

C H ROBINSON WORLDWIDE INC

Form 11-K

June 27, 2018

Table of Contents

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON D.C. 20549

FORM 11-K

ý ANNUAL REPORT PURSUANT TO SECTION 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2017

or

“TRANSITION REPORT PURSUANT TO SECTION 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from            to

Commission file number 000-23189

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

ROBINSON COMPANIES RETIREMENT PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

C.H. ROBINSON WORLDWIDE, INC.

14701 Charlson Road

Eden Prairie, MN 55347

---

ROBINSON COMPANIES RETIREMENT PLAN  
TABLE OF CONTENTS

	Page
<u>REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	<u>3</u>
FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016:	
<u>Statements of Net Assets Available for Benefits</u>	<u>4</u>
<u>Statements of Changes in Net Assets Available for Benefits</u>	<u>5</u>
<u>Notes to Financial Statements</u>	<u>6</u>
<u>SUPPLEMENTAL SCHEDULE FURNISHED PURSUANT TO THE REQUIREMENTS OF FORM 5500—</u>	<u>11</u>
<u>Schedule H, Part IV, Line 4i — Schedule of Assets (Held at End of Year) as of December 31, 2017</u>	<u>12</u>

All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for  
NOTE: Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted  
because they are not applicable.

Table of Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Plan Participants and Plan Administrator of Robinson Companies Retirement Plan

Opinion on the Financial Statements

We have audited the accompanying statements of net assets available for benefits of Robinson Companies Retirement Plan (the "Plan") as of December 31, 2017 and 2016, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the net assets available for benefits for the year ended December 31, 2017 and 2016, and the changes in net assets available for benefits for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Plan in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Report on Supplemental Schedules

The supplemental schedule of assets (held at end of year) as of December 31, 2017 has been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental schedule is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental schedule reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedule. In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, is presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, such schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

Minneapolis, Minnesota

June 27, 2018

We have served as the auditor of the Plan since 2002.

Table of Contents

ROBINSON COMPANIES RETIREMENT PLAN  
 STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
 AS OF DECEMBER 31, 2017 AND 2016

	2017	2016
ASSETS:		
Non-interest-bearing cash	\$ 167,366	\$—
Participant-directed investments — at fair value (Note 3)	1,022,743,631	852,286,664
Total Investments	1,022,910,997	852,286,664
Notes receivable from participants	21,052,063	19,651,204
Operating payable	—	(179,394 )
NET ASSETS AVAILABLE FOR BENEFITS	\$ 1,043,963,060	\$ 871,758,475

See Notes to financial statements.

Table of Contents

ROBINSON COMPANIES RETIREMENT PLAN  
 STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
 FOR THE YEAR ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
ADDITIONS — Additions to net assets attributed to:		
Contributions:		
Employer	\$28,505,146	\$27,206,703
Participant	42,797,667	40,450,287
Rollover	3,267,072	17,977,395
Net unrealized and realized appreciation in fair value of investments	147,526,952	68,587,780
Interest, dividend, and other income	11,702,912	10,295,922
Total additions	233,799,749	164,518,087
DEDUCTIONS — Deductions to net assets attributed to:		
Benefits paid to participants	60,617,439	50,546,928
Administrative expenses	977,725	869,574
Total deductions	61,595,164	51,416,502
NET INCREASE	172,204,585	113,101,585
NET ASSETS AVAILABLE FOR BENEFITS — Beginning of year	871,758,475	758,656,890
NET ASSETS AVAILABLE FOR BENEFITS — End of year	\$1,043,963,060	\$871,758,475
See Notes to financial statements.		

Table of Contents

ROBINSON COMPANIES RETIREMENT PLAN  
NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

1. DESCRIPTION OF THE PLAN

General - C.H. Robinson Worldwide, Inc. (the “Company” or CHRW), established the Robinson Companies Retirement Plan (the “Plan”), a defined contribution plan, to provide retirement income and other benefits to eligible employees of the Company and certain affiliates under a single profit-sharing plan with multiple, affiliated, and sponsoring employers. The following is not a comprehensive description of the Plan and, therefore, does not include all situations and limitations covered by the Plan. Participants should refer to the Plan document for more complete information.

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Operation of the Plan - The Plan is administered by officers/employees of the Company (the “Advisory Committee”). The Advisory Committee meets on a quarterly basis with an independent investment advisor to review and monitor the investments within the Plan. Wells Fargo Institutional Retirement and Trust (“Wells Fargo”) is the trustee and recordkeeper of the Plan. The trustee is responsible for holding the assets of the Plan, executing investment transactions, and making distributions to participants. Administrative fees of the Plan, including trustee and investment advisory fees, are paid by the Plan.

Contributions - Participants may contribute up to 50% of their pretax compensation, as defined in the Plan, subject to certain Internal Revenue Code (IRC) limitations, which were \$18,000 for 2017 and 2016.

The Company makes an employer-matching contribution and may make a discretionary profit-sharing contribution. Under the terms of the Plan, the annual contribution amount cannot exceed the maximum amount allowable as a deduction in computing the Company’s consolidated taxable income.

The formula for the matching contribution is 100% of the first 4% of recognized compensation of total eligible participants in 2017 and 2016. The Company made matching contributions to the Plan of \$28,505,146 in 2017 and \$27,206,703 in 2016.

The Company did not make a discretionary profit-sharing contribution in 2017 or 2016.

Participation and Vesting - Each employee who has completed 30 consecutive days of service with the Company or one of its participating affiliates is eligible to be a participant of the retirement savings and matching portions of the Plan. Each employee who has completed 1,000 hours of service within the Plan year and has been employed by the Company or one of its participating affiliates for 12 months is eligible to be a participant of the discretionary profit-sharing portion of the Plan on the first day of the following January or July.

The Plan has an enrollment feature, which allows the employee to set the deferral rate each pay period. Beginning January 1, 2007, the Company adopted automatic enrollment for new employees at a deferral rate of 4% as of the date they are eligible to participate in the retirement savings portion of the Plan. Employees are eligible to change the deferral rate at any time. The employer-matching contribution is made by the Company. Participants are 100% vested in their contributions as well as employer-matching contributions at all times. Participants' vesting in the Company's employer profit-sharing contributions is based on years of service. Participants are 20% vested after one year of service and vest an additional 20% on each successive service anniversary date, becoming 100% vested after five years of service.

A participant’s account is also fully vested and nonforfeitable when the participant attains age 59 1/2, is permanently disabled, or dies during employment, if the Plan is terminated, or if there is a complete discontinuance of contributions by the Company under the Plan.

Gains or losses in the value of the assets and investment income of the Plan during the year are allocated to each participant based on the value of each participant’s account.

Participant Accounts - Individual accounts are maintained for each participant of the Plan. Each participant’s account is credited with the participant’s contribution and related matching and nonelective contributions and Plan



Table of Contents

earnings. Participant accounts are also charged with withdrawals and an allocation of plan losses and administrative expenses that are paid by the Plan. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

**Forfeited Accounts** - Amounts forfeited by former participants are used to restore rehired participant balances, to reduce employer-matching contributions, to reduce employer discretionary contributions, to reduce the Plan expenses, or to correct errors, omissions, and exclusions. As of December 31, 2017 and 2016, forfeited nonvested accounts totaled \$205,064 and \$109,009, respectively. These accounts will primarily be used to reduce future employer contributions or pay Plan administrative expenses. During the years ended December 31, 2017 and 2016, employer contributions were reduced by \$50,037 and \$47,827, respectively, from forfeited nonvested accounts.

**Notes Receivable from Participants** - Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balances. Loan terms range from 1 to 5 years or up to 10 years for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest equal to the prime rate as published by The Wall Street Journal for the last business day of the calendar month preceding the calendar month in which the loan is granted. Interest rates on loans as of December 31, 2017 range from 3.25% to 5.00%. Loan principal and interest is repaid ratably through payroll deductions. Participant loans are valued at the unpaid principal balance plus accrued but unpaid interest.

**Payment of Benefits** - On termination of employment, retirement, reaching age 59 1/2, death, or disability, a participant, or in the case of death, the participant's beneficiary, will receive upon request the vested portion of the amounts credited to the participant's account in a lump-sum payment.

**Investments** - Each participant elects the amount of his or her account balance to be invested in the respective available investment funds. Participants are able to direct their investments into 23 different investment funds, the Company's stock, or into self-directed investment options (limited to investments in funds).

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Use of Estimates** - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits at the date of the financial statements and the reported amounts of changes in net assets available for benefits during the reporting period. Actual results could differ from those estimates.

**Risks and Uncertainties** - The Plan provides for investment in a variety of investment funds including self-directed investment funds and the Company's stock. Investments, 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 change could materially affect participants' account balances and the amounts reported in the financial statements.

Shares of the sponsor's common stock represent approximately 6% and 7% percent of total investments at December 31, 2017 and 2016, respectively.

**Investment Valuation and Income Recognition** - The Plan's investments are stated at fair value. Investments in shares of mutual funds are valued at quoted market prices, which represent the net asset value ("NAV") of shares held by the Plan at year end. Investments in common stock, preferred stock and corporate bonds are stated at fair value based upon the closing price as reported on a recognized securities exchange on the last business day of the year.

Investments in common collective trust and stable value fund assets are measured at fair value using the NAV practical expedient. Refer to Note 3 of these notes to the financial statements for additional information.

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



Table of Contents

Management fees and operating expenses charged to the Plan for investments in the mutual funds are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments.

Payment of Benefits - Benefit payments to participants are recorded upon distribution.

Excess Contributions Payable - The Plan is required to return contributions received during the Plan year in excess of the IRC limits. As of December 31, 2017 and 2016, there were no excess contributions payable.

Notes Receivable from Participants - Notes receivable from participants are measured at their unpaid principal balances plus any accrued but unpaid interest. Delinquent participant loans are recorded as distributions based on the terms of the Plan document.

Administrative Expenses - Administrative expenses of the Plan are paid by the Plan as provided in the Plan document.

**3. FAIR VALUE MEASUREMENTS**

Financial Accounting Standard Board ("FASB") Accounting Standards Codification ("ASC") 820, Fair Value Measurements and Disclosures, provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, as follows: Level 1, which refers to securities valued using unadjusted quoted prices from active markets for identical assets; Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available; and Level 3, which refers to securities valued based on significant unobservable inputs. Assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Asset Valuation Techniques - Valuation technologies maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2017 and 2016.

CHRW Common Stock - The Company's common stock is valued at the closing price reported on the active market on which the securities are traded on the last business day of the Plan year.

Mutual funds - Shares of registered investment companies, consisting of mutual funds, are valued at quoted market prices that represent the NAV of shares held at Plan year-end. Self-directed accounts primarily consist of domestic and international mutual funds.

Common collective trusts - Investments in common collective trust funds are valued at the NAV of units of a bank collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.

Stable value funds - Investments in stable value funds may invest in traditional insurance investment contracts, U.S. government and agency securities, asset-backed securities, and collective investment funds. The Fund is composed primarily of fully benefit-responsive investment contracts and is reported at fair value using NAV as a practical expedient. The Plan does not hold a direct investment in these fully benefit-responsive investment contracts. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Most of the guaranteed investment contracts (GIC) contained in the Fund provide a fixed interest rate over the term to maturity, and therefore do not experience fluctuating crediting rates.

In accordance with FASB ASC 820, as of December 31, 2017 and 2016, the tables below include the major categorization for the Plan's investments securities on the basis of the nature and risk of the investments:

Table of Contents

	Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	2017 Total
Common stock — CHRW common stock	\$65,684,145	\$	—\$	—\$65,684,145
Mutual funds:				
Domestic stock fund	234,275,697	—	—	234,275,697
International stock fund	85,740,755	—	—	85,740,755
Self-directed accounts	48,802,092	—	—	48,802,092
All asset fund	14,828,001	—	—	14,828,001
Life cycle funds	312,047,207	—	—	312,047,207
Total mutual funds	695,693,752	—	—	695,693,752
Common collective trusts measured at NAV				209,711,733
Stable value fund measured at NAV				51,654,001
Total investments at fair value	\$761,377,897	\$	—\$	—\$1,022,743,631

	Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	2016 Total
Common stock — CHRW common stock	\$59,245,714	\$	—\$	—\$59,245,714
Mutual funds:				
Domestic stock fund	208,640,744	—	—	208,640,744
International stock fund	71,979,940	—	—	71,979,940
Self-directed accounts	40,893,018	—	—	40,893,018
All asset fund	13,450,777	—	—	13,450,777
Life cycle funds	232,374,476	—	—	232,374,476
Total mutual funds	567,338,955	—	—	567,338,955
Common collective trusts measured at NAV				172,623,888
Stable value funds measured at NAV				53,078,107
Total investments at fair value	\$626,584,669	\$	—\$	—\$852,286,664

The following tables set forth a summary of the Plan's investments whose values were estimated using a reported NAV at December 31, 2017 and 2016.

December 31, 2017	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period (1)
Common Collective Trusts	\$209,711,733	n/a	Daily	Various
Stable Value Funds	51,654,001	n/a	Daily	Various
December 31, 2016	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period (1)
Common Collective Trusts	\$172,623,888	n/a	Daily	Various
Stable Value Funds	53,078,107	n/a	Daily	Various

(1) If the Plan initiates a full redemption of the investment, the issuer reserves the right to require 12 months' notification order to ensure the securities liquidations will be carried out in an orderly business manner.



Table of Contents

Transfers Between Levels - The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. We evaluate the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. The Plan's policy is to recognize significant transfers between levels at the end of the reporting period.

For the years ended December 31, 2017 and 2016, there were no transfers between levels.

#### 4. EXEMPT PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are managed by Wells Fargo. Wells Fargo was the trustee during the period as defined by the Plan. These transactions qualify as exempt party-in-interest transactions.

The Plan also holds 737,279 shares and 808,705 shares in the Company's common stock as of December 31, 2017 and 2016, respectively. In addition, the Plan recorded \$1,365,018 and \$1,415,317 in dividend income from the investment in the Company's common stock as of December 31, 2017 and 2016, respectively.

#### 5. PLAN TERMINATION

Although it has not expressed any intention to do so, the Company reserves the right to terminate the Plan at any time, subject to the Plan's provisions and ERISA regulations. In the event that the Plan is terminated, each participant shall become fully vested and shall be entitled to a benefit equal to the value of his or her account.

#### 6. FEDERAL INCOME TAX STATUS

The Internal Revenue Service (IRS) has determined and informed the Company by a letter dated August 21, 2014 that the Plan and related trust were designed in accordance with the applicable regulations of the IRC. The Company believes that the Plan is currently designed and operated in compliance with the applicable requirements of the IRC, and the Plan and related trust continue to be tax-exempt. Therefore, no provision for income taxes has been included in the Plan's 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. The Plan administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2017 and 2016, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2013.

#### 7. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits and the increase in net assets available for benefits per the financial statements to net assets and net income per the Form 5500 as of December 31, 2017 and for the year ended December 31, 2016, as applicable:

	2017	2016
Net assets available for benefit plans per the financial statements	\$ 1,043,963,060	\$ 871,758,475
Deemed distributions of participant loans	(5,861	) (3,557
Net assets available for benefits per the Form 5500	\$ 1,043,957,199	\$ 871,754,918
Increase in net assets per the financial statements	\$ 172,204,585	\$ 113,101,585
Deemed distribution activity	(2,304	) 3,172
Net income per Form 5500	\$ 172,202,281	\$ 113,104,757



Table of Contents

SUPPLEMENTAL SCHEDULE FURNISHED PURSUANT TO THE REQUIREMENTS OF FORM 5500

11

---

## ROBINSON COMPANIES RETIREMENT PLAN

Employer ID No: 41-0680048

Plan Number: 001

## SCHEDULE H, PART IV, LINE 4i — SCHEDULE OF ASSETS (HELD AT END OF YEAR)

AS OF DECEMBER 31, 2017

Description	Current Value
Stable value Funds:	
Columbia Trust Stable Income I-25 Fund	\$43,332,062
Wells Fargo Stable Return Fund <sup>(1)</sup>	8,321,939
Common collective trusts:	
Columbia Trust Balanced Fund II	46,872,372
Legal & General S&P 500 DC CIT	157,335,393
Legal & General MSCI AC World ex USD CIT	3,610,846
Legal & General Russell 2000 DC CIT	1,893,121
Registered investment companies:	
American Beacon Small Cap Value Fund	62,277,320
BlackRock Small Cap Growth Fund	28,124,848
John Hancock Mid-Cap Fund	101,633,149
JP Morgan Smart Retire 2020	17,612,079
JP Morgan Smart Retire 2025	2,921,330
JP Morgan Smart Retire 2030	42,689,870
JP Morgan Smart Retire 2035	5,868,031
JP Morgan Smart Retire 2040	98,782,941
JP Morgan Smart Retire 2045	7,370,901
JP Morgan Smart Retire 2050	118,081,810
JP Morgan Smart Retire 2055	11,598,183
JP Morgan Smart Retire Income	7,122,063
MFS Institutional International Equity Fund	85,740,755
PIMCO All Asset Fund	14,828,001
Times Square Mid Cap Growth Fund	38,430,574
Vanguard Total Bond Market Index Admiral	3,809,806
Common stock — CHRW common stock	65,684,145
Self-directed account	48,802,092
Participant loans <sup>(1)</sup> (interest rates range from 3.25% to 5.00% and maturity dates range from 2018 to 2029)	21,052,063
TOTAL	\$1,043,795,694

<sup>(1)</sup> Known party-in-interest.

See accompanying Report of Independent Registered Public Accounting Firm

Table of Contents

EXHIBIT INDEX

Exhibit No.	Description
23.1	Consent of Independent Registered Public Accounting Firm

13

---



Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

ROBINSON COMPANIES  
RETIREMENT PLAN

C.H. ROBINSON

By: WORLDWIDE, INC.  
the Principal Sponsor

By: /s/ Andrew C. Clarke  
Andrew C. Clarke  
Chief Financial Officer

Date: June 27, 2018