



April 2024

**Re: 12/31/2023 Annual Funding Notice for the Smiths Group Pension Plan**

Dear Plan Participant,

Enclosed is the Annual Funding Notice for the above-referenced Plan which reports on the funding status of the Plan for 2023 and two prior years.

**You do not need to take any action as a result of receiving the attached notice.** It has been sent to you for informational purposes only to comply with federal law.

This notice is sent to you to comply with Section 101(f) of the Employee Retirement Income Security Act of 1974 ("ERISA"). The Pension Protection Act (PPA) of 2006 amended ERISA to require that all employers that sponsor certain defined benefit pension plans – such as the plan referenced above, send an Annual Funding Notice to all plan participants, beneficiaries, alternate payees, and labor organizations representing plan participants, and for certain underfunded plans, to the Pension Benefit Guaranty Corporation (PBGC). This notice is required to be distributed and it provides administrative, funding and investment information about the Plan. Its content, including the format and language, is prescribed by the U.S. Department of Labor.

We continue to monitor the funded status of the plan and contribute to the plan trust to ensure that we can meet Plan commitments.

If you need additional information, please consult with the attached notice for the appropriate contact.

Your Contact Information

To make sure you receive your benefits and any benefit communications pertaining to the Plan, it is critical that you (or your beneficiary) keep your contact information current. Please update your information through our self-service website by visiting <https://www.eepoint.com/Smiths> or by calling the Smiths Group Pension Service Center at 1-844-674-8339. It is very important that you keep us apprised of any changes to the following information:

- your name and address;
- your beneficiary's name and address; and
- any other contact information maintained by the Plan.

Keeping this information up to date up to date will ensure that you (or your beneficiary) receive your benefit payments as well as any important plan communications without undue delay.

To learn more about the personal information we collect and how it is used, you can find our privacy policy at <https://eepoint.wtwco.us/notices/privacy/en/>

Right to Request Statement of Accrued Benefit

As a participant in the Plan, you can access your current accrued benefit and see estimates of benefit amounts at alternate dates using the modeling tool at <https://www.eepoint.com/Smiths>. You may access the modeling tool as often as you wish.

Alternatively, you have the right to receive, free of charge, a pension benefit statement showing your current accrued benefit only. If you would like a copy of your pension benefit statement, please contact the Smiths Group Pension Service Center at 1-844-674-8339, or at <https://www.eepoint.com/Smiths>. You may request a paper copy benefit statement once each year.

Sincerely,

Smiths Group Services Corporation



## ANNUAL FUNDING NOTICE

For

### Smiths Group Pension Plan

#### Introduction

This notice includes important information about the funding status of your single employer pension plan (“the Plan”). It also includes general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation (“PBGC”), a federal insurance agency. All traditional pension plans (called “defined benefit pension plans”) must provide this notice every year regardless of their funding status. This notice does not mean that the Plan is terminating. It is provided for informational purposes and you are not required to respond in any way. This notice is required by federal law. This notice is for the plan year beginning January 1, 2023 and ending December 31, 2023 (“Plan Year”).

#### How Well Funded Is Your Plan

The law requires the administrator of the Plan to tell you how well the Plan is funded, using a measure called the “funding target attainment percentage.” The Plan divides its Net Plan Assets by Plan Liabilities to get this percentage. In general, the higher the percentage, the better funded the plan. The Plan’s Funding Target Attainment Percentage for the Plan Year and each of the two preceding plan years is shown in the chart below. The chart also shows you how the percentage was calculated.

All monetary amounts shown in US Dollars

<b>Funding Target Attainment Percentage</b>			
	2023	2022	2021
1. Valuation Date	01/01/2023	01/01/2022	01/01/2021
2. Plan Assets			
a. Total Plan Assets	263,868,421	364,305,424	357,887,342
b. Funding Standard Carryover Balance	0	0	0
c. Prefunding Balance	33,744,152	45,465,039	46,851,854
d. Net Plan Assets = (a) – (b) – (c)	230,124,269	318,840,385	311,035,488
3. Plan Liabilities	266,248,526	267,993,371	263,310,356
4. Funding Target Attainment Percentage = (2d)/(3)	86.43%	118.97%	118.12%

#### Plan Assets and Credit Balances

The chart above shows certain “credit balances” called the Funding Standard Carryover Balance and Prefunding Balance. A plan might have a credit balance, for example, if in a prior year an employer contributed money to the plan above the minimum level required by law. Generally, an employer may credit the excess money toward the minimum level of contributions required by law that it must make in future years. Plans must subtract these credit balances from Total Plan Assets to calculate their Funding Target Attainment Percentage.

#### Plan Liabilities

Plan Liabilities in line 3 of the chart above are estimates of the amount of assets the Plan needs on the Valuation Date to pay for promised benefits under the plan.



## Year-End Assets and Liabilities

The asset values in the chart above are measured as of the first day of the Plan Year. They also are “actuarial values.” Actuarial values differ from market values in that they do not fluctuate daily based on changes in the stock or other markets. Actuarial values smooth out those fluctuations and can allow for more predictable levels of future contributions. Despite the fluctuations, market values tend to show a clearer picture of a plan’s funded status at a given point in time. As of December 31, 2023, the fair market value of the Plan’s assets was \$239,321,592. On this same date, the Plan’s liabilities, determined using market rates, were \$260,712,984.

## Participant Information

The total number of participants and beneficiaries covered by the Plan on the Valuation Date was 3,703. Of this number, 587 were current employees, 931 were retired and receiving benefits, and 2,185 were no longer working for the employer and have a right to future benefits.

## Funding & Investment Policies

Every pension plan must have a procedure to establish a funding policy for plan objectives. A funding policy relates to how much money is needed to pay promised benefits. The funding policy of the Plan is to contribute an amount that is at least sufficient to meet the minimum funding requirements of ERISA but is no greater than the tax-deductible contribution limit pursuant to IRC Section 404 and the regulations thereunder.

Pension plans also have investment policies. These generally are written guidelines or general instructions for making investment management decisions. The investment policy of the Plan has a primary objective of ensuring that participants’ benefits remain securely funded while managing volatility in the Plan’s funded status. Subject to that primary objective, the investment objective for the fixed income investments is to seek an investment performance that more closely follows the movements in the value of the liabilities that are associated with the promised benefits.

Under the investment policy, the Plan’s assets were allocated among the following categories of investments as of the end of the Plan Year. These allocations are percentages of total assets:

<b>Asset Allocations</b>	<b>Percentage</b>
1. Stocks	0.00%
2. Investment grade debt instruments	99.48%
3. High-yield debt instruments	0.00%
4. Real estate	0.00%
5. Other	0.52%

## Right to Request a Copy of the Annual Report

Pension plans must file annual reports with the US Department of Labor. The report is called the “Form 5500.” These reports contain financial and other information. You may obtain an electronic copy of your Plan’s annual report by going to [www.efast.dol.gov](http://www.efast.dol.gov) and using the search tool. Annual reports also are available from the US Department of Labor, Employee Benefits Security Administration’s Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1515, Washington, DC 20210, or by calling 202.693.8673. Or you may obtain a copy of the Plan’s annual report by making a written request to the plan administrator. Annual reports do not contain personal information, such as the amount of your accrued benefits. You may contact your plan administrator if you want information about your accrued benefits. Your plan administrator is identified below under “Where To Get More Information.”



## Summary of Rules Governing Termination of Single-Employer Plans

If a plan terminates, there are specific termination rules that must be followed under federal law. A summary of these rules follows.

There are two ways an employer can terminate its pension plan. First, the employer can end a plan in a “standard termination” but only after showing the PBGC that such plan has enough money to pay all benefits owed to participants. Under a standard termination, a plan must either purchase an annuity from an insurance company (which will provide you with periodic retirement benefits, such as monthly for life or, if you elect, for a set period of time when you retire) or, if the plan allows and you elect, issue one lump-sum payment that covers your entire benefit. Your plan administrator must give you advance notice that identifies the insurance company (or companies) selected to provide the annuity. The PBGC’s guarantee ends upon the purchase of an annuity or payment of the lump-sum. If the plan purchases an annuity for you from an insurance company and that company becomes unable to pay, the applicable state guaranty association guarantees the annuity to the extent authorized by that state’s law.

Second, if the plan is not fully-funded, the employer may apply for a distress termination. To do so, however, the employer must be in financial distress and prove to a bankruptcy court or to the PBGC that the employer cannot remain in business unless the plan is terminated. If the application is granted, the PBGC will take over the plan as trustee and pay plan benefits, up to the legal limits, using plan assets and PBGC guarantee funds.

Under certain circumstances, the PBGC may take action on its own to end a pension plan. Most terminations initiated by the PBGC occur when the PBGC determines that plan termination is needed to protect the interests of plan participants or of the PBGC insurance program. The PBGC can do so if, for example, a plan does not have enough money to pay benefits currently due.

### Benefit Payments Guaranteed by the PBGC

When the PBGC takes over a plan, it pays pension benefits through its insurance program. Only benefits that you have earned a right to receive and that cannot be forfeited (called vested benefits) are guaranteed. Most participants and beneficiaries receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits that are not guaranteed.

The amount of benefits that PBGC guarantees is determined as of the plan termination date. However, if a plan terminates during a plan sponsor’s bankruptcy, then the amount guaranteed is determined as of the date the sponsor entered bankruptcy.

The PBGC maximum benefit guarantee is set by law and is updated each calendar year. For a plan with a termination date or sponsor bankruptcy date, as applicable, in 2024 the maximum guarantee is \$7,108 per month, or \$85,295 per year, for a benefit paid to a 65-year-old retiree with no survivor benefit. If a plan terminates during a plan sponsor’s bankruptcy, the maximum guarantee is fixed as of the calendar year in which the sponsor entered bankruptcy. The maximum guarantee is lower for an individual who begins receiving benefits from PBGC before age 65 reflecting the fact that younger retirees are expected to receive more monthly pension checks over their lifetimes. Similarly, the maximum guarantee is higher for an individual who starts receiving benefits from PBGC after age 65. The maximum guarantee by age can be found on PBGC’s website, [www.pbgc.gov](http://www.pbgc.gov). The guaranteed amount is also reduced if a benefit will be provided to a survivor of the plan participant.

The PBGC guarantees “basic benefits” earned before a plan is terminated, which include

- pension benefits at normal retirement age;
- most early retirement benefits;
- annuity benefits for survivors of plan participants; and
- disability benefits for a disability that occurred before the date the plan terminated or the date the sponsor entered bankruptcy, as applicable.



The PBGC does not guarantee certain types of benefits:

- The PBGC does not guarantee benefits for which you do not have a vested right, usually because you have not worked enough years for the company.
- The PBGC does not guarantee benefits for which you have not met all age, service, or other requirements.
- Benefit increases and new benefits that have been in place for less than one year are not guaranteed. Those that have been in place for less than five years are only partly guaranteed.
- Early retirement payments that are greater than payments at normal retirement age may not be guaranteed. For example, a supplemental benefit that stops when you become eligible for Social Security may not be guaranteed.
- Benefits other than pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay, are not guaranteed.
- The PBGC generally does not pay lump sums exceeding \$7,000.

In some circumstances, participants and beneficiaries still may receive some benefits that are not guaranteed. This depends on how much money the terminated plan has and how much the PBGC recovers from employers for plan underfunding.

For additional general information about the PBGC and the pension insurance program guarantees, go to the "General FAQs about PBGC" on PBGC's website at [www.pbgc.gov/generalfaqs](http://www.pbgc.gov/generalfaqs). Please contact your employer or plan administrator for specific information about your pension plan or pension benefit. PBGC does not have that information. See "Where to Get More Information" below.

#### Corporate and Actuarial Information on File with PBGC

A plan sponsor must provide the PBGC with financial information about itself and actuarial information about the plan under certain circumstances, such as when the funding target attainment percentage of the plan (or any other pension plan sponsored by a member of the sponsor's controlled group) falls below 80 percent (other triggers may also apply). The sponsor of the Plan, Smiths Group, or a member of its controlled group, was subject to this requirement to provide corporate financial information and plan actuarial information to the PBGC. The PBGC uses this information for monitoring and other purposes.

#### Where to Get More Information

For more information about this notice, you may contact the Smiths Group Pension Service Center at Dept: Smiths, PO Box 981912, El Paso, TX 79998 (1-844-674-8339). For identification purposes, the official plan number is 001 and the plan sponsor's name and employer identification number or "EIN" are Smiths Group Services Corporation and 22-3015350.