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

2020

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2020 or fiscal plan year beginning 04/01/2020 and ending 03/31/2021

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
HEATH CERAMICS EMPLOYEE STOCK OWNERSHIP PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 04/01/2014

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)
HEATH CERAMICS, LTD.

400 GATE FIVE ROAD
SAUSALITO, CA 94965

2b Employer Identification Number (EIN) 75-3123399

2c Plan Sponsor's telephone number 415-332-3732

2d Business code (see instructions) 327100

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.	01/04/2022	ROBIN PETRAVIC
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

3b Administrator's EIN

3c Administrator's telephone number

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

4b EIN

4d PN

5 Total number of participants at the beginning of the plan year	**5**	253
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)**	164
a(2) Total number of active participants at the end of the plan year	**6a(2)**	158
b Retired or separated participants receiving benefits	**6b**	0
c Other retired or separated participants entitled to future benefits	**6c**	69
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**	**6d**	227
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	1
f Total. Add lines **6d** and **6e**	**6f**	228
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	220
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	6
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:

2I 2O

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

9a Plan funding arrangement (check all that apply)

(1)	[ ]	Insurance
(2)	[ ]	Code section 412(e)(3) insurance contracts
(3)	[X]	Trust
(4)	[ ]	General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)	[ ]	Insurance
(2)	[ ]	Code section 412(e)(3) insurance contracts
(3)	[X]	Trust
(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)	[ ]	0	**A** (Insurance Information)
(4)	[ ]		**C** (Service Provider Information)
(5)	[ ]		**D** (DFE/Participating Plan Information)
(6)	[ ]		**G** (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2020 Form M-1 annual report. If the plan was not required to file the 2020 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 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

2020

This Form is Open to Public Inspection

For calendar plan year 2020 or fiscal plan year beginning 04/01/2020 and ending 03/31/2021

A Name of plan
HEATH CERAMICS EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
HEATH CERAMICS, LTD.

D Employer Identification Number (EIN)
75-3123399

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	110110	237023
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(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)	303789	150119
(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)		
(9) Value of interest in common/collective trusts	1c(9)		
(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)		
(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)	1170034	1552848
	(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	1583933	1939990
	Liabilities			
g	Benefit claims payable	1g	0	5864
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	5864
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	1583933	1934126

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)		
	(B) Participants	2a(1)(B)		
	(C) Others (including rollovers)	2a(1)(C)		
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		0
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	1063	
	(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)		
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		1063
	(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)		
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
	(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)	382814	
	(B) Other	2b(5)(B)		
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		382814

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		383877
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	33684	
(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)		33684
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: **(1)** Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		0
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		33684
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		350193
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) [X] Unmodified **(2)** [ ] Qualified **(3)** [ ] Disclaimer **(4)** [ ] Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) [ ] DOL Regulation 2520.103-8 **(2)** [ ] DOL Regulation 2520.103-12(d) **(3)** [X] neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

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

(1) Name: BREGANTE & COMPANY LLP **(2)** EIN: 94-2861940

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	

			Yes	No	Amount
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	
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		210000
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 Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

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

2020

This Form is Open to Public Inspection.

For calendar plan year 2020 or fiscal plan year beginning 04/01/2020 and ending 03/31/2021

A Name of plan
HEATH CERAMICS EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
HEATH CERAMICS, LTD.

D Employer Identification Number (EIN)
75-3123399

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): 47-3265109

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 deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment)	**14a**	
b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	**14b**	
c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	**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_____

HEATH CERAMICS
EMPLOYEE STOCK OWNERSHIP PLAN

FINANCIAL STATEMENTS

For the Year Ended
March 31, 2021

TABLE OF CONTENTS

	PAGE
Independent Auditors' Report	1 - 2
Financial Statements	
Statements of Net Assets Available for Benefits	3
Statement of Changes in Net Assets Available for Benefits	4
Notes to Financial Statements	5 - 13
Supplemental Schedule	
Schedule of Assets (Held at End of Year)	14

Independent Auditors' Report

The Trustee
Heath Ceramics Employee Stock
Ownership Plan

We have audited the accompanying financial statements of Heath Ceramics Employee Stock Ownership Plan, which comprise the statements of net assets available for benefits as of March 31, 2021 and 2020, and the related statement of changes in net assets available for benefits for the year ended March 31, 2021, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Independent Auditors' Report (continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Heath Ceramics Employee Stock Ownership Plan as of March 31, 2021 and 2020, and the changes in net assets available for benefits for the year ended March 31, 2021, in accordance with accounting principles generally accepted in the United States of America.

Report of Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule titled Schedule of Assets (Held at End of Year), referred to as "supplemental information," is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Bregante + Company LLP

San Francisco, California

December 21, 2021

HEATH CERAMICS
EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

March 31, 2021 and 2020

	2021	2020
Assets:		
Investments at fair market value:		
Certificate of deposit	$ 150,119	$ 303,789
Company common stock	1,552,848	1,170,034
Total investments	1,702,967	1,473,823
Cash	237,023	110,110
Total assets	1,939,990	1,583,933
Liabilities:		
Distributions payable	5,864	-
Total liabilities	5,864	-
Net assets available for benefits	$ 1,934,126	$ 1,583,933

See accompanying notes to the financial statements.

HEATH CERAMICS
EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the Year Ended March 31, 2021

Additions to net assets attributed to:	
Interest income	$ 1,063
Net appreciation in fair value of investments	382,814
Total additions	383,877
Deductions from net assets attributed to:	
Benefits paid to participants	33,684
Total deductions	33,684
Net increase	350,193
Net assets available for benefits, March 31, 2020	1,583,933
Net assets available for benefits, March 31, 2021	$ 1,934,126

See accompanying notes to the financial statements.

NOTE A -- Plan description

The following brief description of Heath Ceramics Employee Stock Ownership Plan (the Plan) provides only general information. Participants should refer to the Plan Agreement for complete information.

General

Heath Ceramics, Ltd. (the Company) established the Plan effective April 1, 2014. The Plan is a defined contribution plan and is intended to qualify as an Employee Stock Ownership (ESOP) Plan as defined in Section 4975(e)(7) of the Internal Revenue Code of 1986, as amended (the Code), and as a Stock Bonus Plan under Section 401(a) of the Code. The Plan is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan is administered by an Employee Stock Ownership Plan Committee (the Plan Committee) comprised of two persons appointed by the Company's Board of Directors. The Plan Committee directs the Plan's trustee (the Trustee), who is also appointed by the Company's Board of Directors, with respect to the control and management of Plan assets.

The plan was amended on May 26, 2020 to adopt the Coronavirus Aid, Relief and Economic Security (CARES) Act provisions for required minimum distributions (RMD). Under the CARES Act provisions, the Plan temporarily allows plan participants to waive required minimum distributions ("RMDs") otherwise required to be distributed during 2020.

The Plan purchases Company common stock using Plan assets and holds the stock in a trust established under the plan. All Plan assets are allocated to eligible employees' accounts upon recording on the Plan's books. Accordingly, the financial statements of the Plan for the year ended March 31, 2021 present the assets and changes therein as allocated to the accounts of employees. There were no unallocated assets at March 31, 2021.

Eligibility

Employees of the Company (both union and non-union) are eligible to participate in the ESOP once they have completed one year of service. A "year of service" means twelve consecutive months of continuous employment during a plan year in which the employee worked at least 1,000 hours. Participants who are not employed on the last working day of a Plan year are generally not eligible for an allocation of Company contributions for such year.

NOTE A -- Plan description (continued)

Contributions

Participants are neither required nor permitted to make voluntary elective contributions to the Plan. Each year the Company may contribute a discretionary amount to the Plan as determined by the Board of Directors. Contributions may be made in cash, company stock, or a combination of both. The Company made no contributions for the year ended March 31, 2021.

Participant accounts

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each plan year with an allocation of (a) the Company's contribution, (b) Plan earnings, and (c) forfeitures of terminated participants' non-vested accounts. Only those participants who are eligible employees of the Company as of the last day of the plan year will receive an allocation.

Contributions and forfeitures for each plan year are allocated among the accounts of eligible participants in the proportion that each such participant's units for that year bear to the units of all such participants. A participant will receive one (1) unit for each one thousand dollars of covered compensation and four (4) units for each year of service that began on or after April 1, 2003.

Plan earnings for each year are allocated among the accounts of eligible participants based on the ratio of the participant's beginning of the year account balance to all participants' beginning of the year account balances.

Vesting

If a participant's employment with the Company ends for any reason other than retirement, permanent disability or death, he or she will vest in the balances in his or her account based on total years of service (as defined above under eligibility). Participant accounts vest in compliance with the following schedule:

Participant's Years of Service	Vested Percentage
Less than 2 years	0%
2 years	20%
3 years	40%
4 years	60%
5 years	80%
6 or more years	100%

NOTE A -- Plan description (continued)

Forfeitures

Forfeitures are allocated to each participant's account in the same manner as employer contributions. Forfeitures of terminated non-vested account balances allocated to remaining participants at March 31, 2021 totaled $3,309 in cash and $9,314 in stock.

Payment of benefits

No distributions from the Plan will be made until a participant retires, becomes disabled, dies or otherwise terminates employment with the Company.

If a participant separates from service with the Company due to normal retirement (generally at age 65, with some exceptions), disability, or death, the distribution of his or her plan benefits will commence as soon as administratively feasible following the close of the Plan year in which such event occurs. The distribution will be made in substantially equal installments over a period of five (5) years.

If a participant separates from service for any reason other than normal retirement, disability, or death, the distribution of his or her plan benefits will commence as soon as administratively feasible during the sixth (6th) Plan year following the Plan year in which such event occurs. The distribution will be made in substantially equal installments over a period of five (5) years, with up to five (5) additional years added if the participant's account exceeds $1,050,000 (pursuant to a formula provided in the Plan documents).

In all circumstances involving a separation of service event, if the participant's account is less than $5,000, the distribution will be made in a single lump sum payment as soon as administratively feasible following the close of the Plan year in which such event occurs.

Diversification

Diversification is offered to qualified participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company stock into investments which are more diversified. Participants who are at least age 55, with at least ten (10) years of participation in the Plan, may elect to diversify a portion of their account. Eligible participants will be allowed to diversify beginning April 1, 2024, ten (10) years after the effective date of the Plan. Diversification is offered to each eligible participant over a six (6) year period. In each of the first five (5) years, a participant may diversify up to 25% of the number of shares allocated to his or her account, less any shares previously diversified. In the sixth (6th) year, the percentage changes to 50%. Eligible participants who elect to diversify will be offered at least three (3) other investment options within the Plan, or a distribution from the Plan, at the discretion of the Plan Committee.

NOTE A -- Plan description (continued)

Put option

If a distribution is made to a participant in the form of Company stock, the Plan Committee will offer the participant a "put option" which will give the participant the right for sixty (60) days after the stock is distributed to require the Company to purchase the stock at fair market value. The Company has the option to pay for the purchase in a single payment or in annual payments with interest over a period of five (5) years.

Voting rights

The Trustee is entitled to exercise voting rights attributable to the allocated shares on behalf of the collective best interest of Plan participants and beneficiaries, in accordance with instructions from the Plan Committee.

Termination

Although it has not expressed any intent to do so, the Company reserves the right to terminate the Plan at any time, subject to the provision of ERISA. Upon such termination of the Plan, the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan terms and the Code.

NOTE B -- Summary of significant accounting policies

Basis of accounting

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

Investments valuation and income recognition

The common shares of Company stock are reported at fair value. Fair value is determined by an annual independent appraisal. The appraisal is based upon the discounted cashflow method as further described in Note D.

Certificate of deposit at March 31, 2021 and 2020, consisted of a certificate with an average interest rate of 0.50% and 1.6%, respectively. The certificate matured on June 15, 2021 and $150,000 was reinvested. The Plan has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk with respect to these financial instruments.

Net appreciation includes the Plan's unrealized and realized gains and losses on Company stock bought and sold, if applicable, as well as held during the plan year.

NOTE B -- Summary of significant accounting policies (continued)

Investments valuation and income recognition (continued)

The investments as of March 31, 2021 are listed on the supplemental schedule.

The cash and the certificate of deposit are held at one high quality financial institution. The combined balances, at times, exceeded federally insured limits.

Payment of benefits

Benefits are recorded when they become due and payable.

Administrative expenses

All expenses of establishing and maintaining the Plan were paid by the Company. Administrative expenses paid by the Company for the plan year ended March 31, 2021 were $44,463.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, and disclosure of contingent assets and liabilities. Accordingly, actual results may differ from those estimates.

NOTE C -- Investments

The Plan's investments in Heath Ceramics, Ltd. common stock at March 31, 2021 is as follows:

Number of shares	83,040
Cost	$ 1,453,200
Fair value	$ 1,552,848

NOTE C -- Investments (continued)

The following investments represent 5% or more of the Plan's net assets at March 31:

	2021		2020	
Certificate of deposit	$ 150,119	**	$ 303,789	**
Heath Ceramics, Ltd. common stock, 83,040 shares	$ 1,552,848	**	$ 1,170,034	**

**Nonparticipant-directed

NOTE D -- Fair value measurements

In accordance with generally accepted accounting principles, the Plan has categorized all investment assets according to the fair value hierarchy as either: Level 1, observable inputs that are derived from quoted prices (unadjusted) for identical assets or liabilities in an active market; Level 2, quoted prices in non-active markets or in active markets for similar assets or liabilities, inputs other than quoted prices that are observable, and inputs that are not directly observable, but are corroborated by observable market data; or Level 3, unobservable inputs, which cannot be corroborated by external market data.

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

The following table summarizes the valuation of the Plan's investments by fair value hierarchy levels as of March 31:

	2021	2020
Level 1: Certificate of deposit	$ 150,119	$ 303,789
Level 3: Company common stock	1,552,848	1,170,034
Total investments	$ 1,702,967	$ 1,473,823

NOTE D -- Fair value measurements (continued)

Level 1 fair value measurements

The fair value of the certificate of deposit is based on quoted net asset values held by the Plan at year-end.

Level 3 fair value measurement

As of March 31, 2021 and 2020, investments consist solely of Level 3 plan sponsor securities. An independent appraiser used the Discounted Cash Flow method, with discounts for lack of control and marketability, to determine the fair value of the Company's common stock held by the Plan. The appraiser took into account historical and projected cash flow and net income.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation method is 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 provides further details of the Level 3 investment assets held by the Plan at March 31, 2021:

Beginning balance, April 1, 2020	$ 1,170,034
Unrealized gains relating to investments still held at reporting date included in the Statement of Changes in Net Assets Available for Benefits	382,814
Ending balance, March 31, 2021	$ 1,552,848

Unrealized gains are included in the Statement of Changes in Net Assets Available for Benefits in net appreciation in fair value of investments.

There are no Level 2 investments.

Quantitative information about significant unobservable inputs used in level 3 fair value measurements

The following table sets forth the basic assumption used in arriving at fair value and range of value for unobservable inputs:

Description	Fair Value	Valuation Technique	Unobservable Input	Rate Applied
Sponsor company common stock	$1,552,848	Discounted Cash Flow Method	Discount for lack of control	10.00 %
			Discount for lack of marketability	5.00 %

NOTE E -- Administration of Plan assets

The Plan's assets, which consist of cash, certificate of deposit, and Heath Ceramics, Ltd. common stock, are held by the Plan's Trustee. Company contributions are held and managed by the Trustee, who invest cash received, interest and dividend income, and make distributions to participants as required.

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee received compensation from the Plan during the year ended March 31, 2021.

NOTE F -- Related party and party in interest transactions

The Plan invests in Company common stock and, as described in Note B, the Company pays plan expenses. As such, the Company is a related party with party in interest transactions. The Plan has a number of service providers. Such providers are parties in interest under ERISA.

NOTE G -- Risks and uncertainties

The Plan invests primarily in Company common stock and certificate of deposit. Investments will be exposed to various risks such as interest rate, market and credit risks, as well as valuation assumptions based on earnings and cash flows. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

NOTE H -- Tax status

The Plan obtained its latest determination letter on December 20, 2017, in which the Internal Revenue Service stated that the Plan was in compliance with the applicable requirements of the Code.

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 March 31, 2021, 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 jurisdictions; there are currently no audits for any tax periods in progress.

NOTE I -- Subsequent events

As a result of the spread of COVID-19, economic uncertainties have arisen which have resulted in significant volatility in the investment markets, resulting in substantial volatility in the value of investments. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

The certificate of deposit matured on June 15, 2021 and the proceeds of $150,000 were reinvested into another certificate of deposit.

The date to which events occurring after March 31, 2021 have been evaluated for possible adjustments to the financial statements or disclosure is December 21, 2021, which is the date on which the financial statements were available to be issued.

SUPPLEMENTAL SCHEDULE

HEATH CERAMICS
EMPLOYEE STOCK OWNERSHIP PLAN

Employer Identification Number: 75-3123399
Plan Number: 002
Schedule H, Part IV, Item 4i

SCHEDULE OF ASSETS
(HELD AT END OF YEAR)

March 31, 2021

(a) Party in Interest	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment	Number of Shares	Interest Rate	Maturity	(d) Cost	(e) Current Value
*	Heath Ceramics, Ltd.	Common stock	83,040	N/A	N/A	$1,453,200	$1,552,848
	Amalgamated Bank	Certificate of Deposit	N/A	0.50 %	June 15, 2021	$ 150,000	150,119
	*Party in interest						$1,702,967

Attachment to 2019 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name HEATH CERAMICS EMPLOYEE STOCK OWNERSHIP PLAN **EIN:** 75-3123399

Plan Sponsor's Name HEATH CERAMICS, LTD. **PN:** 002

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	HEATH CERAMICS	83,040 SHARES OF STOCK	1,453,200	1,552,848
	AMALGAMATED BANK	CERTIFICATE OF DEPOSIT, AVERAGE INTERESET RATE 0.50% MATURITY JUNE 15,2021	150,000	150,119