

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.2em; font-weight: bold;">2013</div> <div style="text-align: center; font-weight: bold;">This Form is Open to Public Inspection</div>
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Part I	Annual Report Identification Information
For calendar plan year 2013 or fiscal plan year beginning <u>06/01/2013</u> and ending <u>05/31/2014</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information—enter all requested information		
1a Name of plan <u>MATERION CORPORATION PENSION PLAN</u>	1b Three-digit plan number (PN) ▶ <u>001</u>		
	1c Effective date of plan <u>06/01/1959</u>		
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>MATERION CORPORATION</u> <u>6070 PARKLAND BOULEVARD MAYFIELD HEIGHTS, OH 44124</u>	2b Employer Identification Number (EIN) <u>34-1919973</u>	2c Sponsor's telephone number <u>216-486-4200</u>	2d Business code (see instructions) <u>331400</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 accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	03/16/2015	MICHAEL HASYCHAK
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	03/16/2015	MICHAEL HASYCHAK
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☐ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address MATERION CORPORATION 6070 PARKLAND BOULEVARD MAYFIELD HEIGHTS, OH 44124		3b Administrator's EIN 34-1919973
		3c Administrator's telephone number 216-486-4200
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name		4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5	2745
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants	6a	1420
b Retired or separated participants receiving benefits	6b	816
c Other retired or separated participants entitled to future benefits.....	6c	265
d Subtotal. Add lines 6a , 6b , and 6c	6d	2501
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	6e	154
f Total. Add lines 6d and 6e	6f	2655
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6h	38
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 3H		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

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 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning 06/01/2013 and ending 05/31/2014

▶ **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>MATERION CORPORATION PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>MATERION CORPORATION</u>	D Employer Identification Number (EIN) <u>34-1919973</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>06</u> Day <u>01</u> Year <u>2013</u>	
2 Assets:	
a Market value	2a <u>165928013</u>
b Actuarial value	2b <u>162482156</u>
3 Funding target/participant count breakdown:	
a For retired participants and beneficiaries receiving payment.....	3a <u>946</u> <u>70146314</u>
b For terminated vested participants.....	3b <u>238</u> <u>7754021</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>9663925</u>
(2) Vested benefits	3c(2) <u>76406030</u>
(3) Total active.....	3c(3) <u>1561</u> <u>86069955</u>
d Total.....	3d <u>2745</u> <u>163970290</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>6.35 %</u>
6 Target normal cost	6 <u>4938545</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>03/13/2015</u>
Signature of actuary		Date
<u>MONTY A WESOLOSKI</u>		<u>14-07549</u>
Type or print name of actuary		Most recent enrollment number
<u>TOWERS WATSON DELAWARE INC.</u>		<u>216-937-4000</u>
Firm name		Telephone number (including area code)
<u>1001 LAKESIDE AVENUE, SUITE 1900</u> <u>CLEVELAND, OH 44114</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 and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2013
v. 130118

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	3335072
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	3335072
9 Amount remaining (line 7 minus line 8)	0	0
10 Interest on line 9 using prior year's actual return of <u>18.04</u> %	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		11226641
b Interest on (a) using prior year's effective interest rate of <u>7.05</u> % except as otherwise provided (see instructions)		1158003
c Total available at beginning of current plan year to add to prefunding balance		12384644
d Portion of (c) to be added to prefunding balance		12384644
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	12384644

Part III Funding Percentages		
14 Funding target attainment percentage	14	91.53 %
15 Adjusted funding target attainment percentage	15	93.74 %
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	98.08 %
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
01/23/2015	4000000				
09/15/2014	4000000				
06/13/2014	4000000				
			Totals ►	18(b)	12000000
				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	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	11063180
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
0	0	0	0

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

21 Discount rate:				
a Segment rates:	1st segment: 4.94%	2nd segment: 6.15%	3rd segment: 6.76 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 64
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	
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 6).....	31a	4938545	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment.....	13872778	5679501	
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	0	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	10618046	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	5531609	5531609
36 Additional cash requirement (line 34 minus line 35).....	36	5086437	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	11063180	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	5976743	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	5531609	
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		
42 Amount of acceleration adjustment	42	0	
43 Excess installment acceleration amount to be carried over to future plan years	43	0	

<div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	OMB No. 1210-0110
		2013
		This Form is Open to Public Inspection.

For calendar plan year 2013 or fiscal plan year beginning 06/01/2013 and ending 05/31/2014		
A Name of plan MATERION CORPORATION PENSION PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 MATERION CORPORATION	D Employer Identification Number (EIN) 34-1919973	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☐ No
- b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

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

THOMPSON HINE

127 PUBLIC SQUARE, #3900
CLEVELAND, OH 44114

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
29	NONE	6874	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

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

ROBECO INVESTMENT MANAGEMENT, INC.

909 THIRD AVENUE, 32ND FLOOR
NEW YORK, NY 10022

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21	NONE	20332	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

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

JP MORGAN INVESTMENT MANAGEMENT

31-1192865

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21	NONE	37248	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

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

INTEGRITY ASSET MANAGEMENT

18500 LAKE ROAD, SUITE 300
ROCKY RIVER, OH 44116

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21	NONE	47557	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

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

HARTLAND & COMPANY

34-1597728

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
20	NONE	87203	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

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

TOWERS WATSON

53-0181291

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11	NONE	93400	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

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

FIFTH THIRD BANK

31-1051736

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21 26	NONE	112695	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

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

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

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

► **File as an attachment to Form 5500.**

OMB No. 1210-0110

2013

This Form is Open to Public Inspection.

For calendar plan year 2013 or fiscal plan year beginning	06/01/2013	and ending	05/31/2014
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A Name of plan
MATERION CORPORATION PENSION PLAN

B Three-digit plan number (PN)	001
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C Plan or DFE sponsor's name as shown on line 2a of Form 5500
MATERION CORPORATION

D	Employer Identification Number (EIN)
	34-1919973

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: [WTC CIE II GROWTH SERIES 1 PORT](#)

b Name of sponsor of entity listed in (a): WELLINGTON TRUST COMPANY, NA

c EIN-PN 04-6913417-028	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 8773943
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning 06/01/2013 and ending 05/31/2014		
A Name of plan MATERION CORPORATION PENSION PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 MATERION CORPORATION	D Employer Identification Number (EIN) 34-1919973	

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	8	7
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	15285000	12000000
(2) Participant contributions.....	1b(2)	0	0
(3) Other.....	1b(3)	91365	100852
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	2846552	5012072
(2) U.S. Government securities	1c(2)	3320747	3920895
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	103246	376884
(B) All other	1c(3)(B)	4188223	3516797
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common.....	1c(4)(B)	11516612	12967846
(5) Partnership/joint venture interests	1c(5)	5337760	5911823
(6) Real estate (other than employer real property).....	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans.....	1c(8)	0	0
(9) Value of interest in common/collective trusts	1c(9)	7092045	8773943
(10) Value of interest in pooled separate accounts	1c(10)	0	
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities.....	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	116564565	129650535
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	0	0
(15) Other	1c(15)	0	6500000

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	166346123	188731654

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	166346123	188731654
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Part II Income and Expense Statement

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

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	12000000	
(B) Participants	2a(1)(B)	0	
(C) Others (including rollovers)	2a(1)(C)	0	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		12000000

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	683	
(B) U.S. Government securities	2b(1)(B)	122767	
(C) Corporate debt instruments	2b(1)(C)	194181	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	0	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		317631

(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	222717	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	3583285	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		3806002

(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	24526990	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	23178293	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		1348697

(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	1759420	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		1759420

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		1650545
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		10341983
c Other income.....	2c		1088
d Total income. Add all income amounts in column (b) and enter total.....	2d		31225366

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	8114981	
(2) To insurance carriers for the provision of benefits.....	2e(2)	319545	
(3) Other.....	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		8434526
f Corrective distributions (see instructions).....	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)	267987	
(2) Contract administrator fees.....	2i(2)	0	
(3) Investment advisory and management fees.....	2i(3)	137322	
(4) Other.....	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		405309
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		8839835

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		22385531
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: ERNST & YOUNG LLP

(2) EIN: 34-6565596

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
e Was this plan covered by a fidelity bond?	X		10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		X	

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

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☐ Yes ☐ No ☐ Not determined

Part V Trust Information (optional)

6a Name of trust	6b Trust's EIN

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2013 This Form is Open to Public Inspection.
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For calendar plan year 2013 or fiscal plan year beginning 06/01/2013 and ending 05/31/2014

A Name of plan <u>MATERION CORPORATION PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>MATERION CORPORATION</u>	D Employer Identification Number (EIN) <u>34-1919973</u>

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>31-6243957</u>	
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3 <u>16</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....	6a		
b Enter the amount contributed by the employer to the plan for this plan year.....	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?.....	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☒ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: 57.0% Investment-Grade Debt: 30.0% High-Yield Debt: 1.0% Real Estate: 0.0% Other: 12.0%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☒ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate line 19(b)?

☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):



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Report of Independent Auditors

To the Compensation Committee and Governance
and Organization Committee of the
Materion Corporation Pension Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Materion Corporation Pension Plan, which comprise the statements of net assets available for benefits as of May 31, 2014 and 2013, and the related statement of changes in net assets available for benefits for the year ended May 31, 2014, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the certified investment information described in Note 4, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the entity that certified the investment information meets the requirements of 29 CFR 2520.103-8. The plan administrator has obtained certifications as of May 31, 2014 and 2013, and for the year ended May 31, 2014, stating that the investment information provided to the plan administrator is complete and accurate.

Disclaimer of Opinion on Financial Statements

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Disclaimer of Opinion on Supplemental Schedules

The accompanying supplemental schedules of assets (held at end of year) as of May 31, 2014, and reportable transactions for the year then ended, are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedules referred to above.

Report on Compliance of Form and Content with Department of Labor's Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the certified investment information, have been audited by us in accordance with auditing standards generally accepted in the United States and, in our opinion, are 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.

Ernst & Young LLP

March 13, 2015

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning 06/01/2013 and ending 05/31/2014

► **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>MATERION CORPORATION PENSION PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>MATERION CORPORATION</u>	D Employer Identification Number (EIN) <u>34-1919973</u>	

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500
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Part I Basic Information			
1	Enter the valuation date: Month <u>06</u> Day <u>01</u> Year <u>2013</u>		
2	Assets:		
	a Market value	2a	165928013
	b Actuarial value	2b	162482156
3	Funding target/participant count breakdown:	(1) Number of participants	(2) Funding Target
	a For retired participants and beneficiaries receiving payment	3a	946 70146314
	b For terminated vested participants	3b	238 7754021
	c For active participants:		
	(1) Non-vested benefits	3c(1)	9663925
	(2) Vested benefits	3c(2)	76406030
	(3) Total active	3c(3)	1561 86069955
	d Total	3d	2745 163970290
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	6.35 %
6	Target normal cost	6	4938545

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>Monty Wesoloski</u> MAW Signature of actuary	<u>March 11, 2013</u> Date
	<u>MONTY A WESOLOSKI</u> Type or print name of actuary	<u>14-07549</u> Most recent enrollment number
	<u>TOWERS WATSON DELAWARE INC.</u> Firm name	<u>216-937-4000</u> Telephone number (including area code)
	<u>1001 LAKESIDE AVENUE, SUITE 1900 CLEVELAND, OH 44114</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 and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2013
v. 130118

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	3335072
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	3335072
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of <u>18.04</u> %	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		11226641
b	Interest on (a) using prior year's effective interest rate of <u>7.05</u> % except as otherwise provided (see instructions)		1158003
c	Total available at beginning of current plan year to add to prefunding balance		12384644
d	Portion of (c) to be added to prefunding balance		12384644
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	12384644

Part III Funding Percentages			
14	Funding target attainment percentage	14	91.53 %
15	Adjusted funding target attainment percentage	15	93.74 %
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	98.08 %
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
01/23/2015	4000000				
09/15/2014	4000000				
06/13/2014	4000000				
Totals ▶			18(b)	12000000	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
b Contributions made to avoid restrictions adjusted to valuation date	19b
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c 11063180
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
0	0	0	0

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

21 Discount rate:			
a Segment rates:	1st segment: 4.94%	2nd segment: 6.15%	3rd segment: 6.76 %
			☐ N/A, full yield curve used
b Applicable month (enter code).....			21b 4
22 Weighted average retirement age			22 64
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	
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 6)		31a	4938545
b Excess assets, if applicable, but not greater than line 31a		31b	0
32 Amortization installments:		Outstanding Balance	Installment
a Net shortfall amortization installment		13872778	5679501
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	0
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..		34	10618046
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	5531609	5531609
36 Additional cash requirement (line 34 minus line 35)		36	5086437
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)		37	11063180
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)		38a	5976743
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances		38b	5531609
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	
42 Amount of acceleration adjustment		42	0
43 Excess installment acceleration amount to be carried over to future plan years		43	0

SCHEDULE SB ATTACHMENTS

Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	Materion Corporation
EIN/PN	34-1919973/001
Plan Name	Materion Corporation Pension Plan
Valuation Date	June 1, 2013
Enrolled Actuary	Monty Wesoloski
Enrollment Number	14-07549

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

SCHEDULE SB ATTACHMENTS (cont.)

Schedule SB, Line 24 Change in Actuarial Assumptions

The following changes were made to the assumed plan compensation:

Employee Group	June 1, 2012	June 1, 2013
	Valuation Assumption	Valuation Assumption
Salaried (in MIP)	Base Pay plus bonus equal to the sum of 9% of Base Pay (for Personal/Team element) and 125% of Financial Target Percentage plus 90% of ROIC Target Percentage	Base Pay plus bonus equal to the sum of 9% of Base Pay (for Personal/Team element) and 100% of Financial Target Percentage
TMI Salaried (in MIP)	Base Pay plus bonus equal to the sum of 9% of Base Pay (for Personal/Team element) and 125% of Financial Target Percentage plus 90% of ROIC Target Percentage	Base Pay plus bonus equal to the sum of 9% of Base Pay (for Personal/Team element) and 120% of Financial Target Percentage
AMTS and Brewster Salaried (in MIP)	Base Pay plus bonus equal to the sum of 9% of Base Pay (for Personal/Team element) and 90% of Financial Target Percentage plus 90% of ROIC Target Percentage	Base Pay plus bonus equal to the sum of 9% of Base Pay (for Personal/Team element) and 35% of Financial Target Percentage

"Base Pay" is equal to the rate of base pay (annualized) in effect as of the census collection date as reported by Materion Corporation.

Plan Name: Materion Corporation Pension Plan
EIN / PN: 34-1919973 / 001
Plan Sponsor: Materion Corporation
Valuation Date: June 1, 2013

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26

Schedule of Active Participant Data as of June 1, 2013 for Salaried Formula Participants¹

All monetary amounts shown in US Dollars

Attained Age	Attained Years of Credited Service and Number and Average Compensation/Salary (limited) ²													Total
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	
Under 25	0	4	2	0	0	0	0	0	0	0	0	0	0	6
	0			0	0	0	0	0	0	0	0	0	0	
25-29	0	14	21	2	2	8	0	0	0	0	0	0	0	47
	0		39,039				0	0	0	0	0	0	0	45,529
30-34	0	13	13	3	1	27	5	0	0	0	0	0	0	62
	0					53,307		0	0	0	0	0	0	53,544
35-39	0	7	8	2	1	29	22	7	0	0	0	0	0	76
	0					77,829	82,995	72,911	0	0	0	0	0	76,045
40-44	0	8	6	5	3	42	23	28	4	1	0	0	0	120
	0					80,954	72,757	87,630			0	0	0	82,291
45-49	0	9	12	0	2	17	23	14	13	14	0	0	0	104
	0			0			75,951				0	0	0	79,400
50-54	0	6	17	4	2	34	28	24	19	36	31	1	0	202
	0					87,880	99,567	102,133		86,281	83,420		0	92,488
55-59	0	4	7	4	2	29	14	26	11	24	45	22	1	189
	0					107,033		80,843		90,172	91,403	95,969		93,159
60-64	0	2	1	1	1	14	8	12	5	20	15	6	1	86
	0									90,067				96,102
65-69	0	0	0	0	0	1	3	3	4	4	3	0	5	23
	0	0	0	0	0							0		114,844
70 & over	0	0	0	0	0	0	0	2	0	0	1	0	1	4
	0	0	0	0	0	0	0		0	0		0		
Total	0	67	87	21	14	201	126	116	56	99	95	29	8	919
	0	71,520	63,179	86,356		79,606	88,613	87,250	100,222	87,619	92,426	95,047		83,998

¹ Participants who participated in two or more pre-merger plans are counted more than once on these exhibits.

² Ages and service totals for purposes of determining category are based on exact (not rounded) values.

Plan Name: Materion Corporation Pension Plan

EIN / PN: 34-1919973 / 001

Plan Sponsor: Materion Corporation

Valuation Date: June 1, 2013

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26

Schedule of Active Participant Data as of June 1, 2013 for Hourly Formula Participants³

Attained Age	Attained Years of Credited Service and Number ⁴													Total
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	
Under 25	1	1	4	0	0	1	0	0	0	0	0	0	0	7
25-29	3	3	8	5	0	1	0	0	0	0	0	0	0	20
30-34	1	7	15	5	6	18	8	1	0	0	0	0	0	61
35-39	2	9	14	1	2	16	15	9	0	0	0	0	0	68
40-44	1	13	14	10	4	22	18	24	1	0	0	0	0	107
45-49	1	5	10	3	4	20	10	29	5	13	0	0	0	100
50-54	2	6	12	4	4	21	21	28	7	37	20	2	0	164
55-59	2	4	13	4	1	20	20	17	8	28	33	9	0	159
60-64	2	0	3	2	0	14	7	16	2	18	15	3	7	89
65-69	0	3	0	0	1	1	2	3	0	2	1	0	1	14
70 & over	0	0	0	0	0	0	0	1	0	0	0	0	0	1
Total	15	51	93	34	22	134	101	128	23	98	69	14	8	790

³ Participants who participated in two or more pre-merger plans are counted more than once on these exhibits.

⁴ Ages and service totals for purposes of determining category are based on exact (not rounded) values.

Plan Name: Materion Corporation Pension Plan

EIN / PN: 34-1919973 / 001

Plan Sponsor: Materion Corporation

Valuation Date: June 1, 2013

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 32
Schedule of Amortization Bases
as of June 1, 2013

	Type of Base	Date Established	Initial Amount	Remaining Amortization Period (Years)	Outstanding Balance	Amortization Payment
1	Shortfall	06/01/2013	14,511,494	7	14,511,494	2,421,852
2	Shortfall	06/01/2012	(23,508,397)	6	(21,118,377)	(3,989,952)
3	Shortfall	06/01/2011	8,271,329	5	6,066,946	1,333,131
4	Shortfall	06/01/2010	10,965,913	4	6,819,788	1,830,172
5	Shortfall	06/01/2009	(2,473,457)	3	(1,208,030)	(422,242)
6	Shortfall	06/01/2008	26,979,486	2	8,800,957	4,506,540
Total					13,872,778	5,679,501

Plan Name: Materion Corporation Pension Plan
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 Plan Sponsor: Materion Corporation
 Valuation Date: June 1, 2013

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Summary of principal plan provisions for Salaried, TMI, AMTS and Brewster Participants

Plan Sponsor

Materion Corporation

Plan

Materion Corporation Pension Plan

Effective Date and Most Recent Amendment

June 1, 1959, with most recent restatement as of June 1, 2013.

Plan Year

The twelve-month period ending May 31.

Participation

Immediate on hire date for employees regularly scheduled to work at least 1,000 hours during 12 consecutive months. Effective May 26, 2012, no new or re-hired employee may become a Participant under the Plan.

Normal Retirement Eligibility

Age 65 or 5 years after becoming a participant in the Plan, if later.

Normal Retirement Pension

For Salaried, TMI and AMTS Participants: The frozen monthly accrued benefit payable at normal retirement as of May 31, 2005 under the applicable prior formula (converted to a lifetime form of payment for TMI Participants) plus 1/12 of 1% of annual pension earnings for each calendar year. For the calendar year ending December 31, 2005, only pension earnings paid on or after June 1, 2005 is included. If the employee first became a participant on or after June 1, 2005, 1/12 of 1% of annual pension earnings for each calendar year beginning with his calendar year of employment. Participants who had attained both age 58 and 20 years of vesting service as of June 1, 2005 are grandfathered and will have their benefit calculated as above with the provision that they will receive no less than they would have received under the formulas in effect for them as of May 31, 2005. See the **Grandfathered Formulas** section below.

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Plan Sponsor: Materion Corporation
Valuation Date: June 1, 2013

SCHEDULE SB ATTACHMENTS

For Brewster Participants: 1/12 of 1% of annual pension earnings for each calendar year beginning with the later of July 1, 1998 and the calendar year of employment.

Grandfathered Formulas

For Salaried Participants: 50% of final average monthly pension earnings (1/60 of highest 5 consecutive calendar year's pension earnings in a participant's career), less 50% of the monthly Social Security benefit, the entire benefit prorated for less than 35 years of service, but no less than \$30.00 multiplied by years of service (without limit). A participant in an existing plan on May 31, 1981 receives no less than what he would have received at retirement based on the provisions of the prior existing plan.

For TMI Participants: 35% of final average monthly pension earnings (1/60 of highest 5 consecutive calendar years of pension earnings in a participant's career) prorated for less than 30 years of service at normal retirement. The accrued benefit is equal to the normal pension (based on service projected to normal retirement) multiplied by the ratio of actual service to projected service at normal retirement. Normal Form of Benefit is 10 years certain and lifetime thereafter.

For AMTS Participants: 0.75% of final average monthly pension earnings (1/60 of highest 5 consecutive years of earnings in a participant's career) plus 0.75% of final average monthly pension earnings in excess of the monthly Covered Compensation amount, the sum multiplied by the participant's years of service, subject to a minimum benefit determined under the prior plan formula for those who became plan participants prior to January 1, 1980. Annual pension earnings for any year is the basic rate of pay on September 1 exclusive of bonuses and overtime; however, effective January 1, 1998 bonuses are included prospectively for participants still employed on or after September 1, 1998.

Early Retirement Eligibility and Pension

Eligibility requirements for early retirement are attainment of age 55 and 10 or more years of service. The early retirement reduction for each month that the benefit commencement date precedes normal retirement is 5/9 of 1% for each month between ages 60 and 65 and 5/18 of 1% for each month between ages 55 and 60.

30 and Out Retirement at Age 62

Eligibility requirements are 30 or more years of service and attainment of age 62. The benefit is calculated in the same manner as a normal retirement benefit without any reduction for early retirement.

30 and Out Retirement at Age 55

Eligibility requirements are 30 or more years of service and attainment of age 55. The benefit is calculated in the same manner as a normal retirement benefit reduced for each month that the benefit commencement date precedes age 62 by 5/9 of 1% for each month between ages 60 and 62 and 5/18 of 1% for each month between ages 55 and 60.

Plan Name: Materion Corporation Pension Plan
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SCHEDULE SB ATTACHMENTS

Disability Retirement Pension

Eligibility requirement is 5 or more years of service. LTD benefits are generally paid to the employee until age 65. If an LTD benefit is paid to an employee, a benefit would be paid under the pension plan beginning at age 65. In calculating the pension plan benefit, the employee is considered to have remained a participating employee and to be receiving annual pension earnings for each calendar year at a rate equal to the annual pension earnings for the calendar year prior to their employment severance. If an LTD benefit is not paid to an employee and they are entitled to disability benefits under another Company pension plan, or provisions of the merged plan, they receive their accrued pension benefit payable immediately.

Deferred Vested Retirement Benefit

Eligibility requirement is 5 or more years of service. The benefit beginning at age 65 would be calculated in the same manner as a normal retirement benefit. Benefits, reduced as in the case of early retirement, would be payable beginning between ages 55 and 65 for participants who terminate with 10 or more years of service.

Pre-Retirement Surviving Spouse Benefit

A Pre-Retirement Surviving Spouse benefit is payable to the spouse of a participating or terminated employee who dies after becoming eligible for a deferred vested retirement benefit. The benefit is calculated as if the employee had terminated their employment the day of their death (if they were employed), had elected to have their pension commence on their earliest retirement date, had elected the 50% joint and survivor option (100% joint and survivor option, in the event of a participating employee's death while eligible for early retirement), had survived to their earliest retirement date and died the following day. This benefit is provided automatically to all married employees who are eligible for a deferred vested retirement benefit. There is no election necessary.

Former S.K. Wellman Salaried Employees

Former participants of the S.K. Wellman Salaried Pension Plan, who transferred from status as an S.K. Wellman salaried employee to a Brush Wellman salaried employee on or before May 4, 1986, will receive a benefit under the Materion Corporation Pension Plan calculated based on credited service with both S.K. Wellman and Brush Wellman, offset by the amount of the frozen annuity accrued under the S.K. Wellman Salaried Pension Plan.

Plan Merger

As of December 31, 1988, the Egbert Corp. Retirement Plan for Salaried Employees and the Egbert Corp. Hourly-Wage Employees Pension Plan merged into the Brush Wellman Pension Plan for Salaried Employees.

Effective December 31, 1999 the Brush Wellman Inc. Pension Plan for Hourly Employees was merged into the Brush Wellman Inc. Pension Plan for Salaried Employees. In addition, the name of the merged Plan was

Plan Name:	Materion Corporation Pension Plan
EIN / PN:	34-1919973 / 001
Plan Sponsor:	Materion Corporation
Valuation Date:	June 1, 2013

SCHEDULE SB ATTACHMENTS

changed to the Brush Wellman Inc. Pension Plan. On May 16, 2000, the name of the merged plan was changed to the Brush Engineered Materials Inc. Pension Plan.

Effective at the close of business on May 31, 2000, the Technical Materials, Inc. Pension Plan was merged into the Brush Engineered Materials Inc. Pension Plan.

Effective at the close of business on May 31, 2000, the Williams Advanced Materials Inc. Retirement Plan was merged into the Brush Engineered Materials Inc. Pension Plan.

On March 3, 2011, the name of the merged plan was changed to the Materion Corporation Pension Plan.

Payment of Benefits

The Normal Form of Benefit is a benefit payable for the lifetime of the retired participant. The participant may also elect a 50%, 66-2/3%, 75% or 100% joint and survivor option, or a 10-year certain and life option. For **AMTS Participants**, the participant may elect a 15-year certain and life option for the portion of their benefit accrued as of May 31, 2005. These benefits are the actuarial equivalent of the Normal Form of Benefit. Effective June 1, 2005 for benefits commencing on or after such date, actuarial equivalence for the purpose of determining an optional form of payment is based on a unisex blend of the 1994 Group Annuity Reserving Table projected to 2002 (i.e., the Revenue Ruling 2001-62 mortality table) and a 7% interest rate.

For Salaried Participants: The accrued benefit as of June 30, 1992 is available as a lump sum. For participants prior to June 1, 2005, the portion of the benefit accrued after July 1, 1992 is available as a lump sum if the present value of the benefit accrued after July 1, 1992 does not exceed \$21,919.17.

For TMI Participants: For participants prior to June 1, 2005, the accrued benefit is available as a lump sum if the present value of the accrued benefit does not exceed \$10,959.59.

Changes in Plan Provisions for Salaried, TMI, AMTS and Brewster Participants since Last Actuarial Valuation

There have been no changes to the principal plan provisions since the last valuation.

Plan Name: Materion Corporation Pension Plan
EIN / PN: 34-1919973 / 001
Plan Sponsor: Materion Corporation
Valuation Date: June 1, 2013

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Summary of Principal Plan Provisions for Hourly Participants

Plan Sponsor

Materion Corporation

Plan

Materion Corporation Pension Plan

Effective Date and Most Recent Amendment

June 1, 1959, with most recent restatement as of June 1, 2013.

Plan Year

The twelve-month period ending May 31.

Participation

Attainment of age 21 with 1 year of service. Effective May 26, 2012, no new or re-hired employee may become a Participant under the Plan.

Normal Retirement Eligibility

Age 65 or 5 years after becoming a participant in the Plan, if later.

Normal Retirement Pension

Division	Benefit Unit (per year of credited service)
Elmore, Reading and Delta	\$29.50 (first 25 years) \$32.50 (years in excess of 25)
Cleveland	\$23.50 (first 25 years) \$26.00 (years in excess of 25)
Fremont and service centers	\$25.00
Tucson, Newburyport and Lorain	\$19.00

Plan Name: Materion Corporation Pension Plan
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Plan Sponsor: Materion Corporation
Valuation Date: June 1, 2013

SCHEDULE SB ATTACHMENTS

Early Retirement Eligibility and Pension

Eligibility requirements for early retirement are attainment of age 55 and 10 years of service (at least 5 years for Delta Mill employees hired prior to November 1, 1985 or any other employee other than Newburyport and Tucson employees hired before July 1, 1984). The accrued Normal Retirement Pension is payable at age 65 or is payable immediately in an amount equal to the accrued pension reduced for each month that the benefit commencement date precedes normal retirement by 5/9% for each month between age 60 and age 65 and 5/18% for each month between age 55 and age 60 (6/10% for each month between age 60 and age 65 and 6/15% for each month between age 55 and age 60 for Delta Mill employees who terminated prior to August 15, 2005).

30 and Out Retirement at Age 62

Eligibility requirements are 30 or more years of service and attainment of age 62 (not applicable to Delta Mill employees who terminated prior to August 15, 2005, Hampton, Newburyport and Tucson employees). The benefit is calculated in the same manner as a Normal Retirement Pension without any reduction for early retirement.

30 and Out Retirement at Age 55

Effective for terminations on or after June 30, 1999, eligibility requirements are 30 or more years of service and attainment of age 55 (not applicable to Delta Mill employees who terminated prior to August 15, 2005, Hampton, Newburyport and Tucson employees). The benefit is calculated in the same manner as a normal retirement benefit reduced for each month that the benefit commencement date precedes age 62 by 5/9 of 1% for each month between ages 60 and 62 and 5/18 of 1% for each month between ages 55 and 60.

Disability Retirement Pension

Eligibility requirement is 10 or more years of service. The accrued Normal Retirement Pension is payable, except that an additional \$9.00 times years of credited service is payable prior to eligibility for Federal Social Security disability benefits or unreduced old age benefits.

Deferred Vested Retirement Benefit

Eligibility requirement is 5 years of service. The accrued Normal Retirement Pension is payable at age 65 or is payable at age 55 for participants with 10 or more years of service in an amount equal to the accrued pension reduced for each month that the benefit commencement date precedes normal retirement by 5/9% for each month between age 60 and age 65 and 5/18% for each month between age 55 and age 60 (6/10% for each month between age 60 and age 65 and 6/15% for each month between age 55 and age 60 for Delta Mill employees who terminated prior to August 15, 2005).

Plan Name: Materion Corporation Pension Plan
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Valuation Date: June 1, 2013

SCHEDULE SB ATTACHMENTS

Survivor Option

For Delta division employees first employed prior to August 15, 2005, upon normal or early retirement, or upon survival to age 55 after disability or after vested termination, an employee may elect a reduced benefit equal to 95% of their regular benefit determined as noted above (decreased by 1/2% for each year in excess of 5 that their age exceeds that of their spouse and increased by 1/2% for each year in excess of 5 that their spouse's age exceeds their age), 55% of which will be continued after the participant's death for the remaining lifetime, if any, of their dependent spouse.

Pre-Retirement Surviving Spouse Benefit

If a participating or terminated employee should die prior to retirement but after becoming eligible for a deferred vested retirement benefit, there shall be paid to their spouse the benefit to which the spouse would have been entitled had the employee terminated employment (if they were employed) just prior to death, had survived to their earliest retirement date, had elected benefit commencement under the Joint and 50% Surviving Contingent Pensioner Option (Joint and 100% Surviving Contingent Pensioner Option, in the event of a participating employee's death while eligible for early retirement) on that date and had died the next following day (for Delta division employees first employed prior to August 15, 2005, the Survivor Option is described above).

Spouse's Benefit for Certain Employees Who Die Prior to Age 55

In the event of the death of an hourly employee, other than a Delta Mill employee who died prior to August 15, 2005, who had not attained age 55 and who has 15 years of service, there shall be paid to their spouse, until the earliest of their spouse's death, attainment of age 60 or remarriage, a benefit amount equal to 50 percent of the benefit that would have been payable to the participant commencing at age 55 if they had retired at age 55 with years of service equal to their actual years of service at time of death plus years of service they would have earned up to age 55, assuming continuous service from date of death to age 55. In the case that this benefit ceases to be payable or is smaller than the Pre-Retirement Surviving Spouse Benefit, the Pre-Retirement Surviving Spouse Benefit will be payable.

Spouse's Benefit for Certain Participants Who Commence Disability Pension Prior to Age 55

In the event of the death of a disability pensioner (other than a Delta Mill disability pensioner who died prior to August 15, 2005) whose disability pension commenced prior to their attaining age 55 and who had 15 years of service, there shall be paid to their spouse, until the earlier of their spouse's death, attainment of age 60 or remarriage, 25 percent of the benefit that was paid to the disability pensioner just prior to their death. In the case that this benefit ceases to be payable or is smaller than the Pre-Retirement Surviving Spouse Benefit, the Pre-Retirement Surviving Spouse Benefit will be payable.

Plan Name: Materion Corporation Pension Plan
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Plan Sponsor: Materion Corporation
Valuation Date: June 1, 2013

SCHEDULE SB ATTACHMENTS

Special Age 65 Benefit

For Delta Mill division employees who had commenced receiving this benefit prior to August 15, 2005, a monthly benefit of \$5.30 per month is payable on or after January 1, 1972 to all pensioners and surviving spouses who are over age 65. The foregoing benefit is not applicable in the case of employees (or their spouses) receiving deferred vested benefits.

Payment of Benefits

The Normal Form of Benefit is a benefit payable for the lifetime of the retired participant. The participant may also elect a 50% to 100% joint and survivor option. These benefits are the actuarial equivalent of the Normal Form of Benefit. Effective June 1, 2005 for benefits commencing on or after such date, actuarial equivalence for the purpose of determining an optional form of payment is based on a unisex blend of the 1994 Group Annuity Reserving Table projected to 2002 (i.e., the Revenue Ruling 2001-62 mortality table) and a 7% interest rate. In addition, the benefit is available as a lump sum if it does not exceed an annually adjusted limit.

Plan Merger

Effective December 31, 1999 the Brush Wellman Inc. Pension Plan for Hourly Employees was merged into the Brush Wellman Inc. Pension Plan for Salaried Employees. In addition, the name of the merged Plan was changed to the Brush Wellman Inc. Pension Plan. On May 16, 2000, the name of the merged plan was changed to the Brush Engineered Materials Inc. Pension Plan. On March 3, 2011 the name of the merged plan was changed to the Materion Corporation Pension Plan.

Changes in Plan Provisions for Hourly Participants since Last Actuarial Valuation

There have been no changes to the principal plan provision since the last valuation.

Plan Name: Materion Corporation Pension Plan
EIN / PN: 34-1919973 / 001
Plan Sponsor: Materion Corporation
Valuation Date: June 1, 2013

Materion Corporation Pension Plan

EIN: 34-1919973 Plan Number: 001

**Schedule H, Line 4(i)—Schedule of Assets
(Held at End of Year)**

May 31, 2014

Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
Wells Fargo Advanced Government MMF/Institutional 1751	2,187,054 units	2,187,055	2,187,055
Federated Prime Cash Obligations Fund Institutional Shares	67,311 units	67,311	67,311
Federated Treasury Obligations Fund Institutional Shares	4,944,761 units	4,944,761	4,944,761
Federal National Meeting Association DTD 10/9/84 0% 10/9/19	50,000 par	44,068	44,074
U.S. Treas N/B DTD 8/16/93 6.25% 8/15/23	285,000.00 par	315,273	378,360
U.S. Treas N/B DTD 2/15/96 6.00% 2/15/26	75,000.00 par	97,313	100,969
U.S. Treas N/B DTD 2/15/01 5.375% 2/15/31	250,000 par	283,313	330,195
U.S. Treas Bond DTD 2/15/09 3.5% 2/15/39	60,000 par	64,404	62,944
U.S. Treas Bond DTD 8/15/09 4.5% 8/15/39	365,000 par	453,451	447,355
U.S. Treas N/B DTD 5/15/06 5.125% 5/15/16	400,000 par	477,328	437,092
U.S. Treas N/B DTD 5/15/07 4.5% 5/15/17	350,000 par	391,097	388,035
U.S. Treas NTS DTD 6/1/10 2.75% 5/31/17	900,000 par	914,414	952,029
U.S. Treas Note DTD 10/31/11 1.75% 10/31/18	150,000 par	155,666	152,660
U.S. Treas Note DTD 5/15/02 1.75% 5/15/22	500,000 par	474,629	483,240
U.S. Treas Note NTS DTD 7/01/13 1.375% 6/30/18	100,000 par	99,105	100,555
Tennessee Valley Authority DTD 7/23/97 5.88% 4/1/36	25,000 par	30,956	32,240
GE CAP CR CARD Master NT TR DTD 8/29/12 1.360 8/15/20	125,000 par	123,721	124,159
Morgan Stanley Cap I DTD 3/1/12 3.773% 3/17/45	100,000 par	100,688	103,783
TIAA 2007-C4 A3 DTD 7/10/07 VAR 8/15/39	23,157 units	3,657	23,580
Volkswagen Auto Lease Trust DTD 2/12/14 .800% 4/20/17	125,000 par	124,878	125,363
ABB Fin USA Inc DTD 5/8/12 2.875% 5/8/22	35,000 par	36,199	34,822
AT&T Corp DTD 5/15/02 8% 11/15/31	30,000 par	37,910	43,842
ACE INA Hldg Inc DTD 6/8/09 5.9% 6/15/19	30,000 par	33,695	35,341
Amerada Hess Corp DTD 3/5/02 7.125% 3/15/33	15,000 par	19,970	19,857
Ameriprise Finl Inc DTD 3/11/10 5.3% 3/15/20	20,000 par	22,887	23,011
Amgen Inc. Sr Note DTD 1/16/09 5.7% 2/1/19	10,000 par	9,978	11,673
Anadarko Pete Corp DTD 3/5/09 8.7% 3/15/19	30,000 par	29,670	38,789
Anheuser-Busch InBev Wor DTD 3/14/11 7.75% 1/15/19	20,000 par	26,416	24,916
Aon Corp DTD 9/10/10 3.5% 9/30/15	2,000 par	1,990	2,074
Apache Corp Sr Note DTD 12/3/10 3.625% 2/1/21	10,000 par	10,782	10,662
Appalachian Pwr Co DTD 3/25/08 7% 4/1/38	35,000 par	47,212	47,688
Arrow Electrs Inc DTD 6/3/98 6.875% 6/1/18	30,000 par	32,449	34,261
Atmos Energy Corp DTD 3/26/09 8.5% 3/15/19	20,000 par	19,963	25,627
BB&T Corp Sr Med Term DTD 3/7/11 3.2% 3/15/16 Opt Call 2/16 @ 100	16,000 par	15,978	16,697
Baltimore Gas & Electric Co DTD 8/17/12 2.8% 8/15/22	15,000 par	15,150	14,818
Bank of Amer Corp DTD 6/2/09 7.625% 6/1/19	110,000 par	135,155	136,609
Bank of New York Inc Med Term DTD 11/16/09 4.6% 1/15/20	20,000 par	19,961	22,356
Barrick North America Fin LLC NT DTD 6/1/11 4.4% 5/30/21	30,000 par	32,158	30,749
Berkshire Hathaway Fin Corp DTD 11/15/08 5.4% 5/15/18	30,000 par	33,194	34,384
Blackrock Inc DTD 12/10/09 5% 12/10/19	15,000 par	14,919	17,148
Boeing Co DTD 7/7/93 7.25% 6/15/25	30,000 par	35,170	39,583
Bunge Ltd Fin Corp DTD 6/9/09 8.5% 6/15/19	35,000 par	35,896	44,062
Burlington Northern DTD 9/24/09 4.7% 10/1/19	45,000 par	44,921	50,919
CBS Corp New Gtd Sr DTD 4/5/10 5.75% 4/15/20	7,000 par	6,991	8,147
CBS Corp DTD 3/2/12 3.375% 3/1/22	10,000 par	9,869	10,058
CME Group Inc Sr Nt DTD 9/9/13 5.3% 9/15/43	10,000 par	9,982	11,491
CRH America Inc DTD 9/14/06 6% 9/30/16	15,000 par	16,138	16,685
CSX Corp DTD 4/25/07 5.6% 5/1/17	31,000 par	36,629	34,747
Capital One Financial Co DTD 8/29/06 6.15% 9/1/16	60,000 par	59,995	66,608
Caterpillar Fin Serv DTD 9/26/08 7.05% 10/1/18	10,000 par	9,967	12,125

Materion Corporation Pension Plan

EIN: 34-1919973 Plan Number: 001

Schedule H, Line 4(i)—Schedule of Assets (Held at End of Year)

May 31, 2014

Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
Caterpillar Finl Svcs Corp DTD 2/12/09 7.15% 2/15/19	25,000 par	32,366	30,836
Centerpoint Energy Res Corp DTD 10/23/07 6.125% 11/1/17	10,000 par	9,966	11,492
Citigroup Inc DTD 12/8/05 5.3% 1/7/16	50,000 par	49,852	53,462
Citigroup Inc DTD 3/5/08 6.875% 3/5/38	23,000 par	22,844	30,258
Comcast Corp DTD 7/14/06 6.5% 1/15/17	35,000 par	37,804	40,034
ConocoPhillips Gtd Note DTD 2/3/09 5.75% 2/1/19	30,000 par	29,798	35,188
Deere John Cap Corp Med DTD 2/27/12 2.75% 3/15/22	35,000 par	35,128	34,739
Deutsche Telekom Int Fin 8.75% 6/15/30	30,000 par	40,689	44,128
Diageo Cap plc DTD 10/26/07 5.75% 10/23/17	25,000 par	25,781	28,693
DirecTV Hldgs LLC/DirecTV Sr DTD 3/7/11 5% 3/1/21	30,000 par	30,419	33,622
Dow Chem Co DTD 5/6/08 5.7% 5/15/18	11,000 par	12,143	12,534
ERP Operating LP DTD 6/4/04 5.75% 6/15/17	15,000 par	14,874	16,993
ERP Operating LP DTD 12/12/11 4.625% 12/15/21	4,000 par	3,985	4,423
Eaton Corp DTD 3/16/09 6.95% 3/20/19	35,000 par	39,521	41,668
Ebay Inc DTD 7/24/12 2.6% 7/15/22	15,000 par	13,908	14,416
Exelon Corp DTD 6/9/05 4.9% 6/15/15	15,000 par	13,465	15,628
General Elec Cap Corp DTD 3/20/02 6.75% 3/15/32	75,000 par	86,013	99,087
General Elec Cap Corp DTD 9/24/07 5.625% 9/15/17	35,000 par	38,179	39,691
Georgia Power Co Sr Note Ser 2010C .220 9/1/40	7,000 par	6,933	7,547
GlaxoSmithKline Cap Inc DTD 5/13/08 5.65% 5/15/18	20,000 par	21,899	23,105
Goldman Sachs DTD 2/13/03 6.125% 2/15/33	35,000 par	37,737	41,677
Goldman Sachs Group Inc DTD 7/27/11 5.25% 7/27/21	75,000 par	83,877	84,306
HCP Inc Sr Note DTD 1/24/11 5.375% 2/1/21	35,000 par	40,227	40,017
HSBC Finance Corp DTD 6/27/05 5% 6/30/15	35,000 par	38,290	36,606
Halliburton Co DTD 11/14/11 3.25% 11/15/21	36,000 par	39,383	37,414
Intel Corp DTD 9/19/11 3.3% 10/1/21	30,000 par	30,829	31,133
IBM DTD 10/30/95 7% 10/30/25	30,000 par	34,035	39,913
Jefferies Group Inc DTD 6/30/09 8.5% 7/15/19	10,000 par	12,150	12,460
Johnson Controls DTD 1/17/06 5.505% 1/15/16	20,000 par	18,307	21,495
Kansas City Pwr & Lt Co DTD 3/24/09 7.15% 4/1/19	16,000 par	20,542	19,774
KeyCorp Med Term Sr Notes DTD 3/24/11 5.1% 3/24/21	39,000 par	44,841	44,503
Kimberly-Clark DTD 8/11/05 4.875% 8/15/15	15,000 par	14,757	15,803
Kroger Co DTD 5/11/01 7.5% 4/1/31	30,000 par	39,331	39,594
Kroger Co Sr Note DTD 7/13/10 5.4% 7/15/40	30,000 par	31,952	33,124
Lowes Companies Inc DTD 11/23/11 3.8% 11/15/21	15,000 par	15,149	16,076
Marathon Oil Corp DTD 3/4/02 6.8% 3/15/32	20,000 par	21,817	25,464
May Dept Stores DTD 7/20/04 6.65% 7/15/24	15,000 par	18,424	18,452
Metlife Inc DTD 6/23/05 5.7% 6/15/35	35,000 par	41,153	41,993
MidAmerican Energy Co DTD 3/25/08 5.3% 3/15/18	35,000 par	34,901	39,887
Morgan Stanley DTD 3/22/12 4.75% 3/22/17	110,000 par	118,581	120,025
National Rural Utility Corp DTD 10/30/08 10.375% 11/1/18	35,000 par	46,830	47,419
Norfolk Southern Corp 7.25% 2/15/31	15,000 par	16,634	20,334
Nucor Corp DTD 12/3/07 5.75% 12/1/17	20,000 par	21,864	22,853
Oracle Corp DTD 4/9/08 5.75% 4/15/18	20,000 par	19,991	23,181
Pacific Gas & Elec Co DTD 3/6/09 6.25% 3/1/39	35,000 par	45,719	44,125
Principal Financial Group Inc DTD 5/21/09 8.875% 5/15/19	15,000 par	20,411	19,458
Principal Financial Group Inc DTD 11/16/12 3.125% 5/15/23	15,000 par	14,979	14,733
Public Ser Colo DTD 8/13/08 6.5% 8/1/38	35,000 par	47,687	47,450
Republic Svcs Inc Sr Note DTD 3/15/10 5.5% 9/15/19	20,000 par	23,910	23,071
Ryder Sys Inc Med Term Notes DTD 2/26/13 2.35% 2/26/19	17,000 par	16,981	17,106

Materion Corporation Pension Plan

EIN: 34-1919973 Plan Number: 001

Schedule H, Line 4(i)—Schedule of Assets (Held at End of Year)

May 31, 2014

Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
San Diego Gas DTD 5/19/05 5.35% 5/15/35	60,000 par	54,179	72,056
Simon Property Group LP DTD 3/25/09 10.35% 4/1/19	30,000 par	41,834	40,888
Southern Power Company DTD 7/16/13 5.25% 7/15/43	6,000 par	5,983	6,723
TD Ameritrade Hldg Corp DTD 11/25/09 5.6% 12/1/19	15,000 par	17,882	17,534
Time Warner Entertainment Co. LP Sr Debt 8.375% 3/15/23	15,000 par	17,705	20,246
Time Warner Inc. DTD 4/1/11 4.75% 3/29/21	30,000 par	29,976	33,534
Toyota Motor CR Corp Med Term DTD 9/16/11 3.4% 9/15/21	35,000 par	34,912	36,568
Travelers Companies Inc DTD 6/2/09 5.9% 6/2/19	35,000 par	36,981	41,262
United Parcel Service Inc DTD 1/15/08 5.5% 1/15/18	10,000 par	9,980	11,483
UnitedHealth Group Inc DTD 11/10/11 3.375% 11/15/21	35,000 par	36,911	36,080
Walmart Stores Inc DTD 10/14/93 6.75% 10/15/23	30,000 par	33,948	38,705
Waste Mgmt Inc DTD 2/26/09 7.375% 3/11/19	20,000 par	19,976	24,613
Wells Fargo & Co New DTD 9/15/10 Step Cpn 6/15/16	50,000 par	54,387	52,903
Wyeth DTD 3/27/07 5.45% 4/1/17	15,000 par	15,402	16,784
FN 254378 DTD 6/1/02 6.5% 7/1/32	9,691 units	24,076	11,149
BP CAP MKTS PLC GTD NT DTD 3/8/11 4.742% 3/11/21	15,000 par	15,000	16,856
Bank of Nova Scotia DTD 12/18/12 1.375% 12/18/17 Opt Call 11/18/17 @ 100	29,000 par	28,718	28,977
Canadian Pacific Railway Co DTD 5/15/09 7.25% 5/15/19	30,000 par	38,315	37,037
Deutsche Bank London Sr Note DTD 8/29/07 6.0% 9/1/17	25,000 par	28,835	28,514
HSBC Hldgs plc DTD 11/17/11 4.875% 1/14/22	35,000 par	39,769	39,290
Norsk Hydro ASA DTD 11/17/95 7.15% 11/15/25	25,000 par	35,279	33,107
Novartis Securities Investment Ltd DTD 2/10/09 5.125% 2/10/19	37,000 par	38,372	42,434
Petrobras International Finance Co DTD 1/27/11 5.375% 1/27/21	35,000 par	38,259	36,339
Rio Tinto Financial USA Ltd DTD 4/17/09 9% 5/1/19	10,000 par	13,731	13,159
Shell International Fin DTD 12/11/08 6.375% 12/15/38	25,000 par	24,903	33,123
Teva Pharmaceutical Fin Co B V DTD 11/10/11 2.4% 11/10/16	35,000 par	35,044	36,228
Thomson Reuters Corp DTD 9/29/09 4.7% 10/15/19	30,000 par	29,895	33,313
TransCanada Corp DTD 1/10/91 9.875% 1/1/21	10,000 par	15,169	14,069
TransCanada Pipelines DTD 1/9/09 7.125% 1/15/19	15,000 par	15,241	18,366
Vodafone Group plc DTD 6/10/09 5.45% 6/10/19	35,000 par	41,698	40,398
Westpac Banking DTD 11/19/09 4.875% 11/19/19	35,000 par	35,399	39,469
Chemtura Corp	1,471 shares	32,209	36,746
Flotek Industries Inc	908 shares	26,293	25,769
Huntsman Corp	1,718 shares	42,876	45,853
Quaker Chemical Corp	587 shares	21,520	43,456
Crown Holdings	1,559 shares	68,278	76,157
Rock-Tenn Co	597 shares	57,402	60,315
Boise Cascade Co	867 shares	24,530	22,681
International Paper Co	1,798 shares	84,335	85,639
Kaiser Aluminum Corp	334 shares	18,875	22,869
Worthington Industries Inc	536 shares	10,953	21,601
American Woodmark Corp	223 shares	7,698	6,148
Dycom Industries Inc	1,224 shares	14,461	36,414
Emcor Group Inc	742 shares	23,934	33,034
Primoris Services Corp	1,169 shares	18,858	33,866
Enersys	835 shares	36,770	57,648
General Cable Corp	1,560 shares	47,145	39,780
Knight Transportation Inc	1,334 shares	28,855	32,510
Norfolk Southern Corp	971 shares	74,960	97,828
Saia Inc	1,396 shares	32,543	60,838

Materion Corporation Pension Plan

EIN: 34-1919973 Plan Number: 001

Schedule H, Line 4(i)—Schedule of Assets (Held at End of Year)

May 31, 2014

Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
Actuant Corp - CL A	1,165 shares	29,967	41,392
Crane Co	795 shares	56,519	58,917
Dover Corp	815 shares	62,775	71,052
Greenbrier Cos Inc	1,010 shares	25,065	56,055
Meritor Inc	1,070 shares	14,561	14,777
Parker Hannifin Corp	519 shares	62,195	64,994
Wabash National Corp	3,235 shares	36,665	44,287
Tyco International LTD	674 shares	26,053	29,413
AAR Corp	1,448 shares	26,360	35,186
Esterline Technologies Corp	490 shares	32,125	54,611
Honeywell International Inc	605 shares	53,824	56,356
Lockheed Martin Corp	938 shares	135,852	153,504
Raytheon Corp	1,205 shares	106,690	117,572
Deluxe Corp	881 shares	21,455	49,415
Swift Transportation Co - CL A	2,010 shares	29,725	49,768
Wesco Aircraft Hlds Inc	1,457 shares	25,780	31,675
American Axle & Mfg Holdings	2,136 shares	35,779	39,601
Lear Corp	1,112 shares	90,514	97,912
Modine Manufacturing Co	2,252 shares	19,774	34,388
Jack in the Box Inc	775 shares	37,957	44,741
Marriott Vacations Worldwide Corp	1,040 shares	49,712	58,916
Multimedia Games Holding Co	1,095 shares	35,458	31,481
Ryman Hospitality Properties Inc	815 shares	34,054	37,596
Six Flags Entertainment Corp	1,034 shares	40,781	41,836
Carmike Cinemas Inc	1,165 shares	31,775	40,076
Apollo Education Group Inc	1,353 shares	45,242	36,260
La-Z-Boy Inc	1,662 shares	27,645	40,586
Meritage Homes Corp	1,077 shares	28,693	43,198
Ryland Group Inc	1,242 shares	27,279	46,823
Liberty Global PLC	2,710 shares	107,130	115,988
CBS Corp New CL B	752 shares	44,102	44,827
Comcast Corp CL A	2,828 shares	142,523	147,622
Liberty Media Corp Delaware CL A	760 shares	115,423	96,619
Live Nation Entertainment Inc	1,565 shares	16,025	37,122
Meredith Corp	1,015 shares	49,761	45,634
Omnicom Group Inc	514 shares	36,527	36,571
Time Warner Inc	2,068 shares	134,502	144,408
Macys Inc	918 shares	37,591	54,979
Asbury Automotive Group	563 shares	16,058	36,392
Brown Shoe Co	1,410 shares	33,317	39,692
Finish Line Inc CL A	680 shares	18,412	19,496
Home Depot Inc	852 shares	68,325	68,356
Shoe Carnival Inc	1,084 shares	22,896	20,271
Ann Inc	1,125 shares	38,406	43,729
CVS/Caremark Corp	2,479 shares	127,154	194,155
Post Holdings Inc	565 shares	30,503	28,233
Sanderson Farms Inc	355 shares	29,117	32,841
Treehouse Foods Inc	459 shares	23,707	34,402
Tyson Foods Inc CL A	3,410 shares	97,397	144,789
Bristow Group Inc	435 shares	32,396	33,051

Materion Corporation Pension Plan

EIN: 34-1919973 Plan Number: 001

Schedule H, Line 4(i)—Schedule of Assets (Held at End of Year)

May 31, 2014

Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
C&J Energy SVCS Inc	588 shares	18,401	17,999
Helix Energy Solutions Group	1,759 shares	35,329	41,125
Phillips 66 COM	2,318 shares	164,739	196,543
Schlumberger LTD	815 shares	73,665	84,793
Tesco Corp	1,029 shares	21,879	21,918
Carrizo Oil & Gas Inc	961 shares	33,273	55,219
EOG RES Inc	606 shares	51,027	64,115
Exxon Mobil Corp	4,182 shares	397,626	420,416
Magnum Hunter RES Corp	3,889 shares	32,622	29,790
Marathon Petroleum Corp	869 shares	80,408	77,680
Matador Res Co	957 shares	25,375	23,810
Occidental Petroleum Corp	1,768 shares	153,005	176,252
PDC Energy Inc	728 shares	27,827	46,730
QEP RES Inc	2,546 shares	75,790	81,319
Valero Energy	1,162 shares	58,084	65,130
Amsurg Corp	750 shares	22,293	33,960
Express Script Holdings	2,192 shares	148,970	156,662
Healthsouth Corp	787 shares	18,678	27,639
Laboratory Corp Amer Holdings	605 shares	58,115	62,061
Magellan Health Services Inc	490 shares	22,740	29,836
McKesson Corp	382 shares	63,041	72,442
Molina Healthcare Inc	960 shares	35,262	41,366
Omnicare Inc	1,209 shares	70,664	76,832
Pharmacia Corp	1,072 shares	28,690	29,094
Quest Diagnostics	1,213 shares	71,307	72,647
WellCare Health Plans Inc	555 shares	29,044	42,985
Charles River Laboratories	560 shares	23,614	30,005
Abbvie Inc	976 shares	47,515	53,026
Johnson & Johnson	2,219 shares	212,666	225,140
Pfizer Inc	8,420 shares	273,030	249,485
Sanofi	1,915 shares	101,339	102,070
Covidien PLC	1,153 shares	77,668	84,296
Greatbatch Inc	750 shares	32,683	35,033
ICU Med Inc	344 shares	13,242	20,664
Medtronic Inc	1,206 shares	72,335	73,602
Zimmer Holdings	618 shares	59,900	64,488
BB&T Corp	1,798 shares	43,411	68,180
Bancorpsouth Inc	2,094 shares	31,915	49,209
Banner Corp	1,245 shares	38,255	47,522
Citigroup Inc	4,950 shares	176,125	235,472
Fifth Third Bancorp	5,821 shares	120,362	120,436
First Bancorp Puerto Rico	6,920 shares	40,595	33,700
First Commonwealth Financial Corp	4,300 shares	30,735	36,980
First Financial Bancorp Ohio	2,198 shares	38,552	35,739
First Horizon National Corp	4,069 shares	35,236	46,631
OFG Bancorp	3,440 shares	48,384	62,126
Old National Bancorp Ind	1,640 shares	24,156	22,189
OPUS BK Irvine CA	737 shares	22,110	22,110
Synovus Financial Corp	1,694 shares	26,252	39,064
United Community Banks GA	2,203 shares	37,872	33,794

Materion Corporation Pension Plan

EIN: 34-1919973 Plan Number: 001

Schedule H, Line 4(i)—Schedule of Assets (Held at End of Year)

May 31, 2014

Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
Wells Fargo & Co	6,548 shares	223,040	332,507
Western Alliance Bancorp	2,414 shares	19,320	55,232
Validus Holding LTD	1,170 shares	45,486	43,676
ACE Limited	1,177 shares	118,940	122,067
Allstate Corp	1,834 shares	80,870	106,849
American Equity Inv't Life Hldg	1,880 shares	39,946	42,338
Amtrust Financial Services Inc	937 shares	18,470	40,010
Berkshire Hathaway Inc Del	2,592 shares	300,858	332,657
CNO Financial Group	3,100 shares	33,963	50,003
MetLife Inc	1,007 shares	52,878	51,287
RLI Corp	1,202 shares	38,826	53,609
Stewart Information Services Corp	1,160 shares	31,902	37,213
Travelers Cos Inc	997 shares	85,536	93,170
Astoria Financial Corp	3,395 shares	47,637	43,388
MGIC Inv't Corp	5,895 shares	40,915	49,990
Radian Group Inc	4,245 shares	28,106	61,213
Capital One Financial Corp	2,831 shares	202,423	223,338
Discover Financial Services	1,704 shares	58,582	100,758
Investment Technology Group	2,009 shares	21,515	38,432
Janus Cap Group Inc	3,600 shares	34,596	42,048
State Street Corp	976 shares	70,836	63,704
Virtus Investment Partners	190 shares	30,940	35,053
JP Morgan Chase	4,297 shares	209,305	238,784
American Homes 4 Rent	2,376 shares	38,946	41,865
American Cap Agcy Corp	1,850 shares	37,283	43,901
Cubesmart	2,004 shares	17,028	36,553
Diamondrock Hospitality Co	2,728 shares	23,844	33,882
First Potomac Realty	1,043 shares	14,725	13,642
Kite Realty Group	5,590 shares	33,748	34,714
Lexington Corporate PPTYS	3,763 shares	31,433	42,710
Medical PPTYS TR Inc	2,810 shares	30,789	37,991
Northstar Realty Fin Corp	1,369 shares	7,046	22,657
Parkway PPTYS Inc	1,780 shares	31,642	35,547
Pennsylvania REIT	1,580 shares	31,645	28,361
RAIT Financial TR	4,475 shares	27,769	35,084
Sunstone Hotel Investors Inc	3,792 shares	37,500	55,704
Verizon Communications	1,142 shares	54,994	57,054
Brooks Automation Inc	2,956 shares	29,850	28,703
Fairchild Semiconductor Intl CL A	3,842 shares	45,358	56,362
Integrated Device Technology	3,088 shares	19,559	41,070
Intersil Corp	3,217 shares	32,303	45,263
Lattice Semiconductor	4,455 shares	27,269	35,239
ON Semiconductor Corp	4,415 shares	30,739	38,366
Photronics Inc	4,887 shares	29,156	42,957
TriQuint Semiconductor Inc	1,630 shares	10,329	25,363
Arris Group Inc	1,661 shares	24,244	54,996
Brocade Communications SYS Inc	7,434 shares	64,387	67,798
Ciena Corp	1,274 shares	22,328	24,716
Cisco Systems	7,264 shares	155,536	178,840
Qualcomm Inc	1,089 shares	78,277	87,610

Materion Corporation Pension Plan

EIN: 34-1919973 Plan Number: 001

Schedule H, Line 4(i)—Schedule of Assets (Held at End of Year)

May 31, 2014

Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
Seagate Technology PLC	1,026 shares	31,208	55,127
Apple Inc	310 shares	178,155	196,230
EMC Corp	4,473 shares	119,443	118,803
Western Digital Corp	735 shares	56,275	64,570
TE Connectivity LTD	967 shares	51,342	57,498
Littelfuse Inc	545 shares	39,070	47,775
Plexus Corp	923 shares	32,188	38,544
Sanmina Corp	1,725 shares	19,920	35,104
Synnex Corp	544 shares	21,061	35,964
Tech Data Corp	731 shares	38,766	43,502
Vishay Intertechnology Inc	3,976 shares	45,095	59,322
Mentor Graphics Corp	2,013 shares	22,272	42,655
Microsoft Corp	3,417 shares	128,775	139,892
Oracle Corp	2,133 shares	82,627	89,629
Progress Software Corp	1,560 shares	34,247	33,883
Fidelity National Information	644 shares	34,187	34,873
Global Payments Inc	512 shares	33,838	35,103
Northwestern Corp	910 shares	35,872	43,680
Vectren Corp	569 shares	14,343	22,692
Allete Inc	705 shares	36,331	35,017
First Energy	1,905 shares	63,281	64,427
PNM Res Inc	1,362 shares	19,745	38,763
EQT Corp	624 shares	63,972	66,693
Energen Corp	496 shares	41,607	42,348
South Jersey Inds Inc	565 shares	29,651	32,499
AES Corp	7,289 shares	89,151	102,775
Approach Resources	1,153 shares	23,581	22,507
Central Pacific Financial Corp	2,476 shares	33,616	47,143
Engility Holdings	723 shares	23,649	27,944
Knowles Corp	407 shares	12,724	11,481
News Corp CL A	2,188 shares	38,216	37,327
Synergy Res Corp	2,885 shares	27,711	33,870
US Silica Holdings	1,069 shares	36,988	54,059
Xcerra Corp	3,299 shares	28,988	31,835
Maverick Stable Fund	6,500 shares	6,500,000	6,500,000
Primus Cap Fund IV	2,179.135 shares	2,824	167
Primus Cap Fund V	392,643.813 shares	479,408	336,511
Kayne Anderson Capital Income Partners (QP), L.P.	2,960,935 shares	2,500,000	5,575,145
WTC CIF II Growth (Ser 1) Port	381,974.018 shares	4,220,016	8,773,943
Alger American Fund Small Cap	123,091.768 shares	3,444,289	3,826,923
William Blair Institutional International Growth Fund	561,239.826 shares	7,344,865	9,838,534
DFA Emerging Markets Value #95	218,830.889 shares	6,299,300	6,284,823
DFA International Small Company #89	177,488.371 shares	2,708,780	3,578,166
DFA 5 Year Global Fixed Income #24	1,073,424.434 shares	12,282,557	11,850,606
DFA International Value #45	549,953.042 shares	10,402,156	11,153,048
JPMorgan Mortgage Backed Securities Fund	594,357.837 shares	6,328,919	6,763,792
Loomis Sayles Global Bond	680,350.834 shares	10,719,306	11,341,448
Oppenheimer Developing Markets Fund	209,477.550 shares	6,559,895	8,075,360
PIMCO Funds Total Return Instl I	709,259.423 shares	7,771,429	7,766,391
Third Avenue Real Estate Value Fund	187,755.534 shares	3,663,405	5,916,177

Materion Corporation Pension Plan

EIN: 34-1919973 Plan Number: 001

Schedule H, Line 4(i)—Schedule of Assets
(Held at End of Year)

May 31, 2014

Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
Vanguard S&P Midcap 400 Index Fund	66,919.592 shares	8,717,651	12,403,546
Vanguard Institutional Index Fund #94	111,954.509 shares	13,680,259	19,794,677
Wells Fargo Fund Adv Gov MMF/Inst - 1751	765,314.086 shares	8,578,000	8,869,990

\$ 176,630,795

Materion Corporation Pension Plan

EIN: 34-1919973 Plan Number: 001

Schedule H, Line 4(j)—Schedule of Reportable Transactions

Year ended May 31, 2014

Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Expense Incurred with Transaction	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain or (Loss)
Category (iii) - Series of transactions in excess of 5% of plan assets							
	Wells Fargo FDS Absolute RET Fund I	8,578,000	-	-	8,578,000	8,578,000	-
	Federated Treasury Obligations Fund Instl	12,399,771	-	-	12,399,771	12,399,771	-
		-	10,052,542	-	10,052,542	10,052,542	-

There were no category (i), (ii), or (iv) reportable transactions during the year ended May 31, 2014.

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

Materion Corporation Pension Plan

**May 31, 2014 and 2013 and Year ended May 31, 2014
with Report of Independent Auditors**

Materion Corporation Pension Plan

Financial Statements and Supplemental Schedules

May 31, 2014 and 2013 and Year ended May 31, 2014

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Materion Corporation Pension Plan

Statements of Net Assets Available for Benefits

	May 31,	
	2014	2013
Assets		
Cash, noninterest-bearing	\$ 7	\$ 8
Receivables:		
Employer contributions	12,000,000	15,285,000
Accrued income	100,852	91,365
	<u>12,100,852</u>	<u>15,376,365</u>
Investments, at fair value:		
Interest-bearing cash	5,012,072	2,846,552
U.S. Government agency securities	3,920,895	3,320,747
Corporate bonds - preferred	376,884	103,246
Corporate bonds - other	3,516,797	4,188,223
Pooled Investment Fund	6,500,000	-
Common stock	12,967,846	11,516,612
Partnership/joint venture interests	5,911,823	5,337,760
Common/collective trusts	8,773,943	7,092,045
Registered investment companies	129,650,535	116,564,565
	<u>176,630,795</u>	<u>150,969,750</u>
Net assets available for benefits	<u><u>\$ 188,731,654</u></u>	<u><u>\$166,346,123</u></u>

See accompanying notes.

Materion Corporation Pension Plan

Statement of Changes in Net Assets Available for Benefits

Year ended May 31, 2014

Additions

Contributions:

Employer	\$ 12,000,000
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Investment income:

Net appreciation in fair value of investments	15,100,644
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Interest and dividends	4,123,634
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Other income	1,088
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<u>19,225,366</u>

Total additions

<u>31,225,366</u>

Deductions

Benefits paid to participants	8,114,981
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Administrative expenses	724,854
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<u>8,839,835</u>

Net increase	22,385,531
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Net assets available for benefits at beginning of year	166,346,123
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Net assets available for benefits at end of year	<u>\$ 188,731,654</u>
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See accompanying notes.

Materion Corporation Pension Plan

Notes to Financial Statements

May 31, 2014 and 2013 and Year ended May 31, 2014

1. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Materion Corporation Pension Plan (Plan) are prepared on the accrual basis of accounting.

Investment Valuation

Investments are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). See Note 8 for further discussion of fair value measurements.

401(h) Account

Effective January 1, 2000, the Plan was amended to include a health and welfare component in addition to normal retirement benefits to fund a portion of the post-retirement obligations for retirees and their beneficiaries in accordance with Section 401(h) of the Internal Revenue Code. A separate account has been established and maintained in the Plan for such net assets. In accordance with Internal Revenue Code Section 401(h) and subject to Internal Revenue Code Section 420, the Plan's investment in the 401(h) account may not be used for, or diverted to, any purpose other than providing health and welfare plan's benefits for retirees and their beneficiaries. Any assets transferred to the 401(h) account from the defined benefit pension plan in a qualified transfer of excess pension plan assets (and any income allocable thereto) that are not used during the taxable year of the transfer must be transferred out of the account to the general assets of the Plan. The related obligations for health benefits are not a component of this Plan's accumulated plan benefits obligation. Qualified transfers to the 401(h) account are determined annually and are at the discretion of the Company. Excess pension assets shall not be transferred in any taxable year beginning after December 31, 2021 and no contributions shall be made to the 401(h) account. There have not been any qualified transfers to the 401(h) account since 2001. There is no balance in the 401(h) account at May 31, 2014 and 2013.

Payment of Benefits

Benefits are recorded when paid.

Materion Corporation Pension Plan

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits (see Note 3) are those estimated future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to services rendered by the employees to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died and (c) present employees or their beneficiaries. Benefits are based on employees' credited service and other factors. Benefits payable under all circumstances—retirement, death, disability, and termination of employment—are included to the extent they are deemed attributable to employee service rendered to the valuation date.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements, accompanying notes and supplemental schedules. Actual results could differ from those estimates.

New Pronouncements

In January 2013, the FASB issued ASU 2013-01, Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities. This update amends ASC 210, Balance Sheet, specifically the disclosure requirements created by ASU 2011-11, Disclosures About Offsetting Assets and Liabilities, issued by the FASB in December 2011. This update clarifies the scope of the disclosure requirements to be applicable to derivatives including bifurcated embedded derivatives, repurchase agreements and reverse repurchase agreements, and securities borrowing and securities lending transactions that are either offset in accordance with Section 210-20-45 or Section 815-10-45 or are subject to a master netting arrangement or similar agreement. The disclosure requirements are effective for fiscal years beginning on or after January 1, 2013 and are required to be provided retrospectively for all comparative periods presented. Adoption of ASU 2011-11, as amended by ASU 2013-01, did not have an effect on the Plan's net assets available for benefits or its changes in net assets available for benefits.

Materion Corporation Pension Plan

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

In June 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2014-11, Transfers and Servicing (Topic 860): Repurchase-to-Maturity Transactions, Repurchase Financing, and Disclosure, (ASU 2014-11). ASU 2014-11 requires repurchase-to-maturity transactions to be accounted for as secured borrowings rather than as sales with a forward repurchase commitment and eliminates current guidance on repurchase financing. ASU 2014-11 requires separate accounting for a transfer of a financial asset executed contemporaneously with a repurchase agreement with the same counterparty that will result in secured borrowing accounting for the repurchase agreement.

The ASU requires new disclosures for repurchase agreements, securities lending transactions and repurchase-to-maturity transactions that are accounted for as secured borrowings. These disclosures include information about the types of assets pledged and the relationship between those assets and the related obligation to return the proceeds. The ASU also requires new disclosures for transfers of financial assets that are accounted for as sales that involve an agreement with the transferee entered into in contemplation of the initial transfer that result in the transferor retaining substantially all of the exposure to the economic return on the transferred financial assets throughout the term of the transaction.

The accounting and disclosure changes are effective for annual periods beginning after December 15, 2014. Management is currently evaluating this updated guidance.

Subsequent Events

Management evaluated subsequent events for the Plan through March 13, 2015, the date the financial statements were available to be issued.

The Plan was restated as of June 1, 2013 to incorporate all amendments and required legislated changes since the previous restatement as of June 1, 2008, and has been amended on one subsequent occasion to reflect regulatory guidance. The restated Plan was submitted to the IRS in 2013 in order to obtain a current favorable determination letter, and a favorable determination letter was subsequently issued to the Company on June 23, 2014, prior to the most recent amendment.

Materion Corporation Pension Plan

Notes to Financial Statements (continued)

2. Description of Plan

The Plan is a defined benefit plan which covers the majority of employees of Materion Corporation (Company and Plan Administrator) and certain of its wholly owned subsidiaries and related affiliates and provides for retirement and disability retirement benefits. This Plan also provides death benefits.

The Company's present intention is to make contributions in amounts that would satisfy the Employee Retirement Income Security Act of 1974 (ERISA) minimum funding requirements, not to exceed maximum tax-deductible amounts. The Plan has met the ERISA minimum funding requirements for 2014 and 2013.

Should the Plan terminate, the net assets of the Plan will be allocated for payment to the participants in an order of priority as prescribed by ERISA and its related regulations and the plan document. Should the Plan terminate at some future time, its net assets will generally not be available on a pro rata basis to provide participants' benefits. Whether a particular participant's accumulated plan benefits will be paid depends on both the priority of those benefits and the level of benefits guaranteed by the Pension Benefits Guaranty Corporation (PBGC) at that time. Some benefits may be fully or partially provided for by the then-existing assets and the PBGC guarantee, while other benefits may not be provided for at all.

Information about the Plan's vesting and benefit provisions and the PBGC's benefit guarantee is contained in the Summary Plan Description (SPD). Participants should refer to the plan document and SPD for a more complete description of the Plan's provisions, copies of which may be obtained from the Plan Administrator.

In 2007, the Board of Directors of Materion Corporation authorized the Company to amend the Plan. This amendment is effective for all Materion hourly participants who terminate employment on or after April 1, 2007. Based on the amendment, the benefit unit per each year of credited service was increased by \$1 for all years of service. The actuarial present value of accumulated plan benefits at May 31, 2014 and 2013 reflect this amendment.

In 2010, the Board of Directors of Materion Corporation authorized the Company to amend the Plan. This amendment is effective for all Materion employees who have met the eligibility conditions for early retirement (age 55 with 10 years of service) or normal retirement (age 65 with 5 years of service) and die while employed. Based on this amendment, this individual is deemed to have elected the 100% joint and survivor form of his or her pension benefit. His or her spouse would then receive the same reduced monthly pension that the employee would have received if they had survived and elected to commence their pension benefit under this option.

Materion Corporation Pension Plan

Notes to Financial Statements (continued)

2. Description of Plan (continued)

The actuarial present value of accumulated plan benefits at May 31, 2014 and 2013 reflect this amendment.

In 2012, the Board of Directors of Materion Corporation authorized the Company to amend the Plan. This amendment closed the plan to all employees hired or rehired on or after May 26, 2012. Employees hired prior to May 26, 2012 at covered locations continue to participate in the plan and to accrue future benefits. A second amendment, authorized in late 2012 and executed in 2013, allowed participants who had terminated from the Company prior to December 1, 2012 and who were entitled to but had not yet commenced a future monthly pension benefit as of January 1, 2013, a one-time opportunity to elect to receive either a lump sum payment payable May 1, 2013 in lieu of their future monthly pension benefit or the immediate commencement of their monthly pension benefit, payable beginning May 1, 2013, with such monthly pension benefit calculated to be actuarially equivalent to the lump sum payment. The aggregate payment made to participants electing to receive the lump sum payment totaled approximately \$14,800,000. The actuarial present value of accumulated plan benefits at May 31, 2014 reflects both of these amendments.

3. Accumulated Plan Benefits

Consulting actuaries from Towers Watson estimated the actuarial present value of accumulated plan benefits, which is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits earned by the participants to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment.

Materion Corporation Pension Plan

Notes to Financial Statements (continued)

3. Accumulated Plan Benefits (continued)

The accumulated plan benefit information as of the end of each plan year is as follows:

	May 31	
	2014	2013
Actuarial present value of accumulated plan benefits:		
Vested benefits:		
Participants receiving benefits	\$ 72,766,757	\$ 62,555,815
Other participants	75,293,737	70,704,374
	148,060,494	133,260,189
Non-vested accumulated benefits	8,023,443	7,622,540
	<u>\$ 156,083,937</u>	<u>\$ 140,882,729</u>

The changes in the accumulated plan benefits for the current plan year are as follows:

	Year Ended May 31
	2014
Actuarial present value of accumulated benefits at beginning of year	\$ 140,882,729
Changes during the year due to:	
Benefits accumulated	3,665,964
Actuarial (gains)/losses	(339,645)
Decrease in the discount period	10,536,840
Actual benefits paid	(8,114,981)
Assumption changes	9,453,030
Net increase	15,201,208
Actuarial present value of accumulated benefits at year end	<u>\$ 156,083,937</u>

Materion Corporation Pension Plan

Notes to Financial Statements (continued)

3. Accumulated Plan Benefits (continued)

Significant assumptions underlying the actuarial computation are:

Rate of return	7.25% as of May 31, 2014 and 7.50% as of May 31, 2013
Retirement	<p><i>Salaried, TMI, AMTS and Brewster Participants</i>—As of May 31, 2014, 25% per year from age 65-69, with the remainder retiring at age 70, except employees who will have 30 years of service prior to age 65 are assumed to retire at age 63 or completion of 30 years of service, whichever is later. As of May 31, 2013, age 65 with 5 years of participation or attained age, if greater, except employees who will have 30 years of service prior to age 65 are assumed to retire at age 63 or completion of 30 years of service, whichever is later.</p> <p><i>Hourly Participants</i>—As of May 31, 2014, for Newburyport and Tucson employees, 25% per year from age 65-69, with the remainder retiring at age 70. For all other employees, 25% per year from age 65-69, with the remainder retiring at age 70, except employees who will have 30 years of service prior to age 65 are assumed to retire based on a decrement schedule. As of May 31, 2013, for Newburyport and Tucson employees, age 65 with 5 years of participation or attained age, if greater. For all other employees, age 65 with 5 years of participation or attained age, if greater, except employees who will have 30 years of service prior to age 65 are assumed to retire based on a decrement schedule.</p>
Actuarial cost method	Projected Unit Credit Cost Method
Mortality basis	RP-2014 Healthy Mortality Tables (with separate rates for males and females) with generational projection using Scale MP-2014 at May 31, 2014 and RP-2000 Mortality Tables (with separate rates for males and females) projected to 2020 using Scale AA at May 31, 2013.

Materion Corporation Pension Plan

Notes to Financial Statements (continued)

3. Accumulated Plan Benefits (continued)

These actuarial assumptions were based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

Materion Corporation Pension Plan

Notes to Financial Statements (continued)

4. Investments

All investment information disclosed in the accompanying financial statements and supplemental schedules, including investments held at May 31, 2014 and 2013, net appreciation in fair value of investments and interest and dividends for the year ended May 31, 2014, was obtained or derived from information supplied to the Plan Administrator and certified as complete and accurate by Fifth Third Bank, the trustee.

During the year ended May 31, 2014, the Plan's investments (including investments purchased, sold, as well as held during the year) appreciated in fair value as follows:

Shares of registered investment companies	\$ 10,341,983
Common collective trust	1,650,545
Common stock	2,334,920
U.S. Government agency securities	(58,687)
Corporate bonds	(39,591)
Partnership/joint venture interests	871,473
	<u>\$ 15,100,644</u>

Investments that represent 5% or more of fair value of the Plan's net assets are as follows:

	May 31	
	2014	2013
Vanguard Institutional Index Fund #94	19,794,677	21,065,834
Vanguard S&P MidCap 400 Index Fund	12,403,546	11,149,815
DFA 5 Year Global Fixed Income #24	11,850,606	11,655,595
Loomis Sayles Global Bond Fund	11,341,448	10,898,929
DFA International Value Fund #45	11,153,048	9,197,514
William Blair Institutional International Growth Fund	9,838,534	8,493,498
PIMCO Total Return Fund Institutional Class	*	7,632,632

*This value was less than 5% of the Plan's net assets in the respective year. It is being shown for comparative purposes only.

Materion Corporation Pension Plan

Notes to Financial Statements (continued)

5. Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated June 23, 2014 stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (IRC), and therefore, the related trust is exempt from taxation. Subsequent to this issuance of the determination letter and as noted in the Subsequent Events section, the Plan was amended to reflect regulatory guidance. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualified status. The Plan Administrator believes the Plan is being operated in compliance with the applicable requirements of the IRC and, therefore, believes that the Plan, as amended, is qualified and the related trust is tax exempt.

Accounting principles generally accepted in the United States require plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to 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 May 31, 2014, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. 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 the Plan is no longer subject to income tax examinations for years prior to 2011.

6. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption processes, it is at least reasonably possible that changes in these estimates and assumptions in the near term could materially affect the amounts reported and disclosed in the financial statements.

Materion Corporation Pension Plan

Notes to Financial Statements (continued)

7. Allocated Insurance Contracts

During the plan year ended 1989, the Egbert Corporation Retirement Plan for Salaried Employees and the Egbert Corporation Retirement Plan for Hourly Employees (Egbert Plans) merged with the Plan. Net assets approximating \$7,100,000 were transferred to the Plan from the Egbert Plans. Prior to the merger, annuities of approximately \$14,300,000 were purchased to satisfy obligations to the participants of the Egbert Plans. During the 1991 Plan year, additional annuities of \$81,490 were purchased. The annuities are excluded from the net assets of the Plan.

8. Fair Value Measurements

Fair value is defined under ASC 820 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). To measure fair value, a hierarchy has been established that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs. As such, the hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy in ASC 820 are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible to the reporting entity at the measurement date for identical assets and liabilities.

Level 2 – Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:

- Quoted prices for similar assets and liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in markets that are not active
- Observable inputs other than quoted prices that are used in the valuation of the asset or liabilities (e.g., interest rate and yield curve quotes at commonly quoted intervals)
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

Materion Corporation Pension Plan

Notes to Financial Statements (continued)

8. Fair Value Measurements (continued)

Level 3 – Unobservable inputs for the asset or liability (i.e., supported by little or no market activity. Level 3 inputs include management's own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

The level in the fair value hierarchy within which the fair value measurement is classified is determined based on the lowest level input that is significant to the fair value measure in its entirety.

Following is a description of the valuation techniques and inputs used for each major class of assets and liabilities measured at fair value.

Registered investment companies — Valued based on observable market quotations for identical assets and priced on a daily basis at the close of business

Common/collective trusts — Valued at estimated fair values, which have been determined based on the net asset value (NAV) per unit of the funds

Common stock — Valued at the closing price reported on the active market on which the individual securities are traded

U.S. government agency securities and corporate bonds — Valued at fair value, which is estimated using evaluated bids from third parties using observable market inputs such as matrix pricing or broker quotes

Partnership/joint venture interests — Valued using NAV, which approximates fair value. NAV is based on the unit values of the interests. Unit values are determined by the issuer sponsoring such interests by dividing the fund's net assets at fair value by its units outstanding at the valuation dates. The Plan Sponsor has an appointed Investment Committee that is responsible for determining the Plan's asset allocation and oversight of the investments held by the Plan. The Investment Committee meets quarterly and monitors all investment activity by reviewing fund performance of existing funds. All new limited partnership investments are authorized by the Investment Committee. The Plan Sponsor is responsible for determining the Plan's valuation policies and analyzing information that is used to determine the fair value of the limited partnerships held by the Plan. The Plan Sponsor monitors all limited partnership activity by reviewing fund performance of existing funds and performing due diligence for potential

Materion Corporation Pension Plan

Notes to Financial Statements (continued)

8. Fair Value Measurements (continued)

future investments. As an extra level of security, the Plan Sponsor also utilizes the services of an investment consultant to monitor fund performance.

Pooled Investment Funds - Valued at fair value estimated by the issuer, which has been determined based on the unit values of these funds. Unit values are determined by dividing the net asset value by the total units held by the Plan at year-end. The Plan Sponsor has an appointed Investment Committee that is responsible for determining the Plan's asset allocation and oversight of the investments held by the Plan. The Investment Committee meets quarterly and monitors all investment activity by reviewing fund performance of existing funds. All new pooled investment funds are authorized by the Investment Committee. The Plan Sponsor is responsible for determining the Plan's valuation policies and analyzing information that is used to determine the fair value of the pooled investment funds held by the Plan. The Plan Sponsor monitors all pooled investment fund activity by reviewing fund performance of existing funds and performing due diligence for potential future investments. As an extra level of security, the Plan Sponsor also utilizes the services of an investment consultant to monitor fund performance.

Interest-bearing cash — Valued at amortized cost, which approximates fair value

Noninterest-bearing cash — Valued at original cost, which approximates fair value

Materion Corporation Pension Plan

Notes to Financial Statements (continued)

8. Fair Value Measurements (continued)

The following table summarizes the Plan's assets measured at fair value as of May 31, 2014:

Description	May 31, 2014	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Registered investment companies				
Small Cap	\$ 3,826,923	\$ 3,826,923	\$ -	\$ -
Mid Cap	12,403,546	12,403,546	-	-
Large Cap	19,794,677	19,794,677	-	-
Emerging Market	14,360,183	14,360,183	-	-
International	24,569,747	24,569,747	-	-
Real Estate	5,916,177	5,916,177	-	-
Fixed Income	37,722,237	37,722,237	-	-
Money Market	2,187,055	2,187,055	-	-
Absolute Return	8,869,990	8,869,990	-	-
Total registered investment companies	129,650,535	129,650,535	-	-
Common/collective trusts				
U.S. Equity (a)	8,773,943	-	8,773,943	-
Common stock (U.S.)	12,967,846	12,967,846	-	-
Corporate bonds (investment grade)	3,893,681	-	3,893,681	-
Partnership/joint venture interests (b)	5,911,823	-	-	5,911,823
U.S. Government agency securities	3,920,895	-	3,920,895	-
Pooled investment funds (c)	6,500,000	-	-	6,500,000
Interest-bearing cash (d)	5,012,072	5,012,072	-	-
Non-interest-bearing cash	7	7	-	-
Total investments	<u>\$176,630,802</u>	<u>\$147,630,460</u>	<u>\$16,588,519</u>	<u>\$ 12,411,823</u>

(a) The fund's investment objective is to seek long term growth of capital by investing primarily in a wide variety of domestic equity securities. It invests in "growth" securities, primarily in issuers with large-market capitalizations at the time of investment. There are no redemption restrictions on the fund.

(b) Venture capital investments in start-up companies (<1%) as well as established rapidly growing companies (12%) and hedge funds that invest in yield oriented, defensive and uncorrelated investments (88%). For each of the partnerships, the Plan may withdraw up to 100% of the value of the capital account, upon at least 30 days written notice. The plan has no future funding commitments associated with these investments.

(c) The investment objective of this fund is to achieve attractive returns by investing in pooled investment vehicles. The current share class has a two-year lock-up period, after which time Materion can move to a two or one-year lock-up period, or fully redeem the shares. The plan has no future funding commitments associated with these investments.

(d) Money market funds that invest in U.S. dollar denominated securities with an income objective that seek to preserve the value of the investment at \$1.00 per share.

Materion Corporation Pension Plan

Notes to Financial Statements (continued)

8. Fair Value Measurements (continued)

The following table summarizes the Plan's assets measured at fair value as of May 31, 2013:

Description	May 31, 2013	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Registered investment companies				
Small Cap	\$ 4,299,006	\$ 4,299,006	\$ -	\$ -
Mid Cap	11,149,815	11,149,815	-	-
Large Cap	21,065,834	21,065,834	-	-
Emerging Market	13,230,010	13,230,010	-	-
International	20,544,691	20,544,691	-	-
Real Estate	7,290,665	7,290,665	-	-
Fixed Income	36,797,709	36,797,709	-	-
Money Market	2,186,835	2,186,835	-	-
Total registered investment companies	116,564,565	116,564,565	-	-
Common/collective trusts				
U.S. Equity (a)	7,092,045	-	7,092,045	-
Common stock (U.S.)	11,516,612	11,516,612	-	-
Corporate bonds (investment grade)	4,291,469	-	4,291,469	-
Partnership/joint venture interests (b)	5,337,760	-	-	5,337,760
U.S. Government agency securities	3,320,747	-	3,320,747	-
Interest-bearing cash (c)	2,846,552	2,846,552	-	-
Non-interest-bearing cash	8	8	-	-
Total investments	<u>\$150,969,758</u>	<u>\$130,927,737</u>	<u>\$14,704,261</u>	<u>\$ 5,337,760</u>

(a) The fund's investment objective is to seek long term growth of capital by investing primarily in a wide variety of domestic equity securities. It invests in "growth" securities, primarily in issuers with large-market capitalizations at the time of investment. There are no redemption restrictions on the fund.

(b) Venture capital investments in start-up companies (<1%) as well as established rapidly growing companies (12%) and hedge funds that invest in yield oriented, defensive and uncorrelated investments (88%). For each of the partnerships, the Plan may withdraw up to 100% of the value of the capital account, upon at least 30 days written notice. The plan has no future funding commitments associated with these investments.

(c) Money market funds that invest in U.S. dollar denominated securities with an income objective that seek to preserve the value of the investment at \$1.00 per share.

Materion Corporation Pension Plan

Notes to Financial Statements (continued)

8. Fair Value Measurements (continued)

For partnership/joint venture interests measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during plan year ended May 31, 2014, a reconciliation of the beginning and ending balances is as follows:

	Partnership/Joint Venture Interests
Beginning balance, June 1, 2013	\$ 5,337,760
Realized gain	223,647
Unrealized gain relating to investments still held at the reporting date	647,826
Sales	(297,410)
Ending balance, May 31, 2014	<u>\$ 5,911,823</u>

For pooled investment funds measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during plan year ended May 31, 2014, a reconciliation of the beginning and ending balances is as follows:

	Pooled Investment Fund
Beginning balance, June 1, 2013	\$ -
Purchases	6,500,000
Realized gain (loss)	-
Unrealized gain relating to investments still held at the reporting date	-
Sales	-
Ending balance, May 31, 2014	<u>\$ 6,500,000</u>

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Statement of Actuarial Assumptions and Methods

Plan Sponsor

Materion Corporation

EIN/PN

34-1919973 / 001

Interest rate basis

- Applicable month February
- Yield curve basis 3-Segment rates

Interest rates

Reflecting Corridors

- First segment rate: 4.94%
- Second segment rate: 6.15%
- Third segment rate: 6.76%
- Effective interest rate: 6.35%

Prior plan year effective interest rate: 7.05%

Assumed cost of living adjustments

None.

Inclusion date

The valuation date coincident with or next following the date on which the employee becomes a participant.

Plan Name: Materion Corporation Pension Plan
EIN / PN: 34-1919973 / 001
Plan Sponsor: Materion Corporation
Valuation Date: June 1, 2013

SCHEDULE SB ATTACHMENTS

Plan-Related Expenses

The amount included this year for plan-related expenses is \$488,460. This amount equals the actual non-PBGC related administrative expenses for anticipated recurring projects paid in the prior plan year plus the PBGC expenses expected to be paid during the current year.

Mortality

For all participants: The prescribed mortality assumption under Section 430(h)(3)(A) of the Internal Revenue Code using static tables with separate mortality rates for annuitants and non-annuitants.

Retirement

For purposes of determining the Funding Target and Target Normal Cost (both disregarding at-risk assumptions), the retirement assumption is shown below:

Salaried, TMI, AMTS and Brewster Participants - Age 65 with 5 years of participation or attained age, if greater, except employees who will have 30 years of service prior to age 65 are assumed to retire at age 63 or completion of 30 years of service, whichever is later.

Hourly Participants - For Newburyport and Tucson employees, age 65 with 5 years of participation or attained age, if greater. For all other employees, age 65 with 5 years of participation or attained age, if greater, except employees who will have 30 years of service prior to age 65 are assumed to retire based on the following rates:

Age	Percent Retiring
55-59	5%
60-61	15
62	75
63-64	15
65	75
66	5
67	3
68	2
69	1
70 & over	100

Disability rates

Wyatt 1985 Disability Study Class 1 male and female rates.

Plan Name: Materion Corporation Pension Plan
EIN / PN: 34-1919973 / 001
Plan Sponsor: Materion Corporation
Valuation Date: June 1, 2013

SCHEDULE SB ATTACHMENTS

Future increases in Maximum Benefits and Plan Compensation Limitations

Accrued benefits projected to be paid in future years are limited to the maximum presently allowed under IRC Section 415. Plan compensation is limited to the maximum presently allowed under IRC Section 401(a)(17). No provision is made for future increases in the maximum annual benefit or compensation limit.

Representative termination rates not due to disability, retirement or mortality

Attained Age	Percentage leaving during the year	
	Males	Females
20	14.95%	24.96%
25	9.94	14.95
30	6.91	9.94
35	4.88	6.91
40	2.82	4.88
45	1.67	2.82
50	0.40	1.67
55	0.00	0.40
60 and over	0.00	0.00

Form of payment

Single participants are assumed to elect the Normal Form of Benefit payment option. Married participants are assumed to elect the 50% joint and survivor option.

Marriage

85% of male and 50% of female participants are assumed to be married. In addition, male spouses are assumed to be three years older than female spouses.

Employees

It was assumed that there will be no new or rehired employees.

Plan Name: Materion Corporation Pension Plan
EIN / PN: 34-1919973 / 001
Plan Sponsor: Materion Corporation
Valuation Date: June 1, 2013

SCHEDULE SB ATTACHMENTS

Plan compensation

Salaried Participants - Compensation assumed paid in the current year for employees not in the MIP is current annual rate of pay increased by 5% for assumed bonus. Compensation assumed paid in the current year for employees in the MIP is the current annual rate of pay plus a target bonus (expressed as a percentage of current annual rate of pay) equal to:

Personal/Team Maximum Percentage of 9%
(Personal/Team program is 0%-14%, but 9% is assumed to be paid on average)

plus

100% of Financial Target Percentage

TMI Participants - Compensation assumed paid in the current year is:

- for Hourly employees, the current annual rate of pay (assumed for 2,080 hours) plus 450 hours overtime plus 6% of pay for profit sharing,
- for Salaried employees not in the MIP, the current annual rate of pay increased by 5% for assumed bonus, and
- for Salaried employees in the MIP, the current annual rate of pay plus a target bonus (expressed as a percentage of current annual rate of pay) equal to:

Personal/Team Maximum Percentage of 9%
(Personal/Team program is 0%-14%, but 9% is assumed to be paid on average)

plus

120% of Financial Target Percentage

Plan Name: Materion Corporation Pension Plan
EIN / PN: 34-1919973 / 001
Plan Sponsor: Materion Corporation
Valuation Date: June 1, 2013

SCHEDULE SB ATTACHMENTS

AMTS and Brewster Participants - Compensation assumed paid in the current year is:

- for Hourly employees, the current annual rate of pay increased by 3% for assumed bonus,
- for Salaried employees not in the MIP, the current annual rate of pay increased by 5% for assumed bonus, and
- for Salaried employees in the MIP, the current annual rate of pay plus a target bonus (expressed as a percentage of current annual rate of pay) equal to:

Personal/Team Maximum Percentage of 9%
(Personal/Team program is 0%-14%, but 9% is assumed to be paid on average)

plus

35% of Financial Target Percentage

The “current annual rate of pay” is equal to the rate of base pay (annualized) in effect as of the census collection date as reported by Materion Corporation.

Asset method

Smoothed Actuarial Value of Assets method. Under this method, the valuation assets are equal to the average of three values (all determined without regard to receivable contributions), the result increased by the discounted present value of receivable contributions expected to be made after the valuation date based on the prior plan year PPA effective interest rate. This amount is then subject to a 10% corridor around the market value of assets (including the discounted present value of receivable contributions) as of the valuation date. The three values used to develop the average value are: the market value of assets as of the current valuation date, the adjusted market value of assets as of the prior valuation date and the adjusted market value of assets as of the second prior valuation date. The adjusted market value as of a relevant valuation date is equal to the market value of assets as of the prior valuation date increased by actual plan contributions and assumed return on plan assets and decreased by actual plan disbursements after that date until the current valuation date. The assumed rate of return on plan assets for the prior plan year (pursuant to IRS Notice 2009-22) was 7.52%, which is the lesser of the anticipated rate of return on assets for the plan year, equal to 7.75%, and the applicable limitation for the plan year, equal to 7.52%. The assumed rate of return on plan assets for the second prior plan year (pursuant to IRS Notice 2009-22) was 6.46%, which is the lesser of the anticipated rate of return on assets for the plan year, equal to 8.00%, and the applicable limitation for the plan year, equal to 6.46%. The algebraically equivalent development of this method (pursuant to IRS Notice 2009-22) is shown in Section 2.3. Because expected investment returns under this method are limited under WRERA, over time it is more likely to produce an actuarial value that is expected to be less than the market value of assets.

Participant data

Participant data were supplied using electronic media as of the valuation date by Materion Corporation.

Plan Name: Materion Corporation Pension Plan
EIN / PN: 34-1919973 / 001
Plan Sponsor: Materion Corporation
Valuation Date: June 1, 2013

SCHEDULE SB ATTACHMENTS

Tax policy

The actuarial valuation performed for the plan year ending May 31, 2013 is used to determine the maximum deductible contribution for the tax year ending December 31, 2012.

Special loading

The liability for the normal retirement benefit and the normal cost for Delta division hourly employees, computed on the basis of the actuarial assumptions, has been increased by 8% to allow for the cost of the survivor option described under the **Survivor Option** heading in the Hourly Participants section of the Summary of Principal Plan Provisions.

Benefits not included in valuation

None. Generally, benefit changes which are adopted after the first day of the plan year or which become effective after the last day of the plan year are not recognized for such plan year.

Plan Name: Materion Corporation Pension Plan
EIN / PN: 34-1919973 / 001
Plan Sponsor: Materion Corporation
Valuation Date: June 1, 2013

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22 Description of Weighted Average Retirement Age as of June 1, 2013

See attachment labeled "Schedule SB, Part V, Statement of Actuarial Assumptions and Methods" for retirement rates. The average retirement age for Line 22 was calculated by determining the average age at retirement for those current active participants expected to reach retirement, based on all current decrements assumed. For the current employee population, the average age at retirement is calculated to be 64.26 (rounded to 64).

Plan Name: Materion Corporation Pension Plan
EIN / PN: 34-1919973 / 001
Plan Sponsor: Materion Corporation
Valuation Date: June 1, 2013