

Form 5500-SF <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</small>	Short Form Annual Return/Report of Small Employee Benefit Plan This form is required to be filed 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-SF.	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>10/01/2021</u> and ending <u>09/30/2022</u>	
A This return/report is for:	☒ a single-employer plan ☐ a multiple-employer plan (not multiemployer) (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
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 Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ DFVC program ☐ special extension (enter description)
D 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>PREFERRED COMPOUNDING CORP. UNION PENSION PLAN</u>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">1b Three-digit plan number (PN) ▶</td> <td style="width:40%; text-align: center;"><u>003</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>10/01/1970</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>003</u>	1c Effective date of plan <u>10/01/1970</u>									
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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>HEXPOL</u> <u>1020 LAMBERT STREET</u> <u>BARBERTON, OH 44203</u>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">2b Employer Identification Number (EIN) <u>27-0013235</u></td> <td style="width:40%;"></td> </tr> <tr> <td>2c Sponsor's telephone number <u>330-798-4937</u></td> <td></td> </tr> <tr> <td>2d Business code (see instructions) <u>326200</u></td> <td></td> </tr> </table>	2b Employer Identification Number (EIN) <u>27-0013235</u>		2c Sponsor's telephone number <u>330-798-4937</u>		2d Business code (see instructions) <u>326200</u>							
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3a Plan administrator's name and address ☒ Same as Plan Sponsor.	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">3b Administrator's EIN</td> <td style="width:40%;"></td> </tr> <tr> <td>3c Administrator's telephone number</td> <td></td> </tr> </table>	3b Administrator's EIN		3c Administrator's telephone number									
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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	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">4b EIN</td> <td style="width:40%;"></td> </tr> <tr> <td>4d PN</td> <td></td> </tr> </table>	4b EIN		4d PN									
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4d PN													
5a Total number of participants at the beginning of the plan year b Total number of participants at the end of the plan year c Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)..... d(1) Total number of active participants at the beginning of the plan year d(2) Total number of active participants at the end of the plan year e Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">5a</td> <td style="width:40%; text-align: center;"><u>67</u></td> </tr> <tr> <td>5b</td> <td style="text-align: center;"><u>66</u></td> </tr> <tr> <td>5c</td> <td></td> </tr> <tr> <td>5d(1)</td> <td style="text-align: center;"><u>6</u></td> </tr> <tr> <td>5d(2)</td> <td style="text-align: center;"><u>5</u></td> </tr> <tr> <td>5e</td> <td style="text-align: center;"><u>0</u></td> </tr> </table>	5a	<u>67</u>	5b	<u>66</u>	5c		5d(1)	<u>6</u>	5d(2)	<u>5</u>	5e	<u>0</u>
5a	<u>67</u>												
5b	<u>66</u>												
5c													
5d(1)	<u>6</u>												
5d(2)	<u>5</u>												
5e	<u>0</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, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, 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	<u>Filed with authorized/valid electronic signature.</u>	<u>07/13/2023</u>	<u>VELDA CASH</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor

- 6a** Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.) ☒ Yes ☐ No
- b** Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.) ☒ Yes ☐ No
- If you answered "No" to either line 6a or line 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.**
- c** If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☒ Yes ☐ No ☐ Not determined
- If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 462419. (See instructions.)

Part III Financial Information

7 Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a Total plan assets	7a	1822015	1395181
b Total plan liabilities	7b		
c Net plan assets (subtract line 7b from line 7a)	7c	1822015	1395181
8 Income, Expenses, and Transfers for this Plan Year		(a) Amount	(b) Total
a Contributions received or receivable from:			
(1) Employers	8a(1)		
(2) Participants	8a(2)		
(3) Others (including rollovers)	8a(3)		
b Other income (loss)	8b	-324177	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		-324177
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d	99169	
e Certain deemed and/or corrective distributions (see instructions) .	8e		
f Administrative service providers (salaries, fees, commissions)	8f		
g Other expenses	8g	3488	
h Total expenses (add lines 8d, 8e, 8f, and 8g)	8h		102657
i Net income (loss) (subtract line 8h from line 8c)	8i		-426834
j Transfers to (from) the plan (see instructions)	8j		

Part IV Plan Characteristics

- 9a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1B
- b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

Part V Compliance Questions

10 During the plan year:		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? (See instructions and DOL's Voluntary Fiduciary Correction Program)	10a		X	
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)	10b		X	
c Was the plan covered by a fidelity bond?	10c	X		1000000
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	10d		X	
e Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service, or other organization that provides some or all of the benefits under the plan? (See instructions.)	10e		X	
f Has the plan failed to provide any benefit when due under the plan?	10f		X	
g Did the plan have any participant loans? (If "Yes," enter amount as of year-end.)	10g		X	
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	10h			
i If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	10i			

Part VI Pension Funding Compliance

11 Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500) and lines 11a and b below.) If this is a defined contribution pension plan, leave line 12 below.....	☒ Yes ☐ No
a Enter the unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40.....	11a 0
b PBGC missed contribution reporting requirements. If the plan is covered by PBGC and the amount reported on line 11a is greater than \$0, 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 _____	

12 Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? (If "Yes," complete line 12a or lines 12b, 12c, 12d, and 12e below, as applicable.) If this is a defined benefit pension plan, leave line 12 blank and complete line 11 above.	☐ Yes ☒ No
a 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 letter ruling granting the waiver. Month _____ Day _____ Year _____	
If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.	
b Enter the minimum required contribution for this plan year	12b
c Enter the amount contributed by the employer to the plan for this plan year	12c
d Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount)	12d
e Will the minimum funding amount reported on line 12d be met by the funding deadline?.....	☐ Yes ☐ No ☐ N/A

Part VII Plan Terminations and Transfers of Assets

13a Has a resolution to terminate the plan been adopted in any plan year?	☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year.....	13a
b Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	☐ Yes ☒ No
c 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.)	

13c(1) Name of plan(s):	13c(2) EIN(s)	13c(3) PN(s)

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	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 10/01/2021 and ending 09/30/2022

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>PREFERRED COMPOUNDING CORP. UNION PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>HEXPOL</u>	D Employer Identification Number (EIN) <u>27-0013235</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☒ 100 or fewer ☐ 101-500 ☐ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>10</u> Day <u>01</u> Year <u>2021</u>	
2 Assets:	
a Market value	2a <u>1822015</u>
b Actuarial value	2b <u>1822015</u>
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment.....	(1) Number of participants <u>40</u> (2) Vested Funding Target <u>939647</u> (3) Total Funding Target <u>939647</u>
b For terminated vested participants.....	<u>21</u> <u>470124</u> <u>470124</u>
c For active participants	<u>6</u> <u>168577</u> <u>168801</u>
d Total.....	<u>67</u> <u>1578348</u> <u>1578572</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b
5 Effective interest rate	5 <u>5.49</u> %
6 Target normal cost.....	
a Present value of current plan year accruals.....	6a <u>0</u>
b Expected plan-related expenses	6b <u>3370</u>
c Total (line 6a + line 6b)	6c <u>3370</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		<u>07/13/2023</u> Date
Signature of actuary		<u>23-07634</u> Most recent enrollment number
<u>JAMES W. BUDAI, FSA, EA, MAAA</u> Type or print name of actuary		<u>614-793-2577</u> Telephone number (including area code)
<u>CBIZ RETIREMENT PLAN SERVICES</u> Firm name		
<u>5040 FRANTZ ROAD</u> <u>SUITE 300</u> <u>DUBLIN, OH 43016</u> Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

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

Schedule SB (Form 5500) 2021
v. 201209

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	66494
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9 Amount remaining (line 7 minus line 8)	0	66494
10 Interest on line 9 using prior year's actual return of <u>17.43</u> %	0	11590
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.63</u> %		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	78084

Part III Funding Percentages

14 Funding target attainment percentage	14	110.47 %
15 Adjusted funding target attainment percentage	15	115.42 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	100.21 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ►			18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No
- b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No
- c** If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost**21** Discount rate:**a** Segment rates:1st segment:
4.75 %2nd segment:
5.36 %3rd segment:
6.11 %☐ N/A, full yield curve used**b** Applicable month (enter code)**21b**

1

22 Weighted average retirement age**22**

61

23 Mortality table(s) (see instructions) ☒ Prescribed - combined☐ Prescribed - separate☐ Substitute**Part VI Miscellaneous Items****24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment..... ☐ Yes ☒ No**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment..... ☐ Yes ☒ No**26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment..... ☒ Yes ☐ No**27** If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....**27****Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years****28** Unpaid minimum required contributions for all prior years..... **28** 0**29** Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)..... **29** 0**30** Remaining amount of unpaid minimum required contributions (line 28 minus line 29)..... **30** 0**Part VIII Minimum Required Contribution For Current Year****31** Target normal cost and excess assets (see instructions):**a** Target normal cost (line 6c)..... **31a** 3370**b** Excess assets, if applicable, but not greater than line 31a **31b** 3370**32** Amortization installments:**a** Net shortfall amortization installment Outstanding Balance Installment 0 0**b** Waiver amortization installment 0 0**33** If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount..... **33****34** Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)..... **34** 0

Carryover balance Prefunding balance Total balance

35 Balances elected for use to offset funding requirement 0**36** Additional cash requirement (line 34 minus line 35) **36** 0**37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) **37** 0**38** Present value of excess contributions for current year (see instructions)**a** Total (excess, if any, of line 37 over line 36) **38a** 0**b** Portion included in line 38a attributable to use of prefunding and funding standard carryover balances..... **38b****39** Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) **39** 0**40** Unpaid minimum required contributions for all years **40** 0**Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)****41** If an election was made to use PRA 2010 funding relief for this plan:**a** Schedule elected ☐ 2 plus 7 years ☐ 15 years**b** Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

SCHEDULE SB ATTACHMENT

Line 26 - Schedule of Active Participant Data

Plan Name: Preferred Compounding Corp. Union Pension Plan

EIN/PN: 27-0013235/003

Valuation Date: October 1, 2021

Age	Years of Credited Service										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & Over	
Under 25	-	-	-	-	-	-	-	-	-	-	-
25 to 29	-	-	-	-	-	-	-	-	-	-	-
30 to 34	-	-	-	-	-	-	-	-	-	-	-
35 to 39	-	-	-	-	-	-	-	-	-	-	-
40 to 44	-	-	-	-	-	-	-	-	-	-	-
45 to 49	-	-	-	-	-	-	-	-	-	-	-
50 to 54	-	1	-	-	-	-	-	-	-	-	1
55 to 59	-	1	-	-	-	-	-	-	-	-	1
60 to 64	-	-	-	-	4	-	-	-	-	-	4
65 to 69	-	-	-	-	-	-	-	-	-	-	-
70 & Over	-	-	-	-	-	-	-	-	-	-	-
Total	-	2	-	-	4	-	-	-	-	-	6

SUMMARY OF ASSUMPTIONS

Funding Discount Rates IRS-Prescribed Three-Segment Rates, for the month prior to the valuation (September).

	Non-Stabilized	Limited to 25-Year Corridor and 5% Floor
Segment 1:	1.07%	4.75%
Segment 2:	2.68%	5.36%
Segment 3:	3.36%	6.11%

The "Limited to 25 Year Corridor" rates are adjusted by the applicable maximum and applicable minimum percentages of the 25-year average segment rates, with a 5% floor, as set forth in the American Rescue Plan Act of 2021 ('ARPA-21') for use in Minimum Required Contribution calculations. The IRS Maximum Deductible Limit Calculations use the rates from the "Non-Stabilized" column above.

The interest rates used to value the Target Liability for determining the minimum and maximum contributions are prescribed by law and based on elections made by the Plan Sponsor.

Effective Interest Rate The Effective Interest Rate (EIR) for the current Plan Year is 5.49%. For the prior Plan Year, the EIR was 5.63%.

The EIR is the single rate of interest which, if used to determine the Funding Target, would equal the Funding Target determined using the Plan Sponsor's above elected discount rates. The EIR is used to discount contributions for minimum funding requirements and to accumulate excess contributions to the end of the year.

PBGC Variable Premium Discount Rates

The segment rates used to calculate the PBGC Variable Rate Premiums with the Standard Premium Funding Target and/or Alternative Premium Funding Target are as follows:

	Alternative
Segment 1:	1.07%
Segment 2:	2.68%
Segment 3:	3.36%

Alternative Premium Funding Target rates are based on non-stabilized funding discount rates for the current valuation.

The interest rate and mortality assumptions used to value the Target Liability for determining PBGC premiums are prescribed by law. Alternative Funding Target interest rates are based on elections made by the Plan Sponsor.

Expected Return on Assets

Not applicable for funding calculation purposes. A smoothing method is not used to calculate the Actuarial Value of Assets; therefore, the Expected Return on Assets is not used.

Administrative Expenses

\$3,370 estimated to be paid from the trust in the current Plan Year and included in the Normal Cost.

Administrative expenses are assumed to equal the prior year's actual administrative expenses.

Salary Scale

Not applicable.

Rationale: The Plan is frozen.

Inflation

Not applicable.

Rationale: This assumption affects long-term assumed increases in the Social Security Taxable Wage base and the IRS Compensation Limits. Because the Plan is frozen and there are no benefits over the IRS Compensation Limits, this assumption is not applicable.

Mortality

Healthy Participants - IRS §430(h) Optional Combined Static Annuitant / Non-Annuitant Mortality Tables for the Current Plan Year. These tables, when used to determine the present value of an annuity, approximate the present value that would be determined using the Society of Actuaries' (SOA) RP-2014 separate employee and healthy annuitant generational mortality tables, adjusted to 2006, then projected forward using generational projection scale MP-2019, for males and females.

Disabled Participants - Same as Healthy Participants.

The mortality assumptions used to value the Target Liability for determining the minimum and maximum contributions are prescribed by law and based on elections made by the Plan Sponsor.

Withdrawal Rates

None assumed.

Rationale: All current active participants have met the service requirements for early retirement eligibility (10 Years of Service). Given this fact, and the small plan size, all active participants are assumed to remain employed until their Normal Retirement Age.

Disability Incidence

Participants are assumed to become disabled in accordance with the 1987 Commissioner's Group Disability Table, for males, which is a table of annual rates, varying by age. Sample rates are as follows:

Age	Rates
25	0.09%
30	0.10%
35	0.12%
40	0.17%
45	0.28%
50	0.52%
55	0.97%
60	1.48%
65	1.95%

Benefit Commencement Age

Future disabled participants are assumed to commence benefits immediately upon eligibility.

Rationale: An experience analysis with respect to disability was not performed. As a result, the current assumption has been selected based on observations of recent disablements, the actuary's experience with plans of a similar size, plan design, workforce composition, and discussions with the Plan Sponsor.

Retirement Rates

Participants are assumed to retire in accordance with annual rates varying by age. Sample rates are as follows:

Age	Rates
55	17.00%
56	6.00%
57	6.00%
58	6.00%
59	6.00%
60	6.00%
61	6.00%
62	28.00%
63	28.00%
64	28.00%
65	100.00%

Benefit Commencement Age

Active retirements are assumed to commence benefits at these ages according to the rates shown.

Rationale: An experience analysis with respect to retirement was not performed. As a result, the current assumption has been selected based on observations of recent retirements, the actuary's experience with plans of a similar size, plan design, workforce composition, and discussions with the Plan Sponsor.

Spousal Assumptions

80% of males and 50% of females are assumed to be married.

Females are assumed to be 3 years younger than males.

Rationale: Because the employer does not have enough data to do a fully credible experience analysis with respect to spousal information, the current assumption has been selected based on the actuary's experience with plans of a similar size, plan design, participant composition, as well as discussions with the Plan Sponsor.

Benefit Commencement Age

Normal Retirement Age, or valuation age, if later.

Rationale: Because the employer does not have enough data to do a fully credible experience analysis with respect to Benefit Commencement Age, the current assumption has been selected based on the actuary's experience with plans of a similar size, plan design, participant composition, as well as discussions with the Plan Sponsor.

Form of Payment

All benefits are assumed to be paid in the Normal Form defined under the terms of the Plan.

Rationale: Because the employer does not have enough data to do a fully credible experience analysis with respect to Form of Payment, the current assumption has been selected based on the actuary's experience with plans of a similar size, plan design, participant composition, as well as discussions with the Plan Sponsor.

Changes in funding assumptions since the prior valuation

In accordance with federal law, the discount rates for funding and PBGC purposes were updated from the discount rates disclosed in the 2020 Actuarial Valuation Report to the discount rates shown herein.

The funding mortality table was changed from the IRS 2020 Optional Combined Mortality Table to the IRS 2021 Optional Combined Mortality Table.

SUMMARY OF METHODS

Minimum Funding Cost Method

The actuarial cost method used to determine the liabilities for minimum funding calculations is the Traditional Unit Credit method. The objective under this method is to fund each participant's benefits under the plan as they accrue. Under this cost method, the actuarial accrued liability is the sum of the individual accrued liabilities for all participants and the normal cost is the sum of the individual normal costs for each participant. The individual accrued liability for a participant is the present value of the accrued benefit as of the valuation date taking into account service and/or pay as of the valuation date. The individual normal cost for a participant is the present value of the benefit expected to accrue in the plan year being valued.

If a plan is frozen, there is no normal cost attributable to benefit accruals.

Maximum Deductible Contribution Method

The actuarial cost method used to determine the liabilities for maximum deductible calculations is the Projected Unit Credit method. The objective under this method is to fund each participant's benefits under the plan as they accrue, taking into consideration expected future compensation increases. Under this cost method, the actuarial accrued liability is the sum of the individual accrued liabilities for all participants and the normal cost is the sum of the individual normal costs for all participant. The individual accrued liability for a participant is the sum of 1) the present value of the accrued benefit earned as of the valuation date taking into account service and/or pay as of the valuation date; plus 2) the present value of the accrued benefit expected to be earned because of any expected future compensation increases.

The individual normal cost for a participant is the sum of the present value of the benefit expected to accrue in the plan year being valued taking into account any expected future compensation increases.

Asset Method

We used financial data submitted by the trustee as of the valuation date without further audit. We have reviewed the information for internal consistency, and we have no reason to doubt its substantial accuracy.

Actuarial Value of Assets

For funding purposes, the Actuarial Value of Assets is equal to the Market Value of Assets.

Receivable contributions are discounted back to the valuation date at the prior year's effective interest rate.

Changes in methods since the prior valuation None.

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	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 10/01/2021 and ending 09/30/2022

▶ **Round off amounts to nearest dollar.**

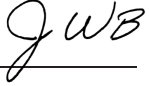
▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan Preferred Compounding Corp. Union Pension Plan	B Three-digit plan number (PN) ▶ 003
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Hexpol	D Employer Identification Number (EIN) 27-0013235
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☒ 100 or fewer ☐ 101-500 ☐ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>10</u> Day <u>01</u> Year <u>2021</u>	
2 Assets:	
a Market value	2a 1,822,015
b Actuarial value	2b 1,822,015
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment.....	(1) Number of participants 40 (2) Vested Funding Target 939,647 (3) Total Funding Target 939,647
b For terminated vested participants.....	21 470,124 470,124
c For active participants	6 168,577 168,801
d Total.....	67 1,578,348 1,578,572
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b
5 Effective interest rate	5 5.49%
6 Target normal cost.....	
a Present value of current plan year accruals.....	6a 0
b Expected plan-related expenses	6b 3,370
c Total (line 6a + line 6b)	6c 3,370

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	James W. Budai		07/13/2023
	Signature of actuary		Date
JAMES W. BUDAI, FSA, EA, MAAA	Type or print name of actuary		2307634
			Most recent enrollment number
CBIZ RETIREMENT PLAN SERVICES	Firm name		614-793-2577
			Telephone number (including area code)
5040 FRANTZ ROAD			
SUITE 300			
DUBLIN OH 43016	Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

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

Schedule SB (Form 5500) 2021
v. 201209

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	66,494
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9 Amount remaining (line 7 minus line 8)	0	66,494
10 Interest on line 9 using prior year's actual return of <u>17.43%</u>	0	11,590
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.63%</u>		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	78,084

Part III Funding Percentages

14 Funding target attainment percentage	14	110.47%
15 Adjusted funding target attainment percentage	15	115.42%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	100.21%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ►			18(b)	0	18(c)
19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:					
a Contributions allocated toward unpaid minimum required contributions from prior years				19a	0
b Contributions made to avoid restrictions adjusted to valuation date				19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date				19c	0
20 Quarterly contributions and liquidity shortfalls:					
a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No					
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No					
c If line 20a is "Yes," see instructions and complete the following table as applicable:					
Liquidity shortfall as of end of quarter of this plan year					
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th		

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 4.75 %	2nd segment: 5.36 %	3rd segment: 6.11 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 1
22 Weighted average retirement age				22 61
23 Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.....	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.....	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6c).....	31a	3,370	
b Excess assets, if applicable, but not greater than line 31a	31b	3,370	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement			0
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b		
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		

SCHEDULE SB ATTACHMENT
Line 22 - Description of Weighted Average Retirement Age

Plan Name: Preferred Compounding Corp. Union Pension Plan

EIN/PN: 27-0013235/003

Valuation Date: October 1, 2021

The average retirement age for Line 22 was calculated by creating a hypothetical life table with retirement as the only decrement and then computing the average retirement age for the table, as shown in the following exhibit:

(A)	(B)	(C)	(D)	(E)
Retirement age	Retirement Percent	Lx	Number of employees expected to retire (B) x (C)	(A) x (D)
55	17.00%	10,000	1,700	93,500
56	6.00%	8,300	498	27,888
57	6.00%	7,802	468	26,683
58	6.00%	7,334	440	25,522
59	6.00%	6,894	414	24,404
60	6.00%	6,480	389	23,329
61	6.00%	6,091	365	22,294
62	28.00%	5,726	1,603	99,402
63	28.00%	4,123	1,154	72,724
64	28.00%	2,968	831	53,192
65	100.00%	2,137	2,137	138,917
Total			10,000	607,855
Average				60.79

SUMMARY OF PRINCIPAL PLAN PROVISIONS

The following is a summary of what we understand to be the most relevant plan provisions for purposes of actuarial valuations. This summary should not be used for purposes of determining plan benefits.

Plan Sponsor	Preferred Compounding Corp.
Plan Name	Preferred Compounding Corp. Union Pension Plan
Plan Effective Date	January 1, 1970. The Plan was last restated effective October 1, 2011 and most recently amended January 1, 2014.
Plan Year	October 1 – September 30
Status of the Plan	The plan is currently frozen to new entrants and no further benefit accruals are granted.
Eligibility Requirements	Eligible Employees are hourly paid Employees of the Employer and are employed in the bargaining unit represented by the Union. The Plan was frozen to new Participants as of January 1, 1995. No Eligible Employees will become eligible to participate in the Plan after January 1, 1995.
Credited Service	A twelve month period of time, beginning on the date that the participant commenced participation in the Plan, during which the participant was employed by the Company. No additional service will be credited after December 31, 1994 for benefit purposes.
Vesting Service	A twelve month period of time, beginning on the date that the participant commenced participation in the Plan, during which the participant was employed by the Company.
Vesting	100% vesting upon earning 5 Years of Vesting Service.
Accrued Benefit	<p>The monthly normal retirement benefit is equal to the participant's monthly accrued benefit as of December 31, 1994, which is \$18.50 multiplied by years of service up to December 31, 1994.</p> <p>Accrued benefits were frozen effective December 31, 1994.</p>
Normal Retirement Age	Upon attainment of age 65.
Normal Retirement Benefit	The Accrued Benefit payable at Normal Retirement.

Early Retirement	<p><u>Eligibility:</u> Upon attainment of age 55 and completion of 10 Years of Service.</p> <p><u>Benefit:</u> The accrued benefit is reduced 4/10 of 1% for each month preceding Normal Retirement Date.</p>
Disability Retirement	<p><u>Eligibility:</u> Upon earning 10 Years of Service, and becoming disabled as determined by a physician.</p> <p><u>Benefit:</u> (1) Until the participant is eligible for SSDI, the greater of \$410 or \$20.50 multiplied by years of service up to 12/31/1994; (2) after the participant is eligible for SSDI, a monthly amount equal to the participant's accrued benefit.</p>
Pre-Retirement Death	<p><u>Eligibility:</u> Upon earning 5 Years of Service.</p> <p><u>Benefit:</u> The spouse is eligible for 50% of the benefit that would have been payable, if the Participant had live to Early Retirement Eligibility and elected a 50% Qualified Joint and Survivor Annuity. The benefit is payable upon the Participant's Early Retirement Eligibility date.</p>
Normal Form of Payment	Unless otherwise elected, the benefit payable to a participant who has been married at least one year is an actuarially equivalent 50% Joint and Survivor benefit. For unmarried participants, the Normal Form is a single life annuity with 5 years certain.
Optional Forms	<p>Benefits may be elected from:</p> <ul style="list-style-type: none">• 50%, 75%, and 100% Joint and Survivor• Single Life Annuity• 5, 10, 15 and 20 years certain and continuous• Lump Sum if the present value of benefit is less than \$5,000
Optional Form Conversion Factors	<p>Optional forms of payment are calculated as actuarially equivalent to the normal form of payment using the following assumptions:</p> <p><u>Annuities:</u></p> <ul style="list-style-type: none">• Interest rate – 7%• Mortality - 1971 TPF&C Forecast Mortality <p><u>Lump Sums:</u></p> <ul style="list-style-type: none">• Interest rate – IRC Section 417(e) Applicable Interest Rates in effect for the first month prior to the first day of the Plan Year in which the distribution occurs.• Mortality – Applicable Mortality defined by IRC Section 417(e)(3)

**Changes in Plan Benefits
recognized since the last
valuation** None.