Fund | | 42,918 |
| * | Fidelity Growth Discovery Fund | Mutual Fund | | 324,409 |
| * | Fidelity Freedom Income Fund | Mutual Fund | | 10,075 |
| * | Fidelity Freedom 2010 Fund | Mutual Fund | | 10,393 |
| * | Fidelity Freedom 2020 Fund | Mutual Fund | | 11,028 |
| * | Fidelity Freedom 2030 Fund | Mutual Fund | | 140,182 |
| * | Fidelity Government Money Market Fund | Mutual Fund | | 227,262 |
| * | Fidelity Freedom 2040 Fund | Mutual Fund | | 32,553 |
| * | Fidelity Value Discovery Fund | Mutual Fund | | 16,900 |
| * | Fidelity Freedom 2005 Fund | Mutual Fund | | 9,990 |
| * | Fidelity Freedom 2015 Fund | Mutual Fund | | 18,705 |
| * | Fidelity Freedom 2025 Fund | Mutual Fund | | 361,379 |
| * | Fidelity Freedom 2035 Fund | Mutual Fund | | 116,782 |
| * | Fidelity Freedom 2045 Fund | Mutual Fund | | 31,654 |
| * | Fidelity Freedom 2050 Fund | Mutual Fund | | 53,647 |
| * | Fidelity Freedom 2055 Fund | Mutual Fund | | 975 |
| * | Fidelity Stock Selector Mid Cap Fund | Mutual Fund | | 60,835 |
| * | Fidelity Limited Term Bond Fund | Mutual Fund | | 21,701 |
| * | Fidelity Freedom 2060 Fund | Mutual Fund | | 8,799 |
| | | Total mutual funds | | 2,438,377 |
| * | Plan participants | Notes receivable from participants (maturing through 2024 with interest rate of 4.25%) | | 90,138 |
| | | | | $ 2,528,515 |

* Party-in-interest
** Cost information is not required for participant-directed investments and therefore is not included.

Information certified as complete and accurate by Fidelity Trust Management Company, trustee.

# CHEMICALS INCORPORATED
# EMPLOYEE 401(K) PLAN # 001

Employer ID No: 76-0125191

Financial Statements, and Supplemental
Schedule as of December 31, 2019 and 2018.

**CHEMICALS INCORPORATED EMPLOYEE 401(K) PLAN # 001**
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NOTE: All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

**DR. DARSHAN WADHWA CPA, PC**
**4212 Sunset Blvd**
**Houston, Texas 77005**
**(713) 349-0273 or (832) 668-4770**
**Fax (713) 357-4822 ◆ WADHWA1181@gmail.com**

## INDEPENDENT AUDITOR'S REPORT

To the Administrative Committee of
Chemicals Incorporated Employee 401(K) Plan # 001

**Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of Chemicals Incorporated Employee 401(K) Plan # 001, which comprise the statements of net assets available for benefits as of December 31, 2019 and 2018, and the related statements of changes in net assets available for benefits for the years then ended December 31, 2019, and the related notes to the financial statements.

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

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. 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 4, which was certified by Fidelity Trust Management Company, the trustee of the Plan except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and execute investment transactions.

The plan administrator has obtained a certification 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 of Assets (Held at End of Year) as of December 31, 2019 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 the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this 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 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.

Darshan Wadhwa

Dr. Darshan Wadhwa, CPA PC
Houston, Texas
October 9, 2020

**CHEMICALS INCORPORATED EMPLOYEE 401(K) PLAN**
**PLAN # 001**
**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**
**AS OF DECEMBER 31, 2019 AND 2018**

| | 2019 | 2018 |
|---|---|---|
| ASSETS: | | |
| Investments at fair value (Note 3) | $ 2,438,377 | $ 2,717,680 |
| Total investments | 2,438,377 | 2,717,680 |
| RECEIVABLES: | | |
| Notes receivable from participants | 90,138 | 73,511 |
| NET ASSETS AVAILABLE FOR BENEFITS | $ 2,528,515 | $ 2,791,191 |

The accompanying notes are an integral part of these financial statements

**CHEMICALS INCORPORATED EMPLOYEE 401(K) PLAN**
**PLAN # 001**
**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**
**FOR THE YEAR ENDED DECEMBER 31, 2019**

| | |
|---|---|
| ADDITIONS: | |
| Investment income: | |
| Net depreciation in fair value of investments | 500,832 |
| Interest | 4,776 |
| Dividend | 115,173 |
| Net investment income | 620,781 |
| Interest income on notes receivable from participants | 4,088 |
| Contributions: | |
| Participant contributions | 272,191 |
| Employer contributions | 150,262 |
| Rollovers | 67,058 |
| Total contributions | 489,511 |
| Total additions | 1,114,380 |
| DEDUCTIONS: | |
| Benefits paid to participants | (1,320,061) |
| Corrective Distributions | (52,400) |
| Administrative expenses | (4,595) |
| Total deductions | (1,377,056) |
| Net Decrease | (262,676) |
| NET ASSETS AVAILABLE FOR BENEFITS: | |
| Beginning of year | 2,791,191 |
| End of year | $ 2,528,515 |

The accompanying notes are an integral part of these financial statements

## NOTE 1 - DESCRIPTION OF THE PLAN

The following description of the Chemicals Incorporated Employee 401(K) Plan # 001 (the "Plan") is provided for general information purposes only. Participants should refer to the plan document for a more complete description of the Plan's provisions.

This plan began on January 1, 1996. The Plan is a defined contribution plan sponsored by Chemicals Incorporated Employee 401(K) Plan # 001 (the "Plan"). The following provides only general information and participants should refer to the plan agreement for a more complete description of the Plan's provisions.

### General

The Plan, which became effective on January 1, 1996, as amended and restated effective August 3, 2009 and April 19, 2018, is a defined contribution plan subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") and the Internal Revenue Code ("IRC"). The Plan was amended in 2018 to include an additional two related employers.

### Employee Contributions

Each year, participants may contribute up to Internal Revenue Code (IRC) limitations. The Company makes matching contributions as follows:

| Employer Match | Qualified Annual Salary Range |
|---|---|
| 8% | 0 - $50,000/ annually |
| 6% | $50,000 – 100,000/ annually |
| 5% | $100,000 and above/ annually |

Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contributions plans. Contributions are subject to certain Internal Revenue Code limitations. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions; these additional contributions are ineligible for a Company matching contribution.

### Participant Accounts

Individual accounts are maintained for each participant of the Plan. Each participant's account is credited with the participant's contribution and an allocation of (a) the employer's contribution (b) Plan earnings, and (c) the indirect costs of brokerage fees, commissions, taxes, and other expenses incident to the income or assets of the Plan or the purchase or sale of securities by the Trustees. Allocations are based on contributions, participant earnings or account balances, as defined in the Plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account balance.

**Investments**
Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers a variety of mutual funds options for participants.

**Vesting**
Participants are vested immediately in their contributions plus investment earnings thereon. Participants are immediately vested in their contributions and rollover accounts, plus actual earnings thereon.

Effective August 3, 2009, vesting in the Company's matching contributions is based on years of service according to the following schedule:

| Vesting | Vesting Percentage |
|---|---|
| Less than 1 year | 0% |
| 1 year | 20% |
| 2 years | 40% |
| 3 years | 60% |
| 4 years | 80% |
| 5 years | 100% |

**Notes Receivable from Participants**
Any participant having vested account balances is eligible to obtain a loan. The minimum loan amount is $1,000 and the maximum loan amount is the lesser of $50,000, or 50% of the vested balances of all of the participant's accounts. Loans are repayable through payroll deductions over a period up to 60 months (loan repayment may extend to 10 years if the loan is for the purpose of a principal residence). The notes receivable is secured by the balance in the participant's account. All notes are considered a directed investment from the participant's Plan account with all principal and interest credited to the participant's account. A maximum of one loan outstanding is allowed per participant at a time. Each loan shall bear a reasonable fixed rate of interest to be determined by the Administrator. As of December 31, 2019, participant loans have maturities through 2024 at interest rates of 4.25% percent.

Notes receivable are measured at their unpaid principal balance plus accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based on the terms of the Plan document. Participant loans are considered delinquent if any payment or principal and interest, or any portion thereof, remains unpaid for more than 90 days.

**Payment of Benefits**
Participating employees receive a lump-sum distribution equal to their vested account balances upon retirement, total and permanent disability, death, or termination of employment. As allowed under the provisions of the Plan and in compliance with regulatory requirements, certain participating employees may withdraw participant contributions and vested employer matching contributions from their accounts. Participants that reach the age of 70 ½ are required to take a minimum distribution from their account.

**Forfeitures**
Forfeitures can be used to reduce future employer contributions or to pay administrative expenses. The Plan used approximately $8,557 of non-vested amounts to pay administrative expenses and employer contributions in the current year.

When terminations of participation in the Plan occur, the non-vested portion of the participant's account balance represents a forfeiture. The plan document permits the use of forfeitures to reduce employer contributions. At December 31, 2019 and 2018, forfeited non-vested account balances totaled $4,845 and $22,170 respectively. These amounts are available to pay Plan expenses or to reduce future Company contributions.

**Amendments**
The Company has the right to amend the Plan at any time. In no event, however, will any amendment authorize or permit any part of the Plan assets to be used for purposes other than the exclusive benefit of participants or their beneficiaries. Additionally, no amendment will cause any reduction in the amount credited to your account. There were no amendments to the Plan in 2019.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting**
The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

**New Accounting Pronouncement**
In August 2018, the Financial Accounting Standard Board ("FASB") issued Accounting Standards Update ("ASU") 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirement for Fair Value measurement, which eliminates, adds and modifies certain disclosure requirements for fair value measurements. The amendments are effective for all entities for fiscal years beginning after December 15, 2019, but entities are permitted to early adopt the provisions that eliminate or modify the fair disclosures. Plan Management does not anticipate that the adoption of the standard will have a material impact on the Plan's financial statements.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions to net assets available for benefits during the reporting period. Actual results could differ from those estimates.

### Risks and Uncertainties

The Plan investments instruments are primarily mutual funds. Investment securities, in general, are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the value of the participants' account balances and the amounts reported in the financial statements.

### Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Mutual Funds are valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded. Fair value of a financial instrument 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.

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 (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

### Notes Receivable from Participants

Notes receivables from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2019 or 2018. Delinquent participant loans are recorded as distributions based on the terms of the plan document as expenses.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Administrative Expenses

Certain administrative expenses of the Plan are paid by the Plan Sponsor as provided in the plan document. This includes recordkeeping fees of $20 per participant on an annual basis. Participants pay administrative costs for loans and qualified domestic relation orders.

All investment management and transaction fees directly related to the Plan investments are paid by the Plan. Management fees and operating expenses charged to the Plan for investments are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments.

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Benefit payments to participants are recorded when paid.

### Excess Contribution Payable

The Plan is required to return contributions received during the Plan year in excess of the Internal Revenue Code limits.

## NOTE 3 - FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurements and Disclosures*, provides 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, as follows:

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The following tables set forth by level within the fair value hierarchy the Plan's assets at fair value as of December 31, 2019 and 2018.

**Assets at Fair Value as of December 31, 2019**

| | (Level 1) | (Level 2) | (Level 3) | Total |
|---|---|---|---|---|
| Mutual funds | $ 2,438,377 | $ - | $ - | $ 2,438,377 |
| Total | 2,438,377 | - | - | 2,438,377 |

**Assets at Fair Value as of December 31, 2018**

| | (Level 1) | (Level 2) | (Level 3) | Total |
|---|---|---|---|---|
| Mutual funds | $ 2,717,680 | $ - | $ - | $ 2,717,680 |
| Total | 2,717,680 | - | - | 2,717,680 |

## NOTE 4 - INFORMATION CERTIFIED BY THE TRUSTEES

The following is a summary of the unaudited information regarding the Plan as of December 31, 2019, and 2018, and for the year ended December 31, 2019, included in the Plan's financial statements and supplemental schedule, that was prepared by or derived from information prepared by Fidelity Trust Management Company, the trustee of the Plan in 2019 and 2018, and furnished to the Plan administrator. The Plan administrator has obtained the certifications from the trustees that such information is complete and accurate. The information below is certified by the trustee:

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| | 2019 | 2018 |
|---|---|---|
| **Statements of Net Assets Available for Benefits** | | |
| Participant-directed investments – at fair value | $ 2,438,377 | $ 2,717,680 |
| Notes Receivable from participants | 90,138 | 73,511 |

| | |
|---|---|
| **Statements of Changes in Net Assets Available for Benefits for the Year Ended December 31, 2019** | |
| Interest and Dividends | $ 119,948 |
| Net depreciation in fair value of investments | 500,832 |
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Effective January 1, 2020, the Setting Every Community Up for Retirement Enhancement Act of 2019 (the "SECURE" Act) increased the required minimum distribution age from 70.5 to 72. Additionally, the CARES Act waives all required minimum distribution obligations for 2020.

**SUPPLEMENTAL SCHEDULE**

**CHEMICALS INCORPORATED EMPLOYEE 401(K) PLAN**
**PLAN # 001**
**EMPLOYER ID No: 76-0125191**

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

| (a) | (b) Identity of Issue, Borrower, Lessor, or Similar Party | (c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value | (d) Cost ** | (e) Current Value |
|---|---|---|---|---|
| | MassMutual Premier Small Cap Opportunities Fund Class R5 | Mutual Fund | $ | $ 48,897 |
| | Eaton Vance Income Fund of Boston Class A | Mutual Fund | | 53,094 |
| * | Fidelity Value Strategies Fund | Mutual Fund | | 81,990 |
| * | Fidelity Equity-Income Fund | Mutual Fund | | 106,271 |
| * | Fidelity Growth & Income Portfolio | Mutual Fund | | 81,420 |
| * | Fidelity Overseas Fund | Mutual Fund | | 31,701 |
| * | Fidelity Balanced Fund | Mutual Fund | | 103,963 |
| * | Fidelity Blue Chip Growth Fund | Mutual Fund | | 243,436 |
| * | Fidelity Stock Selector All Cap Fund | Mutual Fund | | 30,103 |
| * | Fidelity Dividend Growth Fund | Mutual Fund | | 157,314 |
| * | Fidelity International Capital Appreciation Fund | Mutual Fund | | 42,918 |
| * | Fidelity Growth Discovery Fund | Mutual Fund | | 324,409 |
| * | Fidelity Freedom Income Fund | Mutual Fund | | 10,075 |
| * | Fidelity Freedom 2010 Fund | Mutual Fund | | 10,393 |
| * | Fidelity Freedom 2020 Fund | Mutual Fund | | 11,028 |
| * | Fidelity Freedom 2030 Fund | Mutual Fund | | 140,182 |
| * | Fidelity Government Money Market Fund | Mutual Fund | | 227,262 |
| * | Fidelity Freedom 2040 Fund | Mutual Fund | | 32,553 |
| * | Fidelity Value Discovery Fund | Mutual Fund | | 16,900 |
| * | Fidelity Freedom 2005 Fund | Mutual Fund | | 9,990 |
| * | Fidelity Freedom 2015 Fund | Mutual Fund | | 18,705 |
| * | Fidelity Freedom 2025 Fund | Mutual Fund | | 361,379 |
| * | Fidelity Freedom 2035 Fund | Mutual Fund | | 116,782 |
| * | Fidelity Freedom 2045 Fund | Mutual Fund | | 31,654 |
| * | Fidelity Freedom 2050 Fund | Mutual Fund | | 53,647 |
| * | Fidelity Freedom 2055 Fund | Mutual Fund | | 975 |
| * | Fidelity Stock Selector Mid Cap Fund | Mutual Fund | | 60,835 |
| * | Fidelity Limited Term Bond Fund | Mutual Fund | | 21,701 |
| * | Fidelity Freedom 2060 Fund | Mutual Fund | | 8,799 |
| | | Total mutual funds | | 2,438,377 |
| * | Plan participants | Notes receivable from participants (maturing through 2024 with interest rate of 4.25%) | | 90,138 |
| | | | | $ 2,528,515 |

* Party-in-interest
** Cost information is not required for participant-directed investments and therefore is not included.

Information certified as complete and accurate by Fidelity Trust Management Company, trustee.