# 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.)
- [X] a single-employer plan
- [ ] a DFE (specify) ____

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

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

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

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

**1a** Name of plan
TDINDUSTRIES, INC. 401K/ESOP RETIREMENT PLAN

**1b** Three-digit plan number (PN) ▶ 004

**1c** Effective date of plan 09/18/1989

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

13850 DIPLOMAT DRIVE
DALLAS, TX 75234

**2b** Employer Identification Number (EIN)
26-0464612

**2c** Plan Sponsor's telephone number
972-888-9500

**2d** Business code (see instructions)
238220

**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. | 10/15/2020 | EVELYN MILLER |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

| | | |
|---|---|---|
| **3a** Plan administrator's name and address [X] Same as Plan Sponsor | **3b** Administrator's EIN | |
| | **3c** Administrator's telephone number | |
| **4** If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:<br>**a** Sponsor's name<br>**c** Plan Name | **4b** EIN<br>**4d** PN | |
| **5** Total number of participants at the beginning of the plan year | **5** | 3080 |
| **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)** | 2495 |
| **a(2)** Total number of active participants at the end of the plan year | **6a(2)** | 2766 |
| **b** Retired or separated participants receiving benefits | **6b** | 0 |
| **c** Other retired or separated participants entitled to future benefits | **6c** | 630 |
| **d** Subtotal. Add lines **6a(2)**, **6b**, and **6c** | **6d** | 3396 |
| **e** Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 26 |
| **f** Total. Add lines **6d** and **6e**. | **6f** | 3422 |
| **g** Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 3026 |
| **h** Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 107 |
| **7** Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

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

2E 2F 2H 2J 2K 2O 2Q 2T

**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)** [X] **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) | Service Provider Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2019**<br>**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
TDINDUSTRIES, INC. 401K/ESOP RETIREMENT PLAN

**B** Three-digit plan number (PN) ▶ 004

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

**D** Employer Identification Number (EIN)
26-0464612

## 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

CHARLES SCHWAB & CO., INC.

94-1733782

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

CHARLES SCHWAB BANK

42-1558009

**(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)

MILLIMAN, INC.

91-0675641

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 15 17 36 38 50 59 64 70 37 | NONE | 88285 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

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

CHARLES SCHWAB BANK

42-1558009

| (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? |
|---|---|---|---|---|---|---|
| 19 25 59 62 | NONE | 54 | Yes [X] No [ ] | Yes [X] No [ ] | 46601 | Yes [ ] No [X] |

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

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

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

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

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

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

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

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

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

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

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

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

# SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

# DFE/Participating Plan Information

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

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

OMB No. 1210-0110

**2019**

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

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

**A** Name of plan
TDINDUSTRIES, INC. 401K/ESOP RETIREMENT PLAN

**B** Three-digit plan number (PN) ▶ 004

**C** Plan or DFE sponsor's name as shown on line 2a of Form 5500
TDINDUSTRIES, INC.

**D** Employer Identification Number (EIN)
26-0464612

## Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)

(Complete as many entries as needed to report all interests in DFEs)

**a** Name of MTIA, CCT, PSA, or 103-12 IE: GARTMORE MORLEY STABLE VALUE FUND

**b** Name of sponsor of entity listed in (a): UNION BOND & TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 93-6274329-001 | C | 7341557 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

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

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| | | |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

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

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| | | |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

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

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| | | |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

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

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| | | |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

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

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| | | |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

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

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

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

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

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

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

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

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

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

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

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

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

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

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

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

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

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

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

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

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

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

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

## Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

# 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
TDINDUSTRIES, INC. 401K/ESOP RETIREMENT PLAN

**B** Three-digit plan number (PN) ▶ 004

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

**D** Employer Identification Number (EIN)
26-0464612

## 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 | 954547 | 1497184 |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | 7660727 | 6963499 |
| **(2)** Participant contributions | 1b(2) | | |
| **(3)** Other | 1b(3) | | |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | | |
| **(2)** U.S. Government securities | 1c(2) | | |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | | |
| **(B)** All other | 1c(3)(B) | | |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | | |
| **(B)** Common | 1c(4)(B) | | |
| **(5)** Partnership/joint venture interests | 1c(5) | | |
| **(6)** Real estate (other than employer real property) | 1c(6) | | |
| **(7)** Loans (other than to participants) | 1c(7) | | |
| **(8)** Participant loans | 1c(8) | 7460740 | 8534311 |
| **(9)** Value of interest in common/collective trusts | 1c(9) | 6486729 | 7341557 |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | | |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | | |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | | |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | 68998536 | 88292767 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | | |

| | | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | 134436063 | 162931057 |
| | **(2)** Employer real property | 1d(2) | | |
| **e** | Buildings and other property used in plan operation | 1e | | |
| **f** | Total assets (add all amounts in lines 1a through 1e) | 1f | 225997342 | 275560375 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | | |
| **h** | Operating payables | 1h | | |
| **i** | Acquisition indebtedness | 1i | | |
| **j** | Other liabilities | 1j | | |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | 1k | 0 | 0 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 225997342 | 275560375 |

## 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) | 6963499 | |
| | **(B)** Participants | 2a(1)(B) | 13074152 | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | 998622 | |
| | **(2)** Noncash contributions | 2a(2) | | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 21036273 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | | |
| | **(B)** U.S. Government securities | 2b(1)(B) | | |
| | **(C)** Corporate debt instruments | 2b(1)(C) | | |
| | **(D)** Loans (other than to participants) | 2b(1)(D) | | |
| | **(E)** Participant loans | 2b(1)(E) | 477101 | |
| | **(F)** Other | 2b(1)(F) | | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 477101 |
| | **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | | |
| | **(B)** Common stock | 2b(2)(B) | | |
| | **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | 3460451 | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 3460451 |
| | **(3)** Rents | 2b(3) | | |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | | |
| | **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | | |
| | **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 0 |
| | **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | 2b(5)(A) | | |
| | **(B)** Other | 2b(5)(B) | 31508022 | |
| | **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | 31508022 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| **(6)** Net investment gain (loss) from common/collective trusts | 2b(6) | | 130804 |
| **(7)** Net investment gain (loss) from pooled separate accounts | 2b(7) | | |
| **(8)** Net investment gain (loss) from master trust investment accounts | 2b(8) | | |
| **(9)** Net investment gain (loss) from 103-12 investment entities | 2b(9) | | |
| **(10)** Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | 14831428 |
| **c** Other income | 2c | | |
| **d** Total income. Add all **income** amounts in column (b) and enter total | 2d | | 71444079 |
| **Expenses** | | | |
| **e** Benefit payment and payments to provide benefits: | | | |
| **(1)** Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 21791054 | |
| **(2)** To insurance carriers for the provision of benefits | 2e(2) | | |
| **(3)** Other | 2e(3) | | |
| **(4)** Total benefit payments. Add lines **2e(1)** through **(3)** | 2e(4) | | 21791054 |
| **f** Corrective distributions (see instructions) | 2f | | 1707 |
| **g** Certain deemed distributions of participant loans (see instructions) | 2g | | |
| **h** Interest expense | 2h | | |
| **i** Administrative expenses: **(1)** Professional fees | 2i(1) | 88285 | |
| **(2)** Contract administrator fees | 2i(2) | | |
| **(3)** Investment advisory and management fees | 2i(3) | | |
| **(4)** Other | 2i(4) | | |
| **(5)** Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 88285 |
| **j** Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 21881046 |
| **Net Income and Reconciliation** | | | |
| **k** Net income (loss). Subtract line **2j** from line **2d** | 2k | | 49563033 |
| **l** Transfers of assets: | | | |
| **(1)** To this plan | 2l(1) | | |
| **(2)** From this plan | 2l(2) | | |

## Part III Accountant's Opinion

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

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

**(1)** ☐ Unmodified **(2)** ☐ Qualified **(3)** ☒ Disclaimer **(4)** ☐ Adverse

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

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

**(1)** Name: CROWE LLP **(2)** EIN: 35-0921680

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

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

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

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

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

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Retirement Plan Information

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

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

OMB No. 1210-0110

**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
TDINDUSTRIES, INC. 401K/ESOP RETIREMENT PLAN

**B** Three-digit plan number (PN) ▶ 004

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

**D** Employer Identification Number (EIN)
26-0464612

## Part I Distributions

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

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

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

EIN(s): 42-1558009

**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_____

Crowe LLP
Independent Member Crowe Global

# INDEPENDENT AUDITOR'S REPORT

To the Retirement Plan Committee
TDIndustries, Inc. 401(k)/ESOP Retirement Plan
Dallas, Texas

## Report on the Financial Statements

We were engaged to audit the accompanying financial statements of TDIndustries, Inc. 401(k)/ESOP Retirement Plan, which comprise the statements of net assets available for benefits as of December 31, 2019 and 2018, and the related statement of changes in net assets available for benefits for the year ended December 31, 2019, and the related notes to the financial statements.

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

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 3, which was certified by Charles Schwab Bank, the trustee of the plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained 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.

(Continued)

***Emphasis of Matter***

As discussed in Note 5, investments in TDIndustries, Inc. common stock amounting to $162,931,057 and $134,436,063 as of December 31, 2019 and 2018, respectively, have been reported at estimated fair values as determined by independent appraisals which have been reviewed and approved by Plan management. These amounts represent approximately 59.1% and 59.5% of net assets available for benefits as of December 31, 2019 and 2018. Our opinion is not modified with respect to this matter.

***Other Matters***

The supplemental Schedule H, Line 4i – 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 purposes of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the 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.



Crowe LLP

Oak Brook, Illinois
October 13, 2020

# TDINDUSTRIES, INC. 401(k)/ESOP RETIREMENT PLAN

Dallas, Texas

## FINANCIAL STATEMENTS

December 31, 2019 and 2018

TDINDUSTRIES, INC. 401(k)/ESOP RETIREMENT PLAN
Dallas, Texas

FINANCIAL STATEMENTS
December 31, 2019 and 2018

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Crowe LLP
Independent Member Crowe Global

# INDEPENDENT AUDITOR'S REPORT

To the Retirement Plan Committee
TDIndustries, Inc. 401(k)/ESOP Retirement Plan
Dallas, Texas

## Report on the Financial Statements

We were engaged to audit the accompanying financial statements of TDIndustries, Inc. 401(k)/ESOP Retirement Plan, which comprise the statements of net assets available for benefits as of December 31, 2019 and 2018, and the related statement of changes in net assets available for benefits for the year ended December 31, 2019, and the related notes to the financial statements.

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

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 3, which was certified by Charles Schwab Bank, the trustee of the plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained 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.

(Continued)

***Emphasis of Matter***

As discussed in Note 5, investments in TDIndustries, Inc. common stock amounting to $162,931,057 and $134,436,063 as of December 31, 2019 and 2018, respectively, have been reported at estimated fair values as determined by independent appraisals which have been reviewed and approved by Plan management. These amounts represent approximately 59.1% and 59.5% of net assets available for benefits as of December 31, 2019 and 2018. Our opinion is not modified with respect to this matter.

***Other Matters***

The supplemental Schedule H, Line 4i – 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 purposes of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the 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.



Crowe LLP

Oak Brook, Illinois
October 13, 2020

TDINDUSTRIES, INC. 401(k)/ESOP RETIREMENT PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2019 and 2018

| | 2019 | 2018 |
|---|---|---|
| **Assets** | | |
| Investments at fair value: | | |
| Mutual funds | $ 88,292,767 | $ 68,998,536 |
| Collective trust funds | 7,341,557 | 6,486,729 |
| Investment in TDIndustries, Inc. common stock | 162,931,057 | 134,436,063 |
| Total investments | 258,565,381 | 209,921,328 |
| Notes receivable from participants | 8,534,311 | 7,460,740 |
| Cash (non-interest bearing) | 1,497,184 | 954,547 |
| Employer's contribution receivable | 6,963,499 | 7,660,727 |
| Total assets | 275,560,375 | 225,997,342 |
| **Net assets available for benefits** | $ 275,560,375 | $ 225,997,342 |

See accompanying notes to financial statements.

TDINDUSTRIES, INC. 401(k)/ESOP RETIREMENT PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Year ended December 31, 2019

| | |
|---|---|
| Additions to net assets attributed to: | |
| Net investment income (note 3): | |
| Dividend and interest income | $ 3,460,451 |
| Net appreciation in fair value of investments | 46,470,255 |
| | 49,930,706 |
| Interest from notes receivable from participants | 477,101 |
| Contributions from: | |
| Participating employees | 13,074,152 |
| Participating employer - cash | 3,562,249 |
| Participating employer - TDIndustries, Inc. common stock | 3,401,250 |
| Rollovers | 998,621 |
| | 21,036,272 |
| Total additions | 71,444,079 |
| Deductions from net assets attributed to: | |
| Distributions to participating employees | 21,792,761 |
| Administrative fees paid by participating employees | 88,285 |
| Total deductions | 21,881,046 |
| Net increase | 49,563,033 |
| Net assets available for benefits, beginning of year | 225,997,342 |
| Net assets available for benefits, end of year | $ 275,560,375 |

See accompanying notes to financial statements.

## NOTE 1 - DESCRIPTION OF PLAN

The following description of the TDIndustries, Inc. 401(k)/ESOP Retirement Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General: The TDIndustries, Inc. 401(k) Savings Plan and Trust (401(k) Plan) was established on September 1, 1989 and was a defined contribution profit sharing plan sponsored by TDIndustries, Inc. (Company). Effective January 1, 1998, the 401(k) Plan was amended and restated to allow for the merger of the TDIndustries, Inc. Employee Stock Ownership Plan and Trust (ESOP) into the 401(k) Plan. The plan was renamed the TDIndustries, Inc. 401(k)/ESOP Retirement Plan (the Plan). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Plan Administration: The Company, assisted by an appointed Retirement Plan Committee ("Committee"), is the plan administrator. The Plan's investments are held in an investment trust maintained by Charles Schwab Bank (the Trustee) under a trust agreement. The Trustee is responsible for the administration, management, and, subject to participant direction of investment, the investment of the trust funds. The Trustee maintains the records of the Plan on a calendar-year basis (the Plan Year).

Eligibility: Full-time employees become eligible for participation in the Plan upon or after completing thirty days of service with the Company. Participating employees may contribute 1% through 10% of their annual before tax compensation to their individual ESOP savings accounts and 1% through 100% of their annual before tax compensation to their individual 401(k) savings accounts. Such contributions are made through payroll deductions.

Effective January 1, 1994, the Company's Board of Directors established certain nonqualified ESOP and 401(k) plans (the Supplemental Plans) for certain employees. These nonqualified plans are not subject to the provisions of ERISA and their financial activities are not covered by this report.

Contributions: Company contributions (which may be in cash or other property) made to the Plan are discretionary and established by the Company's Board of Directors on an annual basis. For 2019, the Board established the Company's contribution to the Plan to be 30% (one-half of the Company contributions are allocated to the 401(k) portions of the Plan and one-half of the Company contributions are allocated to the ESOP portions of the Plan) of the Company's income before federal income tax and before computation of the Company's Plan and Excess Plans contributions.

For 2019, the Company contributed cash of $3,562,249 and shares of TDIndustries, Inc. common stock in the amount of $3,401,250 to the Plan. The 2019 Company contributions of $6,963,499 to the Plan were made in 2020 and are included as employer's contribution receivable on the statements of net assets available for benefits.

The maximum annual amount an employee could invest in the Plan was $19,000 in 2019. Employees who are over the age of 50 or turning age 50 on or before December 31, 2019 are eligible for an additional catch-up contribution of $6,000 in 2019. Also, the total yearly allocation to an employee's accounts (the funds contributed by the employee and the Company in the Plan) could not exceed 100% of the employee's total compensation or $56,000 in 2019, whichever is lower. These amounts are prescribed by law and are subject to change on an annual basis. The Company must further limit contributions based on the discrimination tests of Section 401(k) and 401(m) of the Internal Revenue Code of 1986. Contributions for 2019 did not exceed the maximum amounts allowed by law for the Plan.

(Continued)

**NOTE 1 - DESCRIPTION OF PLAN** (Continued)

Participants' Accounts: Each of the participant's accounts (401(k) and ESOP savings accounts) are credited with the participant's contributions and allocations of the Company's respective contributions and related Plan earnings. Company contributions are allocated among the participants in the proportion that each participant's contributions to the 401(k) and ESOP portions of the Plan for that year bear to the total contribution of all participants to the 401(k) and ESOP portions of the Plan for that same year. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account balance.

Participant 401(k) savings accounts are valued daily to reflect income earned. Plan participants are fully vested at all times in the Plan investments purchased with their own contributions, and in investments allocated to their account from contributions by the Company after completion of three years of service (as defined in the Plan). Also, all Plan participants who leave the Company because of normal retirement (at or after 65), death, or disability will be fully vested in investments allocated to their account from Company contributions (even if they have not completed three years of service).

Investment Options: With respect to the participant's 401(k) savings account contributions, Company 401(k) matching contributions, and rollover contributions, the Plan makes available an assortment of investment funds to meet the various savings and investment goals of all participants. These investment options have a variety of risks and return characteristics. Participants determine how these contributions are invested by allocating such contributions to one investment fund or by dividing them (in whole percentages) among any combination of the available funds. The following funds were available to participants during 2019:

- Dodge & Cox Balanced Fund – The fund seeks regular income, conservation of principal, and an opportunity for long-term growth of principal and income.
- Schwab S&P 500 Fund – The fund's goal is to track the total return of the S&P 500 Index.
- Vanguard Mid-Cap Growth Index Fund Admiral Shares – The fund seeks to track the performance of a benchmark index that measures the investment return of mid-capitalization growth stocks.
- Wells Fargo Growth Admin Fund – The fund seeks long-term capital appreciation.
- Boston Partners Small Cap Value Fund II – The fund seeks to provide long-term growth of capital primarily through investment in equity securities.
- American Funds Capital World G/I Fund R-4 – The fund's investment objective is to provide long-term growth of capital while providing current income.
- Thornburg International Value Fund R5 – The fund seeks long-term capital appreciation by investing in equity and debt securities of all types.
- Dodge & Cox Income Fund – The fund seeks a high and stable rate of current income, consistent with long-term preservation of capital.
- Columbia Dividend Opportunity Fund R5 – The fund seeks to provide shareholders with a high level of current income.
- Morley Stable Value Fund – The fund seeks to provide preservation of capital, relatively stable returns consistent with its comparatively low risk profile, and liquidity for benefit responsive plan or participant payments.
- Fidelity 500 Index Fund – The fund seeks to provide long-term growth of capital primarily through investment in equity securities.

(Continued)

**NOTE 1 - DESCRIPTION OF PLAN** (Continued)

- JPMorgan Equity Income Fund – The Equity Income Fund, which focuses on high-quality U.S. companies with healthy and sustainable dividends, seeks to provide lower volatility access to stock market growth.
- Federated Homes International Equity Income Fund - The Fund seeks capital appreciation by investing in a portfolio of equity securities of foreign issuers.

The investment changes to the 401(k) plan are made through the internet or telephone hotline of the plan administrator. Participants may elect to change their investment mix on existing investments at any time; participants may also elect to change their investment mix on future contributions at any time. Any change to the investment mix of existing investments may take up to five business days to be initiated and several more business days to settle. Any investment mix changes regarding future contributions will be effective when contributions are next processed by the plan administrator. Participants may elect to change their contribution-deferred percentage at any time. In accordance with Dept. of Labor Reg. 2550.404(c)1(b)(2), the Plan is intended to qualify as an ERISA 401(c) plan which relieves plan fiduciaries of liability for any investment losses that result from investment decisions made by Plan participants.

Participants' ESOP savings account contributions and the Company ESOP matching contributions are invested in Company common stock at the value as determined as of the most recent valuation date (notes 2 and 4). The participants have full voting rights with respect to any stock allocated to their ESOP savings accounts. The Company has historically not paid any cash dividends.

Notes Receivable from Participants: Participants may borrow from their Plan accounts, a minimum of $500 up to a maximum equal to the lesser of $50,000 or 50% of their individual savings account balances. Loan transactions are treated as a transfer to (from) investment funds from (to) participant notes receivable. Loan terms range from one to five years or up to fifteen years for the purchase of a primary residence. The loans are secured by the balance in the participant's accounts and bear interest at a rate commensurate with local prevailing rates as determined quarterly by the 401(k)/ESOP Plan Committee. Interest rates are generally prime plus 1% and range from 4.25% to 9.75% as of December 31, 2019. Principal and interest on participant loans are paid ratably through weekly payroll deductions. The range of current loan maturities extends through 2034.

Payment of Benefits: A participant's 401(k) accounts shall be distributed in a lump sum in cash as soon as practicable following separation from service. A participant's ESOP account, at the Committee's discretion, shall be distributed in a lump sum in cash or in the form of whole shares of stock (with cash for fractional shares). If shares are distributed to the participant, the put option is then exercised. If ESOP participants present (put) their ESOP stock to the Company within 60 days of receiving it, the Company is required to buy it immediately at the value of the stock as determined by the most recent valuation. Upon distribution from the Plan, when the participant exercises the put option, the Company may issue the participants an interest-bearing promissory note which is payable over a five-year period or buy the shares in cash. If ESOP participants do not put their ESOP stock to the Company within 60 days of receiving it, they are required to contact the ESOP administrator about the Company's obligation to purchase their ESOP stock at a later date. All distributions from ESOP accounts in 2019 were made in shares.

(Continued)

**NOTE 1 - DESCRIPTION OF PLAN** (Continued)

Distributions from the Plan to participants are taxed as ordinary income to the participants in the year of distribution. Depending on when and why the distribution took place, the Plan participants may also be subject to an additional 10% income tax penalty (for early withdrawal of Plan funds). Under certain circumstances, participants who receive a Plan distribution may transfer all or part of this distribution to another tax-deferred type plan and defer the payment of income taxes.

Forfeited Accounts: Forfeitures (totaling $139,831 in 2019) of non-vested Plan participants who received a Company contribution are allocated among the accounts of the Plan participants who are eligible to receive Company contributions for such year in proportion to what they invest in the Plan during the year as compared to what all eligible people invested in the Plan during the same year. There were $135,110 and $128,749 of unallocated forfeitures at December 31, 2019 and 2018, respectively.

Vesting: Participants are immediately vested in their own contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of service. A participant becomes 33% vested after one year of service, 66% after two years of service, and 100% after three years of service. However, if an active participant dies prior to attaining the normal retirement age, the participant's account becomes 100% vested.

Diversification: After participating in the Plan for ten years and attaining the age of 55, a participant will qualify for a diversification election. A participant, during each election period occurring within the initial or secondary election periods, may elect that a portion of the aggregate account balance in their ESOP Accounts (with such balance as determined as of the beginning of his election period) be transferred to and invested at his or her election in their 401(k) Savings Accounts, 401(k) Matching Accounts and/or 401(k) Roll Over Accounts, as the case may be. The maximum amount of the Participant's aggregate account balance available for such election shall be: (a) during the Participant's Initial Election Period, twenty-five percent (25%) of such aggregate balance, reduced by amounts previously so invested, in the case of each Election Period; or (b) during the Participant's Secondary Election Period, fifty percent (50%) of such aggregate balance, reduced by amounts previously so invested, in the case of each Election Period.

The initial election period for a participant will be the period (i) beginning with the year in which the participant has both completed at least ten years of participation in the Plan and attained the age of fifty-five years and (ii) ending when the participant begins his or her secondary election period or terminates employment with the Company. The secondary election period for a participant will be the period (i) beginning with the year in which the participant both has completed at least ten years of participation in the plan and attained the age of sixty years and (ii) ending when the Participant terminates his employment with the Company.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation: The accompanying financial statements are presented on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

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

(Continued)

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Valuation of Investments and Income Recognition: The Plan's investments are reported at fair value. Investment transactions for the investments in shares of mutual funds are recorded on a trade-date basis and stated at fair value based on quoted market prices. The fair values of participation units held in the collective trust are based on the net asset values per unit as reported by the fund managers. There is no established public trading market for the common stock of the Company. The Company common stock is recorded at fair value as determined by annual independent appraisals (the most recent appraisal was done as of December 31, 2019).

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 receivable from participants are reported at their unpaid principal balance plus any accrued but unpaid interest, with no allowance for credit losses, as repayments of principal and interest are received through payroll deductions and the notes are collateralized by the participants' account balances. Related fees are recorded as administrative expenses and are expensed when they are incurred.

Plan Termination: While it has no present intention to do so, the Company has the right under the Plan to discontinue contributions and terminate the Plan at any time. Upon termination of the Plan, all participants would become fully vested.

Other Additions and Deductions: Substantially all administration expenses incurred by the Plan are paid for by the Company and are not charged to the Plan. Administrative fees paid by participating employees primarily include fees charged to issue loans and certain other distributions.

Concentrations and Credit Risk: The Plan has a concentration in Company common stock (note 4).

Risks and Uncertainties: The Plan offers a number of investment options to participants that are exposed to various risks, such as interest rate, credit, and overall market volatility risk. 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 amounts reported in the statements of net assets available for benefits and participant account balances.

**NOTE 3 - UNAUDITED INFORMATION – CERTIFIED INVESTMENTS AND NOTES RECEIVABLE FROM PARTICIPANTS**

Except for the fair value of the Plan's investment in TDIndustries, Inc. common stock of $162,931,057 and $134,436,063 at December 31, 2019 and 2018, respectively, and the related net appreciation in the fair value of this investment during the year ended December 31, 2019 of $31,293,559, substantially all information pertaining to the Plan's investments and notes receivable from participants included in the financial statements, including associated investment income (loss) and interest earned on notes receivable from participants, was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by Charles Schwab Bank, the trustee of the Plan. This information has not been audited by independent accountants.

(Continued)

## NOTE 4 - NONPARTICIPANT-DIRECTED INVESTMENTS

Participants can elect to have their deferrals or a portion of their deferrals directed to the TDIndustries, Inc. common stock. The shares of stock purchased from these deferrals are considered participant-directed investments. However, all shares related to the allocation of Employer contributions to the ESOP are considered nonparticipant-directed investments. As a result, 100% of the net assets related to the TDIndustries, Inc. common stock, and the changes in those net assets, are being disclosed as nonparticipant-directed investments. Information about the net assets at December 31, 2019 and 2018 and the significant components of the changes in net assets during the year ended December 31, 2019 relating to the nonparticipant-directed investment in TDIndustries, Inc. common stock is as follows:

| | 2019 | 2018 |
|---|---|---|
| Net assets: | | |
| TDIndustries, Inc. common stock | $ 162,931,057 | $ 134,436,063 |
| Employer contributions receivable | 3,401,250 | 3,734,568 |
| Net assets | $ 166,332,307 | $ 138,170,631 |

| | |
|---|---|
| Changes in net assets: | |
| Net appreciation | $ 31,293,559 |
| Employee contributions | 6,344,327 |
| Employer contributions – TDIndustries, Inc. common stock | 3,401,250 |
| Distributions to participating employees | (12,877,460) |
| Net increase | $ 28,161,676 |

## NOTE 5 - FAIR VALUE MEASUREMENTS

Codification topic 820, Fair Value Measurements, establishes a consistent framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Valuations are based upon unadjusted quoted prices in active exchange markets involving identical assets and liabilities.

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar instruments in active markets; quoted prices and valuations for identical or similar instruments in markets that are not active; and model-based valuation techniques with significant assumptions and inputs that are observable in the market or can be derived principally from or corroborated by observable market data.

Level 3 – Valuations are derived from model-based techniques that use inputs and significant assumptions that are supported by little or no observable market data. Valuation techniques include the use of pricing models, discounted cash flow models and similar methodologies.

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

Mutual Funds: Valued at the closing price reported on the active market on which the individual securities are traded (Level 1).

(Continued)

**NOTE 5 - FAIR VALUE MEASUREMENTS** (Continued)

Collective Trust: Valued at the cumulative net asset value of the trust as of the reporting date. This investment has no redemption restrictions or advance notification provisions to participants in the Plan.

TDIndustries, Inc. Common Stock: The fair value of TDIndustries, Inc. common stock is estimated annually, as of the financial statement date, based upon the results of an independent third party appraisal performed by a business appraiser who is accredited by the American Society of Appraisers selected by the plan fiduciary. The appraisals are performed using a combination of the capitalized income method using a market derived weighted average cost of capital developed by a capital asset pricing model (CAPM) and the market approach based upon valuation multiples of guideline public companies (Level 3 inputs). The CAPM is the standard method in financial economics to analyze the relation between risk and discounting. The CAPM relates the returns that equity investors require to the risk-free return as approximated by government securities. The additional returns or risk premium required by the market is adjusted by a factor, beta, to account for relative risks for specific industries. The guideline public company method identifies pricing multiples of public companies deemed to be comparable to the Company. Under both approaches a discount of 10% for a lack of marketability is applied, since the Company's stock is not readily tradable on an established market. The estimated fair value derived in the 2019 appraisal reflected a weighting of 70% using the capitalized cash flows method and 30% using the guideline public company method, and the estimated fair value derived in the 2018 appraisal reflected a weighting of 70% using the capitalized cash flows method and 30% using the guideline public company method. The historical and projected financial information of the Company used by the appraiser is provided to the appraiser by the Company's Chief Financial Officer (CFO). The plan administrator, CFO and Chief Executive Officer of the Plan sponsor review and evaluate the appraiser's methodology and assumptions, which involves discussions with the appraiser, and the CFO verifies the financial information of the Company used in the appraisal. The plan administrator, as fiduciary, is responsible for the final approval of the appraisal which is then presented to Plan management and the Board of Directors of the Plan Sponsor.

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

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

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Mutual funds | $ 88,292,767 | $ - | $ - | $ 88,292,767 |
| TDIndustries, Inc. common stock** | - | - | 162,931,057 | 162,931,057 |
| Total assets in fair value hierarchy | $ 88,292,767 | $ - | $ 162,931,057 | 251,223,824 |
| Collective trust funds* | | | | 7,341,557 |
| Investments at fair value | | | | $ 258,565,381 |

(Continued)

**NOTE 5 - FAIR VALUE MEASUREMENTS** (Continued)

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

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Mutual funds | $ 68,998,536 | $ - | $ - | $ 68,998,536 |
| TDIndustries, Inc. common stock** | - | - | 134,436,063 | 134,436,063 |
| Total assets in fair value hierarchy | $ 68,998,536 | $ - | $ 134,436,063 | 203,434,599 |
| Collective trust funds* | | | | 6,486,729 |
| Investments at fair value | | | | $ 209,921,328 |

*Investments measured at fair value using net asset value per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the hierarchy tables for such investments are intended to permit reconciliation of the fair value hierarchy to the investments at fair value line item presented in the statements of net assets available for benefits.

**Nonparticipant-directed investment

The following table reconciles investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended December 31, 2019, including the reporting classifications for the applicable gains and losses included in the 2019 statement of changes in net assets available for benefits.

| | TDIndustries, Inc. Common Stock |
|---|---|
| Balance, beginning of year | $ 134,436,063 |
| Total gains or losses included in change in In net assets available for benefits: | |
| Realized gain on sale of Company shares | 308,052 |
| Unrealized appreciation (relating to assets held held at end of year) | 30,985,507 |
| Net appreciation in fair value of investments | 31,293,559 |
| Purchases | 6,344,327 |
| Contribution of securities by Plan Sponsor | 3,734,568 |
| Distributions of securities to terminated participants and beneficiaries | (12,877,460) |
| Balance, end of year | $ 162,931,057 |

(Continued)

## NOTE 6 - INCOME TAX STATUS

The Plan received a favorable determination letter from the Internal Revenue Service (IRS) dated November 1, 2013. Although the Plan has been amended from the original plan document, plan management believes the Plan and related trust is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code (IRC). Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2019 and 2018, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing authorities; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examination for years prior to 2016.

## NOTE 7 - PARTY-IN-INTEREST TRANSACTIONS

Parties-in-interest are defined under Department of Labor regulations as any fiduciary of the Plan, any party rendering service to the Plan, the employer and certain others.

The Plan invests in common stock of the Company, which is considered a party-in-interest investment. As of December 31, 2019 and 2018, the Plan held 397,403 and 404,904 shares of Company common stock with an estimated fair value of $162,931,057 and $134,436,063, respectively. The Plan did not recognize any dividend income from the Company stock during the year ended December 31, 2019.

Plan investments include mutual funds managed by Charles Schwab Bank, the trustee of the Plan. As such, transactions with the trustee qualify as party-in-interest transactions. Personnel and facilities of the Company have been used to perform administrative functions for the Plan at no charge to the Plan. In addition, certain plan participants have notes receivable from the Plan, which qualify as party-in-interest transactions.

## NOTE 8 – SUBSEQUENT EVENTS

Subsequent Events: The Plan evaluated all events and transactions that occurred after December 31, 2019 through October 13, 2020, the date these financial statements were available to be issued, noting no material recognizable subsequent events.

Effective May 6, 2020, an amendment to the Plan document was adopted. The amendment authorizes the Committee to adopt, and amend from time to time, a written Distribution Policy. The Distribution Policy provides the Committee the ability to defer the initial payment of large ESOP account distributions and stretch the payment of such distributions over multiple annual installments.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States and the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. There is significant uncertainty around the duration and the overall impact on economic and market conditions. Due to this uncertainty, we cannot reasonably estimate the impact of COVID-19 on the Plan's investment portfolio, which includes Company common stock.

**SUPPLEMENTAL SCHEDULE**

TDINDUSTRIES, INC. 401(k)/ESOP RETIREMENT PLAN
SCHEDULE H, LINE 4I – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2019

EIN: 26-0464612 Plan – 004

| (a) | (b) Identity of Issuer, Borrower, Lessor, or Similar Party | (c) Description of Investment | (d) Cost | (e) Current Value |
|---|---|---|---|---|
| | **Collective Trust** | | | |
| | Principal Global Investors Trust Company | Morley Stable Value Fund 288,026 units | (1) | $ 7,341,557 |
| | **Mutual Funds** | | | |
| | Dodge & Cox | Dodge & Cox Balanced Fund 77,444 shares | (1) | 7,868,307 |
| | Vanguard | Vanguard Mid-Cap Growth Index Fund Admiral Shares 143,452 shares | (1) | 9,792,940 |
| | Wells Fargo Funds | Wells Fargo Growth Admin Fund 319,452 shares | (1) | 12,532,100 |
| | Boston Partners | Boston Partners Small Cap Value a Fund II 203,483 shares | (1) | 5,235,618 |
| | American Funds | American Funds Capital World G/I R4 86,037 shares | (1) | 4,485,982 |
| | Dodge & Cox | Dodge & Cox Income 986,938 shares | (1) | 13,846,744 |
| | Fidelity | Fidelity 500 Index Fund 116,652 shares | (1) | 13,067,376 |
| | JPMorgan | JP Morgan Equity Income Fund 650,753 shares | (1) | 12,650,644 |
| | Federated Hermes | International Equity Fund 351,118 shares | (1) | 8,813,056 |
| | **Common stock** | | | |
| * | TDIndustries, Inc. | Investment in TDIndustries, Inc. common stock (397,403 shares) | $16,219,860 | 162,931,057 |
| | Total investments | | | 258,565,381 |
| * | Participant notes receivable | Interest rates range from 4.25% to 9.75%; maturity at various dates from 2020 to 2034 | | 8,534,311 |
| | | | | $ 267,099,692 |

* Denotes party-in-interest.
(1) Historical cost information has not been provided because these investments are participant directed.

See independent auditor's report.

TDINDUSTRIES, INC. 401(k)/ESOP RETIREMENT PLAN
SCHEDULE H, LINE 4I – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2019

EIN: 26-0464612 Plan – 004

| (a) | (b) Identity of Issuer, Borrower, Lessor, or Similar Party | (c) Description of Investment | (d) Cost | (e) Current Value |
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(1) Historical cost information has not been provided because these investments are participant directed.

See independent auditor's report.

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# 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.)
- [X] a single-employer plan
- [ ] a DFE (specify) ___

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

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

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

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

**1a** Name of plan
TDIndustries, Inc. 401K/ESOP Retirement Plan

**1b** Three-digit plan number (PN) ▶ 004

**1c** Effective date of plan 09/18/1989

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

13850 Diplomat Drive

Dallas TX 75234

**2b** Employer Identification Number (EIN) 26-0464612

**2c** Plan Sponsor's telephone number (972)888-9500

**2d** Business code (see instructions) 238220

**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** | DocuSigned by: Evelyn Miller 6F42B434848D491... | 10/14/2020 | Evelyn Miller |
| | **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 |