Unaudited Condensed Consolidated Interim Financial Statements of

HAMMOND MANUFACTURING COMPANY LIMITED

Six months ended July 1, 2016 and July 3, 2015

Quarter 2, 2016 Report

MANAGEMENT'S COMMENTS ON UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim consolidated financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of Hammond Manufacturing Company Limited (the "Company") have been prepared by and are the responsibility of the Company's management. The unaudited condensed consolidated interim financial statements are prepared in accordance with accounting principles generally accepted in Canada (these statements are prepared under International Financial Reporting Standards (IFRS)) and reflect management's best estimates and judgment based on information currently available. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

HAMMOND MANUFACTURING COMPANY LIMITED

Condensed Consolidated Statements of Financial Position
Unaudited
(in thousands of Canadian dollars)

	Note	July 1, 2016	December 31, 2015
Assets			
Current assets:			
Cash		$ 3,927	$ 263
Trade and other receivables	4	14,638	16,238
Income taxes receivable		496	185
Inventories	5	31,347	30,599
Prepaid expenses		1,074	1,179
Total current assets		51,482	48,464
Non-current assets			
Property, plant and equipment	6	30,924	28,951
Intangible assets and goodwill	7	365	386
Investment property	8	1,044	1,044
Equity investment		549	549
Total non-current assets		32,882	30,930
Total assets		**$ 84,364**	**$ 79,394**
Liabilities			
Current liabilities:			
Bank indebtedness	9	$ 12,180	$ 12,261
Trade and other payables	10	11,472	17,149
Current portion of provisions	11	125	125
Current portion of employee future benefits	12	62	62
Current portion of long-term debt	9	10,353	4,452
Total current liabilities		34,192	34,049
Non-current liabilities			
Employee future benefits	12	258	258
Long-term debt	9	5,933	730
Provisions	11	100	100
Deferred tax liabilities		722	729
Total non-current liabilities		7,013	1,817
Total liabilities		**41,205**	**35,866**
Equity:			
Share capital		10,249	10,249
Contributed surplus		290	290
Accumulated other comprehensive income		2,380	3,638
Retained earnings		30,240	29,351
Total equity		43,159	43,528
Total liabilities and equity		**$ 84,364**	**$ 79,394**

The notes on pages 7 to 17 are an integral part of these condensed consolidated interim financial statements.

HAMMOND MANUFACTURING COMPANY LIMITED

Condensed Consolidated Statements of Comprehensive Income

Unaudited

(in thousands of Canadian dollars, except earnings per share)

		Six Months Ended:		Three Months Ended:	
	Note	**July 1, 2016**	**July 3, 2015**	**July 1, 2016**	**July 3, 2015**
Net product sales		$ 59,785	$ 59,509	$ 28,011	$ 28,993
Cost of sales		42,481	41,054	20,719	20,233
Gross profit		17,304	18,455	7,292	8,760
Selling and distribution		13,141	12,549	6,497	6,122
General and administrative		2,560	2,527	1,286	1,250
Research and development		167	165	95	81
Income from operating activities		1,436	3,214	(586)	1,307
Interest expense	9	(373)	(122)	(229)	(65)
Foreign exchange gain (loss)		531	(562)	67	61
Net finance costs		158	(684)	(162)	(4)
Share of expenses from investment property	8	(40)	(41)	(34)	(25)
Income before income tax		1,554	2,489	(782)	1,278
Income tax expense		439	724	(172)	341
Net income for the period		**1,115**	**1,765**	**$ (610)**	**$ 937**
Other comprehensive income (loss): Foreign currency translation differences for foreign operations		(1,258)	1,032	(156)	63
Other comprehensive income for the period, net of income tax		(1,258)	1,032	(156)	63
Total comprehensive income for the period		**$ (143)**	**$ 2,797**	**$ (766)**	**$ 1,000**
Earnings per share					
Basic earnings per share	14	$ 0.10	$ 0.16	$ (0.05)	$ 0.09
Diluted earnings per share	14	$ 0.10	$ 0.16	$ (0.05)	$ 0.09

The notes on pages 7 to 17 are an integral part of these condensed consolidated interim financial statements.

HAMMOND MANUFACTURING COMPANY LIMITED

Unaudited Condensed Consolidated Statements of Changes in Equity
For the six months ended July 1, 2016
(in thousands of Canadian dollars)

	Attributable to equity holders of the Company				
	Share Capital	**Contributed Surplus**	**AOCI****	**Retained earnings**	**Total equity**
Balance at January 1, 2016	$ 10,249	$ 290	$ 3,638	$ 29,351	$ 43,528
Total comprehensive income for six months ended July 1, 2016:					
Net income for the six months ended July 1, 2016	-	-	-	1,115	1,115
Other comprehensive income (loss):					
Foreign currency translation differences	-	-	(1,258)	-	(1,258)
Total comprehensive income for the period	-	-	(1,258)	1,115	(143)
Transactions with owners, recorded directly in equity:					
Dividends to equity holders	-	-	-	(226)	(226)
Balance at July 1, 2016	$ 10,249	$ 290	$ 2,380	$ 30,240	$ 43,159

** Accumulated other comprehensive income (loss)

HAMMOND MANUFACTURING COMPANY LIMITED

Unaudited Condensed Consolidated Statements of Changes in Equity
For the six months ended July 3, 2015
(in thousands of Canadian dollars)

	Attributable to equity holders of the Company				
	Share Capital	**Contributed Surplus**	**AOCI****	**Retained earnings**	**Total equity**
Balance at January 1, 2015	$ 10,249	$ 290	$ 1,202	$ 25,801	$ 37,542
Total comprehensive income for six months ended July 3, 2015:					
Net income for the six months ended July 3, 2015	-	-	-	1,765	1,765
Other comprehensive income:					
Foreign currency translation differences	-	-	1,032	-	1,032
Total comprehensive income for the period	-	-	1,032	1,765	2,797
Transactions with owners, recorded directly in equity:					
Dividends to equity holders	-	-	-	-	-
Balance at July 3, 2015	$ 10,249	$ 290	$ 2,234	$ 27,566	$ 40,339

** Accumulated other comprehensive income (loss)

The notes on pages 7 to 17 are an integral part of these condensed consolidated interim financial statements.

HAMMOND MANUFACTURING COMPANY LIMITED

Unaudited Condensed Consolidated Statements of Cash Flows

(in thousands of Canadian dollars)

For the six months ended,	July 1, 2016	July 3, 2015
Cash flows from operating activities		
Net income for the period	$ 1,115	$ 1,765
Adjustments for:		
Depreciation of property, plant and equipment	1,289	1,063
Amortization of intangible assets	38	36
Interest expense	373	122
Income tax expense	439	724
	3,254	3,710
Change in non-cash working capital:		
Inventories	(1,324)	(98)
Trade and other receivables	1,041	(781)
Prepaid expenses	78	(135)
Trade and other payables	(5,527)	(1,455)
Cash generated from operating activities	(2,478)	1,241
Interest paid	(373)	(122)
Income tax paid	(742)	(1,850)
Net cash generated from operating activities	**(3,593)**	**(731)**
Cash flows from financing activities		
Bank indebtedness	(72)	3,645
Payment of long-term debt	(165)	24
Advances of long-term debt	11,283	-
Payment of dividends	(226)	(226)
Net cash generated from (used in) financing activities	10,820	3,443
Cash flows from investing activities		
Acquisition of of property, plant and equipment	(3,380)	(2,391)
Intangible asset additions	(39)	(25)
Net cash used in investing activities	(3,419)	(2,416)
Net increase in cash	**3,808**	**296**
Cash at beginning of year	263	326
Foreign exchange gain on cash and cash equivalents in a foreign currency	(144)	283
Cash at end of period	$ 3,927	$ 905

The notes on pages 7 to 17 are an integral part of these condensed consolidated interim financial statements.

1. Reporting entity:

Hammond Manufacturing Company Limited (“HMCL”or the“Company”) is a public company traded on the Toronto Stock Exchange under the symbol “HMM.A” and is incorporated under the Ontario Business Corporations Act. The address of the Company’s registered office is 394 Edinburgh Road North, Guelph, Ontario. The unaudited condensed consolidated interim financial statements of the Company as at and for the period ended July 1, 2016 include the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) and the Group’s interest in associates and jointly controlled entities. The Group primarily is involved in the design, manufacture and sale of electrical and electronic components. Facilities are located in Canada, the USA, the UK, Taiwan and Australia, with agents and distributors located worldwide. The Company also maintains a 40% ownership share of RITEC Enclosures Inc. (RITEC) located in Taiwan. RITEC produces plastic and die-cast enclosures for sale through the Company’s sales network and its own existing market channels.

2. Basis of preparation:

(a) Statement of compliance:

These unaudited condensed consolidated interim financial statements have been prepared in accordance with requirements of IAS 34, International Financial Reporting Standards (IFRS) and do not include all of the information required for full annual financial statements. Accordingly, certain information and footnotes as required in the annual financial statements have been omitted or condensed and as such these interim financial statements should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2015. These condensed consolidated interim financial statements and the notes thereto have not been reviewed by the Company’s external auditors pursuant to a review engagement applying review standards set out in the Canadian Institute of Chartered Accountants handbook.

The Board of Directors approved these unaudited condensed consolidated interim financial statements on August 5, 2016.

(b) Basis of measurement:

The unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis.

(c) Use of estimates and judgments:

The preparation of financial statements in conformity with IFRS requires management to make estimates and judgments about the future. Estimates and judgments are continually evaluated and are based on the historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates under different assumptions or conditions. Management’s most critical estimates and assumptions in determining the value of assets and liabilities and most critical judgments in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year have been set-

(tabular amounts in thousands of Canadian dollars)

2. Basis of preparation - continued:

out in Note 2 of the Company's annual financial statements for the year ended December 31, 2015.

3. Summary of significant accounting policies:

The Company has prepared these unaudited condensed consolidated interim financial statements using the same accounting policies and methods as those used in the Company's audited consolidated annual financial statements for the year ended December 31, 2015.

4. Trade and other receivables:

	July 1, 2016	December 31, 2015
Trade receivables	$ 14,709	$ 15,150
Employee receivables	12	11
Other receivables	63	1,223
	14,784	16,384
Allowance for doubtful accounts	(146)	(146)
Trade and other receivables	$ 14,638	$ 16,238

The following table reflects the aging of trade receivable as at July 1, 2016 and December 31, 2015:

	July 1, 2016			December 31, 2015		
	Gross	Impairment	Carrying Value	Gross	Impairment	Carrying Value
Aging of trade receivables:						
1 – 30 days	$ 9,526	$ -	$ 9,526	$ 8,441	$ -	$ 8,441
31 – 60 days	4,237	-	4,237	5,165	-	5,165
61 – 90 days	775	-	775	1,247	-	1,247
Over 90 days	171	146	25	297	146	151
Trade receivables	$ 14,709	$ 146	$ 14,563	$ 15,150	$ 146	$ 15,004

(tabular amounts in thousands of Canadian dollars)

4. Trade and other receivables - continued:

The following table provides the roll forward of the allowance for doubtful accounts:

	July 1, 2016	December 31, 2015
Allowance for doubtful accounts, beginning of year	$ 146	$ 122
Accounts provided for in the period	-	37
Amounts written off during the period	-	(13)
Allowance for doubtful accounts	$ 146	$ 146
Allowance for doubtful accounts as % of net trade receivable	1.0%	1.0%

The following table provides the net details of trade and other receivables:

	July 1, 2016	December 31, 2015
Net trade receivable	$ 14,563	$ 15,004
Employee receivables	12	11
Other receivable	63	1,223
Trade and other receivables	$ 14,638	$ 16,238

5. Inventories:

	July 1, 2016	December 31, 2015
Raw materials and work-in-process	$ 9,573	$ 8,533
Finished goods	21,774	22,066
Inventories	$ 31,347	$ 30,599

(tabular amounts in thousands of Canadian dollars)

6. Property plant and equipment:

Cost

	Land and buildings	Machinery and equipment	Tooling	Office equipment	Total
Balance at December 31, 2014	$ 9,238	$ 35,492	$ 8,540	$ 4,898	$ 58,168
Additions	$ 9,894	$ 6,327	$ 822	$ 37	$ 17,080
Disposals	(15)	-	-	(36)	(51)
Effect of movements in exchange rates	11	294	353	49	707
Balance at December 31, 2015	$ 19,128	$ 42,113	$ 9,715	$ 4,948	$ 75,904
Additions	$ 1,685	$ 1,206	$ 309	$ 173	$ 3,373
Disposals	-	216	-	-	216
Effect of movements in exchange rates	(17)	(173)	(283)	(48)	(521)
Balance at July 1, 2016	$ 20,796	$ 43,362	$ 9,741	$ 5,073	$ 78,972

Accumulated depreciation

	Land and buildings	Machinery and equipment	Tooling	Office equipment	Total
Balance at December 31, 2014	$ 5,141	$ 28,018	$ 6,575	$ 4,625	$ 44,359
Depreciation for the year	$ 180	$ 1,465	$ 323	$ 133	$ 2,101
Disposals	(15)	-	-	(36)	(51)
Effect of movements in exchange rates	10	203	289	42	544
Balance at December 31, 2015	$ 5,316	$ 29,686	$ 7,187	$ 4,764	$ 46,953
Depreciation for the period	$ 155	$ 909	$ 166	$ 54	$ 1,284
Disposals		216			216
Effect of movements in exchange rates	(13)	(117)	(232)	(43)	(405)
Balance at July 1, 2016	$ 5,458	$ 30,694	$ 7,121	$ 4,775	$ 48,048

Carrying amounts

	Land and buildings	Machinery and equipment	Tooling	Office equipment	Total
At December 31, 2014	$ 4,097	$ 7,474	$ 1,965	$ 273	$ 13,809
At December 31, 2015	$ 13,812	$ 12,427	$ 2,528	$ 184	$ 28,951
At July 1, 2016	$ 15,338	$ 12,668	$ 2,620	$ 298	$ 30,924

(tabular amounts in thousands of Canadian dollars)

7. Intangible assets:

Cost

		Goodwill		Computer software		Development costs		Total
Balance at December 31, 2014	$	120	$	2,078	$	185	$	2,383
Additions	$	-	$	21	$	25	$	46
Effect of movement in exchange rates		16		14		-		30
Balance at December 31, 2015	$	136	$	2,113	$	210	$	2,459
Additions	$	-	$	8	$	31	$	39
Effect of movement in exchange rates		(21)		(6)				(27)
Balance at July 1, 2016	$	115	$	2,115	$	241	$	2,471

Amortization and impairment losses

		Goodwill		Computer software		Development costs		Total
Balance at December 31, 2014	$	-	$	1,876	$	108	$	1,984
Amortization for the year	$	-	$	48	$	27	$	75
Effect of movement in exchange rates		-		14		-		14
Balance at December 31, 2015	$	-	$	1,938	$	135	$	2,073
Amortization for the period	$	-	$	26	$	12	$	38
Effect of movement in exchange rates		-		(5)				(5)
Balance at July 1, 2016	$	-	$	1,959	$	147	$	2,106

Carrying amounts

		Goodwill		Computer software		Development costs		Total
At December 31, 2014	$	120	$	202	$	77	$	399
At December 31, 2015	$	136	$	175	$	75	$	386
At July 1, 2016	$	115	$	156	$	94	$	365

8. Investment property:

The Company’s direct operating expenses in the first six months of 2016 related to the property were $40,000 (2015 - $41,000).

(tabular amounts in thousands of Canadian dollars)

9. Loans and borrowings:

Long Term debt:

	July 1, 2016	December 31, 2015
Demand term loan drawn in US funds at a fixed interest rate of 6.05% through December 2018, secured by the assets of HMCL. Monthly principal installments of $15 USD.	$ 592	$ 760
Demand term loan amortized over 25 years drawn in USD funds at a fixed interest rate of 5.30% through March 2026, secured by the assets of Hammond Manufacturing Company Limited. Monthly principal installments of $5 USD.	1,938	2,076
Demand term loan amortized over 25 years drawn in CDN funds at a fixed interest rate of 5.20% through March 2026, secured by the assets of Hammond Manufacturing Company Limited. Monthly principal installments of $15 CDN.	1,500	1,500
Demand loan secured by the assets of Hammond Manufacturing Company Limited. Interest at prime plus 1.25%. Fixed terms and rates to be set in the third quarter now that building is complete.	5,504	-
Interest free term loan of $385 made in 2015 and $800 in 2016 through the Federal Economic Development Agency for Southern Ontario. Repayment will be over 60 equal monthly installments starting January 1, 2020. Value represents the present value of the stream of payments to repay utilizing a 5.2% discount factor.	869	275
Subtotal	10,403	4,611
Finance lease obligations:		
Secured by equipment, drawn in GBP Sterling at interest rate 8.8%. Monthly installments of £1 GBP until April 2019.	64	87
Secured by equipment, drawn in US funds at interest rate of 4.97%. Monthly installments of $7 USD until April 2019 with a lump sum payment at that time of $114 USD.	408	484
Secured by equipment, drawn in US funds at interest rate of 3.75%. Monthly installments of $57 USD until May 2023 with a lump sum payment at that time of $Nil USD.	5,384	-
Secured by equipment, drawn in US funds at interest rate of 3.5%. Monthly installments of $0.42 USD until December 2020 with a lump sum payment at that time of $Nil USD.	27	-
Subtotal	5,883	571
Total long-term debt	$ 16,286	$ 5,182
Less current portion of long-term debt	10,353	4,452
Non-current long-term debt	$ 5,933	$ 730

(tabular amounts in thousands of Canadian dollars)

9. Loans and borrowings- continued:

Bank indebtedness:

Bank indebtedness is due on demand and secured by inventories, a general assignment of book debts and a charge on specific assets of the Company. The Company has established operating lines for the entities in Canada, the US and the UK. The following chart depicts the amount utilized in each of the entities lines of credit.

		July 1, 2016		December 31, 2015	
		Local currency	CDN $	Local currency	CDN $
Canadian entities	CDN	$ 12,149	$ 12,148	$ 12,219	$ 12,219
UK entity	GBP	£ 18	32	£ 21	42
Bank indebtedness			$ 12,180		$ 12,261

Interest is payable at the rate of bank prime plus 50 basis points (2015 - bank prime plus 50 basis points).

Interest expense:

Interest expense is comprised as follows:

	Six Months Ended:		Three Months Ended:	
	July 1, 2016	July 3, 2015	July 1, 2016	July 3, 2015
Long Term debt, including capital leases	$ 177	$ 12	$ 123	$ 6
Bank indebtedness	196	110	$ 106	$ 59
Interest expense	$ 373	$ 122	$ 229	$ 65

10. Trade and other payables:

	July 1, 2016	December 31, 2015
Trade payables	$ 4,006	$ 4,802
Non-trade payables and accrued expenses	7,466	12,347
	$ 11,472	$ 17,149

(tabular amounts in thousands of Canadian dollars)

11. Provisions:

	Environmental Remediation	Sales Returns	Total
Balance at December 31, 2015	$ 170	$ 55	$ 225
Provisions made during the period	-	-	-
Provisions used during the period	-	-	-
Balance at December 31, 2015	$ 170	$ 55	$ 225
Non-current	100	-	100
Current	70	55	125
Balance at July 1, 2016	$ 170	$ 55	$ 225

The provision for environmental remediation is based on the estimated costs to setup and extract contamination from our Glen Ewing Property. The anticipated costs are based on an external consultant's remediation plan, discounted for timing using a discount rate of 6.5% (2015 – 6.5%). There are three years remaining in the clean-up plan.

The provision for sales returns is based on estimates from historical returns of product. The provision reflects the estimated profit margin of the anticipated returns.

12. Employee future benefits:

	July 1, 2016	December 31, 2015
Post employment health benefits	$ 34	$ 40
Employee health benefits while on disability	286	280
Total employee future benefits	$ 320	$ 320

	Post employment health benefits	Employee health benefits while on disability	Total
Balance at December 31, 2015	$ 40	$ 280	$ 320
Provisions made during the period	-	23	23
Provisions used during the period	(6)	(17)	(23)
Balance at July 1, 2016	$ 34	$ 286	$ 320
Non-current	22	236	258
Current	12	50	62
Balance at July 1, 2016	$ 34	$ 286	$ 320

14. Earnings per share:

The computations for basic and diluted earnings per share are as follows:

(in thousands of Canadian dollars, except per share data)

	Six Months Ended:		Three Months Ended:	
	July 1, 2016	**July 3, 2015**	**July 1, 2016**	**July 3, 2015**
Income for the period	$ 1,115	$ 1,765	$ (610)	$ 937
Average number of common shares outstanding:				
Basic and Diluted	11,344	11,344	11,344	11,344
Earnings per share:				
Basic	$ 0.10	$ 0.16	$ (0.05)	$ 0.09
Diluted	$ 0.10	$ 0.16	$ (0.05)	$ 0.09

No share options to purchase common shares were outstanding as at April 3, 2015 or April 1, 2016.

15. Personnel expenses:

	Six Months Ended:		Three Months Ended:	
	July 1, 2016	July 3, 2015	July 1, 2016	July 3, 2015
Wages and salaries	$ 19,284	$ 18,053	$ 9,563	$ 8,884
Health benefit plans	441	407	206	197
Canadian Pension Plan (CPP) and EI remittances	638	573	313	276
Contributions to defined contribution plans	2,856	2,738	1,420	1,330
	$ 23,219	$ 21,771	$ 11,502	$ 10,687

	July 1, 2016	July 3, 2015	July 1, 2016	July 3, 2015
Cost of sales	$ 17,077	$ 15,661	$ 8,501	$ 7,656
Selling and distribution	4,624	4,500	2,272	2,258
General and administrative	1,414	1,501	668	714
Research and development	104	109	61	59
	$ 23,219	$ 21,771	$ 11,502	$ 10,687

(tabular amounts in thousands of Canadian dollars)

16. Segment disclosures:

The continuing operations of the Company are in one operating segment, electrical and electronic components.

The Company and its subsidiaries operate in Canada, the United States, the United Kingdom and Australia.

Segment Disclosures

The continuing operations of the Company are in one industry segment, electrcal and electronic components.

The Company and its subsidiaries operate in Canada, the United States, the United Kingdom and Australia. Inter-segment sales are made at fair market values.

Geographic Segments		Six Months Ended:		Three Months Ended:	
		July 1, 2016	July 3, 2015	July 1, 2016	July 3, 2015
Net Product Sales:					
Canada:					
	Sales to customers	$ 21,663	$ 21,488	$ 10,717	$ 10,475
United States:					
	Sales to customers	31,820	32,147	14,459	15,809
All other countries:					
	Sales to customers	6,302	5,874	2,835	2,709
Net product sales		$ 59,785	$ 59,509	$ 28,011	$ 28,993
Non-current assets:					
Canada:					
	Non-current assets	$ 31,752	$ 15,871		
United States:					
	Non-current assets	640	583		
All other countries:					
	Non-current assets	490	594		
Total	Non-current assets	$ 32,882	$ 17,048		

17. Related party transactions:

(a) Key management includes the Company's directors and members of the executive management team. Compensation awarded to key management included:

	Six Months Ended:		Three Months Ended:	
	July 1, 2016	**July 3, 2015**	**July 3, 2016**	**July 3, 2015**
Salaries and short-term employee benefits	$ 328	$ 342	$ 170	$ 151

17. Related party transactions - continued:

(b) The Company purchased $1,529,000 of product from RITEC in the six months ended July 1, 2016 ($1,844,000 in six months ended July 1, 2015). These transactions were made in the normal course of business and have been recorded at the exchange amounts, being the amount agreed to by the two parties.

All outstanding trade balances with related parties are to be settled in cash within 6 months of the reporting date. None of the balances are secured. Trade receivable as at July 1, 2016 was $4,601 (December 31, 2015 – $9,000) while trade payable was $230,143 (December 31, 2015 – $158,425).

The Chairman of the Corporation, Robert Frederick Hammond, through direct and indirect ownership of Class A and Class B voting shares effectively controls the Company.