

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 2022 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 07/01/2022	
A	This return/report is for: ☐ a multiemployer plan ☒ a single-employer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☐ 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 HOLLISTER EMPLOYEE SHARE OWNERSHIP TRUST	1b Three-digit plan number (PN) ▶ 001
		1c Effective date of plan 01/01/1973
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) HOLLISTER INCORPORATED 2000 HOLLISTER DR LIBERTYVILLE, IL 60048-3746	2b Employer Identification Number (EIN) 36-2404865
		2c Plan Sponsor's telephone number 847-680-1000
		2d Business code (see instructions) 339110

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	01/16/2023	RYAN FORTMAN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	01/16/2023	RYAN FORTMAN
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address ☒ 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 1112
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).		
a(1) Total number of active participants at the beginning of the plan year		6a(1) 1112
a(2) Total number of active participants at the end of the plan year		6a(2) 0
b Retired or separated participants receiving benefits		6b 0
c Other retired or separated participants entitled to future benefits.....		6c 0
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d 0
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e 0
f Total. Add lines 6d and 6e		6f 0
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....		6g 0
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 3H		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply)		9b Plan benefit arrangement (check all that apply)
(1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	(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		b General Schedules
(1) ☒ R (Retirement Plan Information)	(1) ☒ H (Financial Information)	
(2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	(2) ☐ I (Financial Information – Small Plan)	
(3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	(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 2022 Form M-1 annual report. If the plan was not required to file the 2022 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
		2022
		This Form is Open to Public Inspection.

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 07/01/2022		
A Name of plan HOLLISTER EMPLOYEE SHARE OWNERSHIP TRUST	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 HOLLISTER INCORPORATED	D Employer Identification Number (EIN) 36-2404865	

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
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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 GRIFFING GROUP INC

6821 W NORTH AVENUE
OAK PARK, IL 60302

36-3721748

(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?
10	VENDOR	20000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection
For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>07/01/2022</u>		
A Name of plan <u>HOLLISTER EMPLOYEE SHARE OWNERSHIP TRUST</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>HOLLISTER INCORPORATED</u>	D Employer Identification Number (EIN) <u>36-2404865</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)	10106408
(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)	734066
(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)	27067
(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)	

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	587640685	
(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	598508226	0

Liabilities

g Benefit claims payable	1g	3798701	
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	3798701	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	594709525	0
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	743088	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		743088
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)	622	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		622
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(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)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		105103
d Total income. Add all income amounts in column (b) and enter total	2d		848813
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)		
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		0
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)	22305	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		22305
j Total expenses. Add all expense amounts in column (b) and enter total	2j		22305
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		826508
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		595536033

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: **DELOITTE & TOUCHE LLP**

(2) EIN: **13-3891517**

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.)		X	
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.)		X	
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.)		X	
4d		X	
e Was this plan covered by a fidelity bond?	X		5000000
4e	X		5000000
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.		X	
4n		X	

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☒ Yes ☐ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year 0.

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)
HOLLISTER SUPPLEMENTAL RETIREMENT PLAN	36-2404865	003

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 2022 This Form is Open to Public Inspection.
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 07/01/2022		
A Name of plan HOLLISTER EMPLOYEE SHARE OWNERSHIP TRUST		B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 HOLLISTER INCORPORATED		D Employer Identification Number (EIN) 36-2404865
Part I Distributions		
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1 0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): _____ 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) 2022 v. 220413		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (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
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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 _____

Hollister Employee Share Ownership Trust

Employer ID No: 36-2404865

Plan No: 001

Financial Statements as of July 1, 2022 and
December 31, 2021, and for the
Period from January 1, 2022 to July 1, 2022
and Year Ended December 31, 2021, and
Independent Auditor's Report

HOLLISTER EMPLOYEE SHARE OWNERSHIP TRUST

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INDEPENDENT AUDITOR'S REPORT

To the Trustees of the
Hollister Employee Share Ownership Trust:

Opinion

We have audited the financial statements of the Hollister Employee Share Ownership Trust (the "Trust" or the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits as of July 1, 2022 and December 31, 2021, and the related statements of changes in net assets available for benefits for the period from January 1, 2022 to July 1, 2022 and year ended December 31, 2021, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of July 1, 2022 and December 31, 2021, and the changes in its net assets available for benefits for the period from January 1, 2022 to July 1, 2022 and year ended December 31, 2021, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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.

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 that 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.

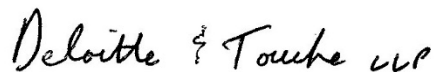
Auditor's Responsibilities for the Audit of the Financial Statements

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 auditor's 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.

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.

The image shows a handwritten signature in cursive script that reads "Deloitte & Touche LLP". The signature is written in dark ink and is positioned above the date.

November 18, 2022

HOLLISTER EMPLOYEE SHARE OWNERSHIP TRUST

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS AS OF JULY 1, 2022 AND DECEMBER 31, 2021

	July 1, 2022	December 31, 2021
ASSETS:		
Cash	\$ -	\$ 734,066
Common stock	<u>-</u>	<u>587,640,685</u>
Total cash and common stock	-	588,374,751
EMPLOYER CONTRIBUTION RECEIVABLE	-	10,106,408
NOTES RECEIVABLE FROM PARTICIPANTS	<u>-</u>	<u>27,067</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ -</u></u>	<u><u>\$ 598,508,226</u></u>

See notes to financial statements.

HOLLISTER EMPLOYEE SHARE OWNERSHIP TRUST

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE PERIOD FROM JANUARY 1, 2022 TO JULY 1, 2022 AND YEAR ENDED DECEMBER 31, 2021

	July 1, 2022	December 31, 2021
CONTRIBUTIONS—Employer contribution	\$ 743,088	\$ 10,106,408
INCOME:		
Investment income:		
Net appreciation in fair value of investments	-	134,616,212
Interest income and other	105,103	5,888
Total investment income	105,103	134,622,100
Interest income on notes receivable from participants	622	2,302
Total income	105,725	134,624,402
DEDUCTIONS:		
Distributions to former participants	1,693,792	113,913,089
Qualified Domestic Relations Order (QDRO) distributions	2,104,909	1,924,656
Interest expense	-	71,675
Other expense	22,305	17,619
Total deductions	3,821,006	115,927,039
NET (DECREASE) INCREASE PRIOR TO TRANSFER OUT	(2,972,193)	28,803,771
TRANSFER OUT DUE TO PLAN MERGER	(595,536,033)	-
NET (DECREASE) INCREASE	(598,508,226)	28,803,771
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	598,508,226	569,704,455
End of year	\$ -	\$ 598,508,226

See notes to financial statements.

HOLLISTER EMPLOYEE SHARE OWNERSHIP TRUST

NOTES TO FINANCIAL STATEMENTS

AS OF JULY 1, 2022 AND DECEMBER 31, 2021, AND

FOR THE PERIOD FROM JANUARY 1, 2022 TO JULY 1, 2022 AND YEAR ENDED DECEMBER 31, 2021

1. PLAN DESCRIPTION

The following is a general description of the Hollister Employee Share Ownership Trust (the “Trust,” “Plan,” or “HollShare”) defined contribution plan. For a more complete description of the terms, provisions, and conditions of the Trust, participants should refer to the Trust document.

Eligibility—Under the terms of the Trust Agreement, all United States employees of Hollister Incorporated (the “Company” or “Hollister”), a wholly owned subsidiary of The Firm of John Dickinson Schneider, Inc. (“JDS Inc.”), were eligible to participate in the Trust prior to December 31, 2021 after completing a year of service with the Company, except Kirksville, Missouri, Bargaining Unit Employees who are members of Local Number 710 of the International Union, United Automobile, Aerospace, and Agricultural Implement Workers of America. The Trust, a defined contribution plan, is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Participant Accounts—Individual accounts are maintained for each Trust participant. Each participant’s account is credited with Company contributions, an allocation of forfeitures of former participants, and an allocation of Trust earnings, and charged with an allocation of Trust losses and expenses incidental to the purchase and sale of securities. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account.

Contributions—Contributions to the Trust may be made by the Company. In 2021 the Trust Agreement contained a formula for calculating the required minimum contribution, if any, based on the Company’s net earnings for the year. In 2022 the contribution amount was equal to interest on the account balance as of December 31, 2021. In 2022 and 2021, the contribution approved by the Company’s Board of Directors met or exceeded the minimum amount. Company contributions are made in cash.

Allocations—The contributions from the Company and forfeitures of former participants are allocated to the remaining participants based upon the ratio of each participant’s eligible compensation to the total eligible compensation for all participants. The Trust’s earnings and changes in investment values are allocated to each participant based upon the ratio of the participant’s account balance at the end of the preceding year to the total account balances of all eligible participants. There were no forfeiture allocations or investment change allocations in 2022.

Vesting—A participant’s account vests at (i) 10% for the first year of participation, (ii) 15% for the second and third years, and (iii) 20% for each subsequent year of service with the Company. A participant is fully vested after six years of service. In any Trust’s fiscal year during which a participant completes at least 1,000 hours of service, such participant is entitled to a full year of vesting. Effective as of the close of business on December 31, 2021, the accounts of all participants and former participants became fully vested.

Participant Loans—In accordance with Internal Revenue Code (IRC) Section 72(p)(2)(D), loans made to a participant will be aggregated with any loans made to the participant under any other plans

maintained by the Company and its affiliates. Until December 31, 2021, participants could borrow against their account balance(s) a minimum of \$1,000 up to a maximum of \$50,000 or 50% of their aggregated account balance(s), whichever is less. Loan transactions are treated as a transfer between the participant's account balance and the participant's loan account balance. Loan terms range from one to five years or longer if used for the purchase of a primary residence. A participant is required to present financial information and meet creditworthiness before a loan will be granted. If approved, the loan bears interest at a rate commensurate with local prevailing rates (U.S. prime rate, plus 1%). The loans are secured by the balance in the participant's account. Principal and interest are generally paid ratably through payroll deductions.

Distributions—Benefits are available to former participants as a cash lump sum, which may be (a) rolled over directly into (i) an individual retirement arrangement or (ii) if the former participant is employed elsewhere, into a qualified retirement plan of the new employer, (b) paid in cash, or (c) applied to provide for a combination of the above.

Forfeitures—Upon participants' termination, the nonvested portions of the former participants' accounts are deferred until the former participants have had five consecutive one-year breaks in service. A break in service is defined as 500 hours or less of service within a Trust fiscal year. Forfeitures deferred amounted to \$0 and \$249,721 in 2022 and 2021, respectively. Deferred forfeitures of \$0 and \$1,552,410 were allocated to active participants at the end of 2022 and 2021, respectively. The balance of unallocated forfeitures as of July 1, 2022 and December 31, 2021, were \$0 and \$0, respectively.

Administration—The Company administers the Trust under the direction of the trustees, who are appointed by the Company's Board of Directors. Except for any expenses incidental to the purchase and sale of securities, the Company pays substantially all costs of administration.

Voting Rights—The trustees are required to vote any JDS Inc. common shares on behalf of the collective best interest of Plan participants and beneficiaries subject to terms and conditions of the Trust.

Priorities upon Plan Termination—The Company reserves the right to amend or terminate the Trust, subject to the provisions of ERISA. Upon termination of the Trust, former participants or designated beneficiaries will receive their unpaid vested account balances. The remaining assets of the Trust will be allocated among the active participants. On June 30, 2021, the Hollister Incorporated Board of Directors approved a resolution to merge the Hollister Employee Share Ownership Trust into the Hollister 401(k) Retirement Savings Plan, effective July 1, 2022.

Party-In-Interest Transactions—The terms of the Trust provide for investment in JDS Inc. common shares and permit loans to participants under certain conditions. These investments and loans, which are exempt party-in-interest transactions, are permitted under ERISA.

Subsequent Events—For the period from January 1, 2022 to July 1, 2022, subsequent events were evaluated through November 18, 2022, the date the financial statements were available to be issued.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting—The accompanying financial statements have been prepared 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 make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

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

Investment Valuation and Sale of Common Shares to JDS Inc.—Under the terms of the Trust agreement, the assets of the Trust are to be valued as of each December 31 at their respective fair market values, which for the common shares of JDS Inc. are to be their book value as reflected on the books of JDS Inc. as of the valuation date. The trustees shall accept such book value as the fair market value if such book value was computed in accordance with GAAP. At July 1, 2022 and December 31, 2021, the book value per share of JDS Inc. common shares, as reflected on the books of JDS Inc, was \$83.29 and \$83.29, respectively. Such values were computed in accordance with GAAP.

The Restated Articles of Incorporation of JDS Inc. have been amended so that only the following classes of persons are entitled to be holders of any shares of JDS Inc.: The Firm of John Dickinson Schneider, Inc. Preferred Share Trust April 21, 1999; employees, directors, and officers of JDS Inc. and Hollister and their subsidiaries and other business entities directly or indirectly controlled by them; trusts or other entities that are directly or indirectly owned or controlled by JDS Inc. or Hollister and that hold shares on behalf of or for the benefit of such employees, directors, or officers; and deferred benefit plans maintained for the exclusive benefit of such employees, directors, and officers. In the event the Trust were to sell any portion of its common share investment in JDS Inc., it must first offer the common shares to JDS Inc. which has the right to purchase such shares at the prior year-end book value, as computed in accordance with GAAP, plus dividends declared but not yet paid. To date, all shares offered to JDS Inc. from the Trust have been reacquired by JDS Inc. at book value as of the prior year-end, paid in cash, and the management of JDS Inc. has stated its intention that all shares offered in the future to it will be reacquired at such value. The fair market value of the common shares of JDS Inc. sold by the trustees to JDS Inc. has been determined by the trustees to be the book value of such shares as of the prior year-end. As a result of amendments to the JDS Inc. Restated Articles of Incorporation adopted in late 2012, (i) all repurchases are now required to be made by JDS Inc. at the prior December 31 audited book value of the shares sold; (ii) any repurchases by JDS Inc. from the Trust are required to be paid entirely in cash; and (iii) repurchases from the Trust will be limited to one per calendar year.

Notes Receivable—Participant loans are considered notes receivables from participants and are recorded at the unpaid balance plus any accrued but unpaid interest.

Benefits Payable—Benefit payments to participants are recorded upon distribution. As of July 1, 2022 and December 31, 2021, total benefits of \$0 and \$3,798,701, respectively, were due to participants who have withdrawn from participation in the Plan, but have not yet been paid.

3. INVESTMENTS

Fair Value Measurements—Accounting Standards Codification 820, *Fair Value Measurements and Disclosures* (“ASC 820”), provides a framework for measuring fair value and establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The Plan determined the fair market values of its investments based upon the ASC 820 three-level hierarchy, which is defined as follows:

Level 1—Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets

Level 2—Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument

Level 3—Inputs to the valuation methodology are unobservable and significant to the fair value measurement

A financial instrument’s categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The Plan’s policy when determining the amount of transfers between the levels of the fair value hierarchy is to use the fair value of the asset or liability as of the end of the reporting period.

The following is a description of the valuation methodologies used for instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy.

Cash—The Trust requires cash to be available for distributions to former participants and as such holds a minimum amount of cash in a checking account.

Common Stock—The fair value of the investment in the common shares of JDS Inc. is the book value of such shares and is classified within Level 3 of the valuation hierarchy.

The following tables present the financial instruments carried at fair value as of July 1, 2022 and December 31, 2021, by category in the statements of net assets available for benefits and by ASC 820 valuation hierarchy as described above.

	Fair Value Measurements as of July 1, 2022			
	Level 1	Level 2	Level 3	Total
Cash	\$ -	\$ -	\$ -	\$ -
Common stock—JDS Inc.	-	-	-	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	Fair Value Measurements as of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Cash	\$ 734,066	\$ -	\$ -	\$ 734,066
Common stock—JDS Inc.	-	-	587,640,685	587,640,685
Total	<u>\$ 734,066</u>	<u>\$ -</u>	<u>\$ 587,640,685</u>	<u>\$ 588,374,751</u>

A summary of changes in the fair value of the Plan's Level 3 assets from the period from January 1, 2022 to July 1, 2022 and year ended December 31, 2021, is set forth in the tables below. Subsequent to July 1, 2022, JDS Inc. repurchased all of the common shares previously held by HESOT.

	JDS Inc. Common Shares	
Balance—January 1, 2022	\$ 587,640,685	*
Transfer of JDS Inc. common shares due to plan merger	(587,640,685)	
JDS Inc. common share appreciation	-	
Balance—July 1, 2022	<u>\$ -</u>	
	JDS Inc. Common Shares	
Balance—January 1, 2021	\$ 538,423,773	*
Sale of JDS Inc. common shares	(85,399,300)	
JDS Inc. common share appreciation	<u>134,616,212</u>	
Balance—December 31, 2021	<u>\$ 587,640,685</u>	*

* Nonparticipant-directed investment greater than 5% of net assets available for benefits.

4. FEDERAL INCOME TAX STATUS

The Internal Revenue Service (IRS) has determined and informed the Company by a letter dated September 22, 2017, that the Trust was designed in accordance with applicable IRC requirements.

Although the Trust has been amended since receiving the 2017 determination letter, the Trust's management and the Trust's counsel believe that the Trust is designed in compliance with applicable requirements of the IRC. The Trust's management believes that the Trust is currently designed and operated in accordance with applicable requirements of the IRC and continues to be tax exempt. Therefore, no provision for income taxes has been included in the financial statements.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Trust management has analyzed the tax positions taken by the Plan, and has concluded that as of July 1, 2022, 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 the IRS; however, there are currently no audits for any tax periods in progress. Trust management believes it is no longer subject to income tax examinations for years prior to 2019.

5. RECONCILIATION TO FORM 5500

A reconciliation of the net assets available for benefits as of July 1, 2022 and December 31, 2021, per the financial statements to the Form 5500, Schedule H, Part I, Line 1(l) is as follows:

	July 1, 2022	December 31, 2021
Net assets available for benefits per the financial statements	\$ -	\$ 598,508,226
Benefits payable to former participants	<u>-</u>	<u>(3,798,701)</u>
Net assets per Form 5500, Schedule H, Part I, Line 1(l)	<u>\$ -</u>	<u>\$ 594,709,525</u>

A reconciliation of the distributions to participants for the period from January 1, 2022 to July 1, 2022, per the financial statements to the Form 5500, Schedule H, Part II, Line 2(e)4 is as follows:

Distributions to former participants per the financial statements	\$ 1,693,792
QDRO distributions per the financial statements	<u>2,104,909</u>
Total distributions	<u>3,798,701</u>
Decrease in benefits due former participants	<u>(3,798,701)</u>
Total decrease	<u>(3,798,701)</u>
Benefit payments to participants per Form 5500, Schedule H, Part II, Line 2(e)4	<u>\$ -</u>

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