

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 2021 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2021 or fiscal plan year beginning <u>01/01/2021</u> and ending <u>12/31/2021</u>	

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

☒ a single-employer plan ☐ a DFE (specify) _____

B This return/report is: ☐ the first return/report ☐ the final return/report

☐ an amended return/report ☐ a short plan year return/report (less than 12 months)

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

D Check box if filing under: ☒ Form 5558 ☐ automatic extension ☐ the DFVC program

☐ special extension (enter description) _____

E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ☐

Part II	Basic Plan Information —enter all requested information	
1a Name of plan <u>PORTER HEDGES EMPLOYEE CAPITAL ACCUMULATION PLAN</u> 2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>PORTER HEDGES LLP</u> <u>1000 MAIN STREET 36TH FLOOR</u> <u>HOUSTON, TX 77002-6336</u>	1b Three-digit plan number (PN) ▶	<u>001</u>
	1c Effective date of plan	<u>11/01/1983</u>
	2b Employer Identification Number (EIN)	<u>74-2174193</u>
	2c Plan Sponsor's telephone number	<u>713-226-6616</u>
	2d Business code (see instructions)	<u>541110</u>

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/17/2022	PAUL G BROWN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/17/2022	ROBERT G REEDY
	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

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3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 174
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..... a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 143 6a(2) 134 6b 3 6c 38 6d 175 6e 0 6f 175 6g 175 6h 1
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: 2A 2E 2F 2G 2J 2R 2S 2T 3B 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) ☒ 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) ☒ 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) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ 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 2021 Form M-1 annual report. If the plan was not required to file the 2021 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2021
		This Form is Open to Public Inspection.

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021		
A Name of plan PORTER HEDGES EMPLOYEE CAPITAL ACCUMULATION PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 PORTER HEDGES LLP	D Employer Identification Number (EIN) 74-2174193	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
THE VANGUARD GROUP, INC.
23-1945930

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

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

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

THE VANGUARD GROUP, INC.

23-1945930

(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 25 33 37 38 52 99	NONE	35373	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

VANGUARD ADVISERS INC.

23-2811930

(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?
26	NONE	15034	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
THE VANGUARD GROUP, INC.	99	0

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
DODGE & COX 94-1441976	8 BPS

(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 2021 This Form is Open to Public Inspection.	
For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021					
A Name of plan PORTER HEDGES EMPLOYEE CAPITAL ACCUMULATION PLAN				B Three-digit plan number (PN) ▶ 001	
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 PORTER HEDGES LLP				D Employer Identification Number (EIN) 74-2174193	
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: VFTC RETIREMENT SAVINGS TRUST III					
b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY					
c EIN-PN 38-7041744-024		d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 8122862		
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)		

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

Schedule D (Form 5500) 2021 v. 201209

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
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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
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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
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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

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 2021 This Form is Open to Public Inspection
For calendar plan year 2021 or fiscal plan year beginning <u>01/01/2021</u> and ending <u>12/31/2021</u>		
A Name of plan <u>PORTER HEDGES EMPLOYEE CAPITAL ACCUMULATION PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>PORTER HEDGES LLP</u>	D Employer Identification Number (EIN) <u>74-2174193</u>	

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
b Receivables (less allowance for doubtful accounts):	
(1) Employer contributions	1b(1)
(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)
(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)	
(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	58615654 68348703
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 through 1j)	1k	0 0
Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	58615654 68348703

Part II Income and Expense Statement

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

		(a) Amount	(b) Total
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers	2a(1)(A)	1171276
	(B) Participants	2a(1)(B)	1473234
	(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)	2644510
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)	30845
	(F) Other	2b(1)(F)	
	(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)	30845
(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)	2249461
	(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)	2249461
(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)	
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)	0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		125878
(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)		4690086
c Other income.....	2c		322647
d Total income. Add all income amounts in column (b) and enter total.....	2d		10063427
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	1154434	
(2) To insurance carriers for the provision of benefits.....	2e(2)		
(3) Other.....	2e(3)	507	
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		1154941
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)	49007	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		49007
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		1203948
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		8859479
l Transfers of assets:			
(1) To this plan.....	2l(1)		873570
(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 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) ☐ 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: PARNELL KERR FORSTER OF TEXAS P.C.

(2) EIN: 76-0356844

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

	Yes	No	Amount
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?	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
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?		X	
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?		X	
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.)	X		
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.)		X	
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?		X	
4k		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
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 2021 This Form is Open to Public Inspection.
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A Name of plan PORTER HEDGES EMPLOYEE CAPITAL ACCUMULATION PLAN	B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 PORTER HEDGES LLP	D Employer Identification Number (EIN) 74-2174193

Part I	Distributions
---------------	----------------------

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 23-2186884	
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

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

Schedule R (Form 5500) 2021
v. 201209

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 _____



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INDEPENDENT AUDITORS' REPORT

To the Plan Administrator and Participants of
Porter Hedges Employee Capital Accumulation Plan

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2021 Financial Statements

We have performed an audit of the accompanying financial statements of Porter Hedges Employee Capital Accumulation Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), as permitted by ERISA Section 103(a)(3)(C) ("ERISA Section 103(a)(3)(C) audit"). The financial statements comprise the statement of net assets available for benefits as of December 31, 2021, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the Plan ("investment information") by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA ("qualified institution").

Management has obtained a certification from a qualified institution as of and for the year ended December 31, 2021, stating that the certified investment information, as described in Note 4 to the financial statements, is complete and accurate.

Opinion on the 2021 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditors' Responsibilities for the Audit of the 2021 Financial Statements section—

- the amounts and disclosures in the financial statements referred to above, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America ("GAAP").
- the information in the financial statements referred to above related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the 2021 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 2021 Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the 2021 Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with GAAP, and for 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. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments; administering the Plan; and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditors' Responsibilities for the Audit of the 2021 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2021 Financial Statements section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of GAAP.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with GAAP.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter - Supplemental Schedule Required by ERISA

The supplemental schedule of Schedule H, line 4i as of December 31, 2021 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to 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 GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion—

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Auditors' Report on the 2020 Financial Statements

We were engaged to audit the 2020 financial statements of the Plan. As permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan administrator instructed us not to perform and we did not perform any auditing procedures with respect to the information certified by a qualified institution. In our report dated September 30, 2021, we indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, we did not express an opinion on the 2020 financial statements, and (b) the form and content of the information included in the 2020 financial statements other than that derived from the certified information were presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Pannell Kerr Forster of Texas, P.C.

October 13, 2022

**Porter Hedges
Employee Capital Accumulation Plan**

**Financial Statements and
Supplemental Schedule**

December 31, 2021

Porter Hedges
Employee Capital Accumulation Plan

December 31, 2021

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Schedules not included herein are omitted because of the absence of conditions under which they are required.



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INDEPENDENT AUDITORS' REPORT

To the Plan Administrator and Participants of
Porter Hedges Employee Capital Accumulation Plan

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2021 Financial Statements

We have performed an audit of the accompanying financial statements of Porter Hedges Employee Capital Accumulation Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), as permitted by ERISA Section 103(a)(3)(C) ("ERISA Section 103(a)(3)(C) audit"). The financial statements comprise the statement of net assets available for benefits as of December 31, 2021, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the Plan ("investment information") by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA ("qualified institution").

Management has obtained a certification from a qualified institution as of and for the year ended December 31, 2021, stating that the certified investment information, as described in Note 4 to the financial statements, is complete and accurate.

Opinion on the 2021 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditors' Responsibilities for the Audit of the 2021 Financial Statements section—

- the amounts and disclosures in the financial statements referred to above, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America ("GAAP").
- the information in the financial statements referred to above related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the 2021 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 2021 Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the 2021 Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with GAAP, and for 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. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments; administering the Plan; and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditors' Responsibilities for the Audit of the 2021 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2021 Financial Statements section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of GAAP.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with GAAP.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter - Supplemental Schedule Required by ERISA

The supplemental schedule of Schedule H, line 4i as of December 31, 2021 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to 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 GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion—

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Auditors' Report on the 2020 Financial Statements

We were engaged to audit the 2020 financial statements of the Plan. As permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan administrator instructed us not to perform and we did not perform any auditing procedures with respect to the information certified by a qualified institution. In our report dated September 30, 2021, we indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, we did not express an opinion on the 2020 financial statements, and (b) the form and content of the information included in the 2020 financial statements other than that derived from the certified information were presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Pannell Kerr Forster of Texas, P.C.

October 13, 2022

Porter Hedges
Employee Capital Accumulation Plan

Statements of Net Assets Available for Benefits

	December 31,	
	2021	2020
Assets		
Investments at fair value		
Mutual funds	\$ 57,635,265	\$ 45,267,161
Common/collective trust	8,122,862	10,245,728
Participant-directed brokerage accounts	<u>1,978,569</u>	<u>2,467,564</u>
Total investments at fair value	<u>67,736,696</u>	<u>57,980,453</u>
Receivables		
Employer contributions	1,299,447	1,171,276
Participant contributions	132,186	-
Notes from participants	<u>612,008</u>	<u>635,200</u>
Total receivables	<u>2,043,641</u>	<u>1,806,476</u>
Total assets	<u>69,780,337</u>	<u>59,786,929</u>
Liabilities		
Total liabilities	<u>-</u>	<u>-</u>
Net assets available for benefits	<u>\$ 69,780,337</u>	<u>\$ 59,786,929</u>

See notes to financial statements.

Porter Hedges
Employee Capital Accumulation Plan

Statements of Changes in Net Assets Available for Benefits

	Year Ended December 31,	
	2021	2020
Additions to net assets		
Investment income		
Interest and dividends	\$ 2,375,339	\$ 1,414,207
Net appreciation in fair value of investments	<u>5,012,733</u>	<u>4,887,420</u>
Total investment income	<u>7,388,072</u>	<u>6,301,627</u>
Contributions		
Employer contributions	1,299,447	1,171,276
Participant contributions	1,605,420	1,480,075
Participant rollover contributions	-	1,897,115
Transfer of assets from another qualified plan	<u>873,570</u>	<u>625,340</u>
Total contributions	<u>3,778,437</u>	<u>5,173,806</u>
Interest on notes receivable from participants	<u>30,845</u>	<u>39,745</u>
Total additions	<u>11,197,354</u>	<u>11,515,178</u>
Deductions from net assets		
Benefits paid to participants	1,154,434	1,454,450
Transfer of assets to another qualified plan	-	4,672,698
Administrative expenses	<u>49,512</u>	<u>45,831</u>
Total deductions	<u>1,203,946</u>	<u>6,172,979</u>
Net increase in net assets available for benefits	9,993,408	5,342,199
Net assets available for benefits, beginning of year	<u>59,786,929</u>	<u>54,444,730</u>
Net assets available for benefits, end of year	<u>\$ 69,780,337</u>	<u>\$ 59,786,929</u>

See notes to financial statements.

Porter Hedges
Employee Capital Accumulation Plan

Notes to Financial Statements

December 31, 2021

Note 1 - Description of the Plan

The Porter Hedges Employee Capital Accumulation Plan (the "Plan") is a qualified profit-sharing plan sponsored by Porter Hedges LLP (the "Firm" or "Employer"). The Plan, as amended, is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended. The following description of the Plan provides only general information. Participants should refer to the *Plan Document*, as amended and restated, for a more complete description of the Plan's provisions.

Eligibility

Equity partners and certain non-attorney employees, as defined in the *Plan Document*, are eligible to participate in the Plan on the January 1 or July 1 which follows the completion of one month of service, provided the employee has attained age 21.

Plan trustee

Vanguard Fiduciary Trust Company (the "Trustee" or "Vanguard") is the trustee of the Plan. The duties of the trustee are to receive contributions and to invest and reinvest the trust assets of the Plan.

Contributions

Participants may elect to have a portion of their salaries deferred in whole percentages, or by single sum and contributed to the Plan on a pre-tax or post-tax ("Roth") basis, subject to certain limitations set forth in the Internal Revenue Code ("IRC"). The Plan provides for the automatic enrollment of eligible participants at a deferral rate of 3% of eligible pay, unless the participant affirmatively elects otherwise. The Plan also provides for an automatic 1% annual increase in the deferral rate (up to a maximum deferral of 10% of eligible pay) for all participants who have been automatically enrolled in the Plan, unless the participant affirmatively elects otherwise. Eligible participants may also make age 50 catch-up contributions, as defined.

The Firm may make a discretionary profit-sharing contribution to the Plan each year at the election of the equity partners of the Firm. The 2021 and 2020 profit-sharing contributions were \$1,299,447 and \$1,171,276, respectively, net of utilized forfeitures.

Participants may also elect to roll over distributions from a qualified retirement plan.

Investment options

Plan participants can direct the investment of their contributions and the Employer's contributions on their behalf into any or all of the investment options available under the Plan, or participants may self-direct the investment of their accounts into any publicly traded debt or equity securities and shares of various mutual funds. Participants can change their investment allocation among the various investment options either through direct transfer from one option to another or by changing the percentage allocation of future contributions.

Porter Hedges
Employee Capital Accumulation Plan

Notes to Financial Statements

December 31, 2021

Note 1 - Description of the Plan (Continued)

Participant accounts

Each participant's account is credited with the participant's salary deferral and Roth 401(k) contributions plus an allocation of the Firm's discretionary profit-sharing contribution, if any, as well as Plan income, losses, and expenses. If made, allocations of the Firm's discretionary profit-sharing contribution are based on each participant's compensation relative to all other participants' compensation, at a minimum of 3% of compensation. The Firm's discretionary profit-sharing contribution is allocated only to participants who are employed as of December 31, regardless of their contributory status. The Firm may make additional contributions to certain participants in order to meet the nondiscrimination requirements of the IRC. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account balance.

Vesting

Participants are immediately vested in their contributions plus earnings thereon. Vesting in Employer contributions is based on the participant's years of continuous service as follows:

<u>Years of Service</u>	<u>Percent Vested</u>
Less than 1	0%
1	33%
2	67%
3 or more	100%

Forfeitures

Forfeited employer contributions are used to reduce employer contributions.

Payment of benefits

Upon termination of employment, retirement, death, or disability, participants may request to receive a lump-sum distribution equal to the vested value of their accounts. Upon termination of service, if the value of the participant's account balance is less than \$1,000, the payment may be made in cash in a single lump-sum without the participant's consent. If the participant's account balance is between \$1,000 and \$5,000 and the participant does not affirmatively consent to receive a distribution, the balance will be rolled into an individual retirement account established on behalf of the participant. Roth 401(k) account balances can be distributed tax-free if IRC requirements for qualified distributions are satisfied.

In-service withdrawals

An actively employed participant may withdraw from his or her contribution accounts based upon attaining the age of 70 or the demonstration of financial hardship, considering other available resources per the *Plan Document*. In-service withdrawals will be limited to one such withdrawal within a calendar quarter.

Porter Hedges
Employee Capital Accumulation Plan

Notes to Financial Statements

December 31, 2021

Note 1 - Description of the Plan (Continued)

Notes receivable from participants

Participants may borrow from their accounts a minimum of \$1,000 up to a maximum amount equal to the lesser of \$50,000 reduced by the highest outstanding aggregate note balance in the preceding twelve months or 50% of their vested account balances. All notes are amortized over a period not to exceed five years, except for notes to purchase or construct a primary residence which may be repaid over a longer period. The notes bear interest at a rate commensurate with local prevailing rates plus 1%. Participants are restricted to having no more than three outstanding loans at any time, and no more than two loans initiated within a Plan year.

Plan termination

Although it has not expressed any intent to do so, the Firm has the right to terminate the Plan at any time subject to the provisions of ERISA and the IRC. In the event of Plan termination, all participants immediately become 100% vested in their accounts.

Note 2 - Summary of Significant Accounting Policies

Basis of accounting

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

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to use estimates and assumptions that affect the accompanying financial statements and disclosures. Actual results could differ from those estimates.

Investment valuation and income recognition

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements.

Purchases and sales of securities are recorded on the trade-date basis. Interest income is recorded as earned. Dividends are recorded on the ex-dividend date.

Unrealized appreciation or depreciation in the fair value of investments held at year end is determined using the fair value at the beginning of the year or the purchase price if the investment is acquired during the year. The realized gain or loss on the sale of investments is determined using historical cost. Upon the sale of an investment, the current year unrealized appreciation or depreciation is adjusted for unrealized gains and losses recognized in prior years. Unrealized appreciation or depreciation along with realized gains and losses are reported as net appreciation or depreciation in fair value of investments in the statements of changes in net assets available for benefits.

Porter Hedges
Employee Capital Accumulation Plan

Notes to Financial Statements

December 31, 2021

Note 2 - Summary of Significant Accounting Policies (Continued)

Notes receivable from participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes receivable from participants are recorded as distributions, based upon the terms of the *Plan Document*, upon liquidation of their account balance.

Payment of benefits

Benefits paid to participants are recorded when paid.

Administrative expenses

All administrative expenses, unless paid by the Firm, are paid by the Plan.

Note 3 - Fair Value Measurements

The Plan uses a three-level hierarchy for grouping assets and liabilities, based on the significance of inputs. The hierarchy of fair value measurements is described below:

Level 1 - quoted prices for identical assets or liabilities in active markets;

Level 2 - inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of these assets or liabilities; or

Level 3 - unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The 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 is a description of the valuation methodologies used for assets measured at fair value:

- Mutual funds: These investments are valued daily using quoted market prices.
- Common/collective trust: This investment is valued daily at the net asset value ("NAV") of the fund. The NAV is calculated by the fund based on "net assets" which includes its sole investment in the Vanguard Retirement Savings Master Trust. This NAV represents the Plan's fair value since this is the amount at which the Plan transacts with the fund. There are no redemption restrictions upon which the participant may redeem investments in the trust. These investments have no unfunded commitments.
- Participant-directed brokerage accounts: These investments are valued daily using quoted market prices.

Porter Hedges
Employee Capital Accumulation Plan

Notes to Financial Statements

December 31, 2021

Note 3 - Fair Value Measurements (Continued)

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

The mutual funds and participant-directed brokerage accounts are measured at Level 1 as of December 31, 2021 and 2020. The common/collective trust is measured at NAV per share (or its equivalent) as a practical expedient and has not been classified in the fair value hierarchy.

Note 4 - Information Certified by the Trustee

For 2021 and 2020, the financial information included in the Plan financial statements and Schedule H, line 4i, except for employer and participant contributions receivable, assets transferred in or out, contributions, benefits paid to participants, and administrative expenses, has been derived from information certified as complete and accurate by Vanguard, in accordance with Section 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Note 5 - Risks and Uncertainties

The Plan provides for various investments in mutual funds, a common/collective trust, common and preferred stocks, and money market funds. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility risks. 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. Plan participants bear the risk of any investment losses.

Note 6 - Party-in-Interest Transactions

Certain Plan investments are managed by Vanguard and therefore these transactions qualify as party-in-interest transactions.

Note 7 - Income Tax Status

The Plan obtained its latest determination letter on June 3, 2014, in which the Internal Revenue Service (the "IRS") stated that the Plan, as then designed, was in compliance with the applicable requirements of the IRC. The Plan has been amended since receiving the determination letter. However, the Plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 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; however, there are currently no audits for any tax periods in progress.

Porter Hedges
Employee Capital Accumulation Plan

Notes to Financial Statements

December 31, 2021

Note 8 - Transfer of Assets from and to Another Qualified Plan

During 2021 and 2020, Plan participant account balances were transferred into and out of the Plan from/to the Porter Hedges Salary Deferral 401(k) Plan due to changes in employment status of certain participants. Transfers of assets are included in the statements of changes in net assets available for benefits.

Note 9 - Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500 as of December 31:

	<u>2021</u>	<u>2020</u>
Net assets available for benefits per the financial statements	\$ 69,780,337	\$ 59,786,929
Participant contributions receivable	(132,186)	-
Employer contributions receivable	(1,299,447)	(1,171,276)
Other	<u>(1)</u>	<u>1</u>
Net assets available for benefits per Form 5500	<u>\$ 68,348,703</u>	<u>\$ 58,615,654</u>

The following is a reconciliation of net increase in net assets available for benefits per the financial statements to net income per Form 5500 for the years ended December 31:

	<u>2021</u>	<u>2020</u>
Net increase in net assets available for benefits per the financial statements	\$ 9,993,408	\$ 5,342,199
Change in participant contributions receivable	(132,186)	115,278
Change in employer contributions receivable	(128,171)	10,859
Transfer of assets from another qualified plan	-	(625,340)
Transfer of assets to another qualified plan	-	4,672,698
Other	<u>(2)</u>	<u>1</u>
Net income per Form 5500	<u>\$ 9,733,049</u>	<u>\$ 9,515,695</u>

Note 10 - Subsequent Events

Plan management has evaluated subsequent events through October 13, 2022, which was the date the financial statements were available to be issued, and has determined that there are no subsequent events to be disclosed.

SUPPLEMENTAL SCHEDULE

Porter Hedges Employee Capital Accumulation Plan
E.I.N. 74-2174193/001

Schedule H, line 4i - Schedule of Assets Held at End of Year

December 31, 2021

a	b	c	d	e
	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current Value
		Mutual Funds		
	American Beacon	American Beacon Small Cap Value, Institutional Shares	**	\$ 1,817,996
	Dodge & Cox Funds	Dodge & Cox Income Fund	**	2,074,587
	Harbor Funds	Harbor Capital Appreciation Fund, Institutional Class	**	1,491,191
	JP Morgan	JPMorgan Mid Cap Growth Fund; Class R6	**	1,248,630
	JP Morgan	JPMorgan Small Cap Growth Fund; Class R6 Shares	**	29,747
	Putnam	Putnam Global Income Trust Fund Class R6	**	433,429
*	Vanguard Fiduciary Trust Company	Vanguard 500 Index Fund Admiral Shares	**	3,072,121
*	Vanguard Fiduciary Trust Company	Vanguard Developed Markets Index Fund Admiral Shares	**	299,173
*	Vanguard Fiduciary Trust Company	Vanguard Dividend Growth Fund	**	4,363,768
*	Vanguard Fiduciary Trust Company	Vanguard Federal Money Market Fund	**	940,196
*	Vanguard Fiduciary Trust Company	Vanguard Inflation-Protected Securities Fund Admiral Shares	**	241,277
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2015 Fund	**	37,304
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2020 Fund	**	4,459,362
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2025 Fund	**	3,066,775
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2030 Fund	**	2,550,910
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2035 Fund	**	4,631,878
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2040 Fund	**	2,690,156
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2045 Fund	**	2,233,137
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2050 Fund	**	698,862
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2055 Fund	**	149,107
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2060 Fund	**	22,095
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2065 Fund	**	49,433
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement Income	**	110,202
*	Vanguard Fiduciary Trust Company	Vanguard International Growth Fund Admiral Shares	**	2,609,498
*	Vanguard Fiduciary Trust Company	Vanguard LifeStrategy Conservative Growth Fund	**	5,231
*	Vanguard Fiduciary Trust Company	Vanguard LifeStrategy Growth Fund	**	685,395
*	Vanguard Fiduciary Trust Company	Vanguard LifeStrategy Income Fund	**	4,841
*	Vanguard Fiduciary Trust Company	Vanguard LifeStrategy Moderate Growth Fund	**	252,768
*	Vanguard Fiduciary Trust Company	Vanguard Mid-Cap Index Fund Admiral Shares	**	864,914
*	Vanguard Fiduciary Trust Company	Vanguard Selected Value Fund	**	640,412
*	Vanguard Fiduciary Trust Company	Vanguard Small-Cap Index Fund Admiral Shares	**	742,713
*	Vanguard Fiduciary Trust Company	Vanguard Total Bond Market Index Fund Admiral Shares	**	2,224,763
*	Vanguard Fiduciary Trust Company	Vanguard Total International Bond Index Fund Admiral Shares	**	78,401
*	Vanguard Fiduciary Trust Company	Vanguard Total International Stock Index Fund Admiral Shares	**	1,774,269
*	Vanguard Fiduciary Trust Company	Vanguard Total Stock Market Index Fund Admiral Shares	**	8,400,059
*	Vanguard Fiduciary Trust Company	Vanguard Wellington Fund Admiral Shares	**	2,011,613
*	Vanguard Fiduciary Trust Company	Vanguard Windsor II Fund Admiral Shares	**	629,052

**Porter Hedges Employee Capital Accumulation Plan
E.I.N. 74-2174193/001**

Schedule H, line 4i - Schedule of Assets Held at End of Year

December 31, 2021

a	b	c	d	e
	Identity of issuer, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current Value
		Common/Collective Trust		
*	Vanguard Fiduciary Trust Company	Vanguard Retirement Savings Trust III	**	\$ 8,122,862
		Participant-Directed Brokerage Accounts		
*	Vanguard Fiduciary Trust Company	Various common stocks, mutual funds, cash and cash equivalents	**	1,978,569
*	Participant Loans	Principal balances ranging up to \$36,699 at interest rates ranging from 4.25% to 6.50% per annum secured by participants' individual vested accrued benefits due at various dates through June 19, 2042.	-	612,008
*	Party-in-interest as defined by ERISA.			
**	Cost omitted for participant-directed investments.			

Porter Hedges Employee Capital Accumulation Plan
E.I.N. 74-2174193/001

Schedule H, line 4i - Schedule of Assets Held at End of Year

December 31, 2021

a	b	c	d	e
	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current Value
		Mutual Funds		
	American Beacon	American Beacon Small Cap Value, Institutional Shares	**	\$ 1,817,996
	Dodge & Cox Funds	Dodge & Cox Income Fund	**	2,074,587
	Harbor Funds	Harbor Capital Appreciation Fund, Institutional Class	**	1,491,191
	JP Morgan	JPMorgan Mid Cap Growth Fund; Class R6	**	1,248,630
	JP Morgan	JPMorgan Small Cap Growth Fund; Class R6 Shares	**	29,747
	Putnam	Putnam Global Income Trust Fund Class R6	**	433,429
*	Vanguard Fiduciary Trust Company	Vanguard 500 Index Fund Admiral Shares	**	3,072,121
*	Vanguard Fiduciary Trust Company	Vanguard Developed Markets Index Fund Admiral Shares	**	299,173
*	Vanguard Fiduciary Trust Company	Vanguard Dividend Growth Fund	**	4,363,768
*	Vanguard Fiduciary Trust Company	Vanguard Federal Money Market Fund	**	940,196
*	Vanguard Fiduciary Trust Company	Vanguard Inflation-Protected Securities Fund Admiral Shares	**	241,277
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2015 Fund	**	37,304
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2020 Fund	**	4,459,362
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2025 Fund	**	3,066,775
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2030 Fund	**	2,550,910
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2035 Fund	**	4,631,878
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2040 Fund	**	2,690,156
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2045 Fund	**	2,233,137
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2050 Fund	**	698,862
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2055 Fund	**	149,107
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2060 Fund	**	22,095
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2065 Fund	**	49,433
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement Income	**	110,202
*	Vanguard Fiduciary Trust Company	Vanguard International Growth Fund Admiral Shares	**	2,609,498
*	Vanguard Fiduciary Trust Company	Vanguard LifeStrategy Conservative Growth Fund	**	5,231
*	Vanguard Fiduciary Trust Company	Vanguard LifeStrategy Growth Fund	**	685,395
*	Vanguard Fiduciary Trust Company	Vanguard LifeStrategy Income Fund	**	4,841
*	Vanguard Fiduciary Trust Company	Vanguard LifeStrategy Moderate Growth Fund	**	252,768
*	Vanguard Fiduciary Trust Company	Vanguard Mid-Cap Index Fund Admiral Shares	**	864,914
*	Vanguard Fiduciary Trust Company	Vanguard Selected Value Fund	**	640,412
*	Vanguard Fiduciary Trust Company	Vanguard Small-Cap Index Fund Admiral Shares	**	742,713
*	Vanguard Fiduciary Trust Company	Vanguard Total Bond Market Index Fund Admiral Shares	**	2,224,763
*	Vanguard Fiduciary Trust Company	Vanguard Total International Bond Index Fund Admiral Shares	**	78,401
*	Vanguard Fiduciary Trust Company	Vanguard Total International Stock Index Fund Admiral Shares	**	1,774,269
*	Vanguard Fiduciary Trust Company	Vanguard Total Stock Market Index Fund Admiral Shares	**	8,400,059
*	Vanguard Fiduciary Trust Company	Vanguard Wellington Fund Admiral Shares	**	2,011,613
*	Vanguard Fiduciary Trust Company	Vanguard Windsor II Fund Admiral Shares	**	629,052

**Porter Hedges Employee Capital Accumulation Plan
E.I.N. 74-2174193/001**

Schedule H, line 4i - Schedule of Assets Held at End of Year

December 31, 2021

a	b	c	d	e
	Identity of issuer, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current Value
		Common/Collective Trust		
*	Vanguard Fiduciary Trust Company	Vanguard Retirement Savings Trust III	**	\$ 8,122,862
		Participant-Directed Brokerage Accounts		
*	Vanguard Fiduciary Trust Company	Various common stocks, mutual funds, cash and cash equivalents	**	1,978,569
*	Participant Loans	Principal balances ranging up to \$36,699 at interest rates ranging from 4.25% to 6.50% per annum secured by participants' individual vested accrued benefits due at various dates through June 19, 2042.	-	612,008
*	Party-in-interest as defined by ERISA.			
**	Cost omitted for participant-directed investments.			