

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 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2016 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2016 or fiscal plan year beginning <u>01/01/2016</u> and ending <u>12/31/2016</u>			
A	This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ 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>THE BERKLINE ASSOCIATES PENSION PLAN</u>	1b	Three-digit plan number (PN) ▶ <u>015</u>
		1c	Effective date of plan <u>02/01/1952</u>
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>NCFII HOLDINGS INC. C/O MASCO CORPORATION</u> <u>ATTN BENEFITS DEPARTMENT</u> <u>17450 MASCO WAY</u> <u>LIVONIA, MI 48152</u>	2b	Employer Identification Number (EIN) <u>56-1977928</u>
		2c	Plan Sponsor's telephone number <u>313-274-7400</u>
		2d	Business code (see instructions) <u>337000</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.	10/04/2017	STEVE ARMBRUSTER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
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)			Preparer's telephone number

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
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	5 336
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year..... a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 0 6a(2) 0 6b 160 6c 95 6d 255 6e 61 6f 316 6g 6h 0
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: 1C 1I 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) ☐ <u>0</u> A (Insurance Information) (4) ☐ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2016 Form M-1 annual report. If the plan was not required to file the 2016 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

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 2016 This Form is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

▶ **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>THE BERKLINE ASSOCIATES PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>015</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>NCFII HOLDINGS INC. C/O MASCO CORPORATION</u>	D Employer Identification Number (EIN) <u>56-1977928</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>01</u> Day <u>01</u> Year <u>2016</u>	
2 Assets:	
a Market value	2a <u>5258134</u>
b Actuarial value	2b <u>5671094</u>
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment.....	(1) Number of participants <u>237</u> (2) Vested Funding Target <u>4488810</u> (3) Total Funding Target <u>4488810</u>
b For terminated vested participants.....	<u>99</u> <u>710967</u> <u>710967</u>
c For active participants.....	<u>0</u> <u>0</u> <u>0</u>
d Total.....	<u>336</u> <u>5199777</u> <u>5199777</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>5.84 %</u>
6 Target normal cost.....	6 <u>120000</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	
Signature of actuary	<u>10/04/2017</u>
<u>MELODY PRANGLEY</u>	Date
Type or print name of actuary	<u>17-07387</u>
<u>TOWERS WATSON DELAWARE INC.</u>	Most recent enrollment number
Firm name	<u>248-936-7700</u>
<u>26555 EVERGREEN RD</u> <u>SOUTHFIELD, MI 48076</u>	Telephone number (including area code)
Address of the firm	

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

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

Schedule SB (Form 5500) 2016
v. 160205

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	593581
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	593581
10	Interest on line 9 using prior year's actual return of <u>-2.15</u> %	0	-12762
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		0
b(1)	Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.05</u> %		0
b(2)	Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance		0
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	580819

Part III Funding Percentages			
14	Funding target attainment percentage	14	97.89%
15	Adjusted funding target attainment percentage	15	109.06%
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	102.62%
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
10/03/2016	49000	0			
01/03/2017	29000	0			
04/03/2017	40000	0			
07/03/2017	40000	0			
09/01/2017	73000	0			
			Totals ►	18(b)	231000
				18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a	Contributions allocated toward unpaid minimum required contributions from prior years.	19a 0
b	Contributions made to avoid restrictions adjusted to valuation date	19b 0
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c 214718
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:	<div style="display: flex; justify-content: space-around;"> <div>1st segment: 4.43%</div> <div>2nd segment: 5.91%</div> <div>3rd segment: 6.65%</div> </div>	☐ N/A, full yield curve used
b	Applicable month (enter code)	21b	4
22	Weighted average retirement age		22
23	Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute		
Part VI	Miscellaneous Items		
24	Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No		
25	Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No		
26	Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No		
27	If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.	27	
Part VII	Reconciliation of Unpaid Minimum Required Contributions For Prior Years		
28	Unpaid minimum required contributions for all prior years	28	0
29	Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30	Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0
Part VIII	Minimum Required Contribution For Current Year		
31	Target normal cost and excess assets (see instructions):		
a	Target normal cost (line 6)	31a	120000
b	Excess assets, if applicable, but not greater than line 31a	31b	0
32	Amortization installments:	Outstanding Balance	Installment
a	Net shortfall amortization installment	109502	18092
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	138092
		Carryover balance	Prefunding balance
35	Balances elected for use to offset funding requirement	0	0
36	Additional cash requirement (line 34 minus line 35)	36	138092
37	Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	214718
38	Present value of excess contributions for current year (see instructions)		
a	Total (excess, if any, of line 37 over line 36)	38a	76626
b	Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0
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	
43	Excess installment acceleration amount to be carried over to future plan years	43	

<div>SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration</div>		<div>DFE/Participating Plan 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>		<div>OMB No. 1210-0110</div> <div>2016</div> <div>This Form is Open to Public Inspection.</div>	
For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016					
A Name of plan THE BERKLINE ASSOCIATES PENSION PLAN				B Three-digit plan number (PN) ▶ 015	
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 NCFII HOLDINGS INC. C/O MASCO CORPORATION				D Employer Identification Number (EIN) 56-1977928	
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)					
a Name of MTIA, CCT, PSA, or 103-12 IE: MASCO CORP RETIREMENT MASTER TRUST					
b Name of sponsor of entity listed in (a): MASCO CORPORATION					
c EIN-PN 38-2470859-100		d Entity code M		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 5035122	
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)	

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

Schedule D (Form 5500) 2016 v.160205

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
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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
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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
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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) Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.	OMB No. 1210-0110
		2016
		This Form is Open to Public Inspection

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016		
A Name of plan THE BERKLINE ASSOCIATES PENSION PLAN	B Three-digit plan number (PN) ►	015
C Plan sponsor's name as shown on line 2a of Form 5500 NCFII HOLDINGS INC. C/O MASCO CORPORATION	D Employer Identification Number (EIN) 56-1977928	

Part I	Asset and Liability Statement
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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		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	0	182000
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	5258134	5035122
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:		
(1)	Employer securities	1d(1)	
(2)	Employer real property	1d(2)	
e	Buildings and other property used in plan operation	1e	
f	Total assets (add all amounts in lines 1a through 1e)	1f	5258134 5217122
Liabilities			
g	Benefit claims payable	1g	
h	Operating payables	1h	
i	Acquisition indebtedness	1i	
j	Other liabilities	1j	4211 4821
k	Total liabilities (add all amounts in lines 1g through 1j)	1k	4211 4821
Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	5253923 5212301

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.

		(a) Amount	(b) Total
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers	2a(1)(A)	231000
	(B) Participants	2a(1)(B)	
	(C) Others (including rollovers)	2a(1)(C)	
(2)	Noncash contributions	2a(2)	
(3)	Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)	231000
b	Earnings on investments:		
(1)	Interest:		
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	
	(B) U.S. Government securities	2b(1)(B)	
	(C) Corporate debt instruments	2b(1)(C)	
	(D) Loans (other than to participants)	2b(1)(D)	
	(E) Participant loans	2b(1)(E)	
	(F) Other	2b(1)(F)	
	(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)	0
(2)	Dividends: (A) Preferred stock	2b(2)(A)	
	(B) Common stock	2b(2)(B)	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	
	(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)	0
(3)	Rents	2b(3)	
(4)	Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	
	(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)	0
(5)	Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	
	(B) Other	2b(5)(B)	
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)	0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		290878
(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)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		521878

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	563500	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		563500
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)		
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total	2j		563500

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-41622
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: GRANT THORNTON LLP

(2) EIN: 36-6055558

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.)	4c		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.)	4d		X	
e Was this plan covered by a fidelity bond?	4e	X		20000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		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?	4g		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?	4h		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.)	4i		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.)	4j		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?	4k		X	
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m			
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.	4n			
o Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service?	4o			

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
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 3999029. (See instructions.)

Part V Trust Information

6a Name of trust	6b Trust's EIN
6c Name of trustee or custodian	6d Trustee's or custodian's telephone number

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 sections 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 2016 This Form is Open to Public Inspection.
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan <u>THE BERKLINE ASSOCIATES PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>015</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>NCFII HOLDINGS INC. C/O MASCO CORPORATION</u>	D Employer Identification Number (EIN) <u>56-1977928</u>

Part I	Distributions
---------------	----------------------

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	<u>0</u>
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>34-2470859</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>1</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.)
----------------	---

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

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

Schedule R (Form 5500) 2016
v. 160205

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
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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: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%	
	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): _____	

Part VII	IRS Compliance Questions
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20a Is the plan a 401(k) plan? If "No," skip b	☐ Yes ☐ No
20b How did the plan satisfy the nondiscrimination requirements for employee deferrals under section 401(k)(3) for the plan year? Check all that apply:	☐ Design-based safe harbor ☐ "Prior year" ADP test ☐ "Current year" ADP test ☐ N/A
21a What testing method was used to satisfy the coverage requirements under section 410(b) for the plan year? Check all that apply:	☐ Ratio percentage test ☐ Average benefit test ☐ N/A
21b Did the plan satisfy the coverage and nondiscrimination requirements of sections 410(b) and 401(a)(4) for the plan year by combining this plan with any other plan under the permissive aggregation rules?	☐ Yes ☐ No
22a If the plan is a master and prototype plan (M&P) or volume submitter plan that received a favorable IRS opinion letter or advisory letter, enter the date of the letter / / and the serial number .	
22b If the plan is an individually-designed plan that received a favorable determination letter from the IRS, enter the date of the most recent determination letter / / .	

**THE BERKLINE ASSOCIATES
PENSION PLAN**

FINANCIAL STATEMENTS

2016 AND 2015

**THE BERKLINE ASSOCIATES
PENSION PLAN**

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Statements of Changes in Net Assets Available for Benefits for the Years Ended December 31, 2016 and 2015	4
Statement of Accumulated Plan Benefits as of December 31, 2015	5
Statement of Changes in Accumulated Plan Benefits for the Year Ended December 31, 2015	6
Notes to Financial Statements	7-15
Note: The schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.	



Grant Thornton

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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To the Trustee and Participants of
The Berkline Associates Pension Plan

Report on the financial statements

We were engaged to audit the accompanying financial statements of The Berkline Associates Pension Plan (the “Plan”), which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, and the related statements of changes in net assets available for benefits for the years then ended, and the statement of accumulated plan benefits as of December 31, 2015 and the related statement of changes in accumulated plan benefits for the year then ended, 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 accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from 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 audit in accordance with auditing standards generally accepted in the United States of America. 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

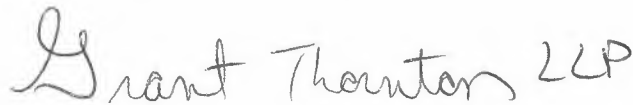
not perform, any auditing procedures with respect to the certified information described in Note I, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan administrator that the certifying entity meets the requirements of 29 CFR 2520.103-8. The Plan administrator obtained a certification from this entity as of December 31, 2016 and 2015, and for the years then ended, stating that the certified information provided to the Plan administrator is complete and accurate.

Disclaimer of opinion

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.

Report on form and content in compliance with DOL rules and regulations

The form and content of the information included in the financial statements, other than that derived from the certified information described in Note I, have been audited by us in accordance with auditing standards generally accepted in the United States of America 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.



Southfield, Michigan
October 2, 2017

**THE BERKLINE ASSOCIATES
PENSION PLAN**

**STATEMENTS OF NET ASSETS AVAILABLE
FOR BENEFITS**

December 31,

	2016	2015
Assets		
Investments, at fair value:		
Plan interest in Master Trust, net (Note C)	\$ 5,035,122	\$ 5,258,134
Receivables:		
Employer contribution receivable	182,000	—
Total assets	5,217,122	5,258,134
Liabilities		
Accrued expenses	4,821	4,211
Total liabilities	4,821	4,211
Net assets available for benefits	\$ 5,212,301	\$ 5,253,923

The accompanying notes are an integral part of the financial statements.

**THE BERKLINE ASSOCIATES
PENSION PLAN**

**STATEMENTS OF CHANGES IN NET ASSETS
AVAILABLE FOR BENEFITS**

For the years ended December 31,

	2016	2015
Plan interest in Master Trust:		
Investment income (loss), net (Note C)	\$ 406,462	\$ (103,240)
Employer contributions	231,000	—
Benefit payments	(563,500)	(581,471)
Administrative expenses and other, net	(115,584)	(109,718)
Net decrease	(41,622)	(794,429)
Net assets available for benefits:		
Beginning of year	5,253,923	6,048,352
End of year	\$ 5,212,301	\$ 5,253,923

The accompanying notes are an integral part of the financial statements.

**THE BERKLINE ASSOCIATES
PENSION PLAN**

STATEMENT OF ACCUMULATED PLAN BENEFITS

As of December 31, 2015

Actuarial present value of accumulated plan benefits (Note G):

Vested benefits:

Participants currently receiving payments	\$ 4,219,167
Participants with deferred benefits	626,147
	<u>4,845,314</u>
Total actuarial present value of accumulated plan benefits	<u><u>\$ 4,845,314</u></u>

The accompanying notes are an integral part of the financial statements.

**THE BERKLINE ASSOCIATES
PENSION PLAN**

STATEMENT OF CHANGES IN ACCUMULATED PLAN BENEFITS

For the year ended December 31, 2015

Actuarial present value of accumulated plan benefits at December 31, 2014	\$ 5,158,750
Increase (decrease) during 2015 due to (Note G):	
Increase in interest due to decrease in discount period	352,931
Change of assumptions	(108,837)
Actuarial losses	23,941
Benefits paid	(581,471)
Net decrease	(313,436)
Actuarial present value of accumulated plan benefits at December 31, 2015	\$ 4,845,314

The accompanying notes are an integral part of the financial statements.

**THE BERKLINE ASSOCIATES
PENSION PLAN**

NOTES TO FINANCIAL STATEMENTS

A. DESCRIPTION OF PLAN

The following description of The Berkline Associates ("Berkline") Pension Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

Effective in 2002, NCFII Holdings, Inc. (the "Company"), a subsidiary of Masco Corporation ("Masco"), became the Plan Sponsor for the Plan.

1. *General.* The Plan is a defined benefit pension plan covering eligible employees at Berkline, a former subsidiary of the Company, and prior to that, Masco. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan is a cash balance plan which, before it was frozen, provided for individual participant retirement accounts that increase with benefit credits based on annual compensation and investment income. These individual accounts are portable so that each vested participant who terminates from the Plan is entitled to remove their balance.

The Plan is administered by Masco's Benefits Department, which has overall responsibility for the operation and administration of the Plan. Masco's Pension Trust Investment Committee ("Committee"), which is a committee of members of management of Masco, is responsible for the management of the Masco Corporation Retirement Master Trust ("Master Trust"). The Committee sets the investment objectives, goals, and guidelines and monitors investment performance.

Effective December 31, 2001, all benefit accruals under the Plan were frozen. As a result, there will be no increases in benefits under the Plan, and no new participants will be added to the Plan, from and after December 31, 2001.

2. *Pension Benefits.* Participants with five or more years of credited service at the time the Plan was frozen or who have attained normal retirement age (65) are entitled to vested annual pension benefits beginning at normal retirement age. Generally, employees may elect to receive their pension benefits in the form of a joint and survivor annuity, lifetime annuity or period certain annuity.

Pursuant to the Plan agreement, participants who left the Company after vesting in the Plan but before becoming eligible for early retirement may elect to receive their benefit payment any time after the earlier of reaching Early Retirement Age or at the end of the fourth calendar year following the participant's severance date. Considering the Plan freeze date, most participants became eligible for this payment effective January 1, 2006. Participants in this situation were notified of their benefit options during the 2006 Plan year by the Company.

3. *Death and Disability Benefits.* If a vested participant (who is married) dies before retirement, a pre-retirement survivor annuity is paid to the participant's spouse. This survivor annuity is payable on the first day of the calendar month following the participant's death or as soon as practicable thereafter. Disability retirement benefits are subject to offsets as described in the Plan agreement.

4. *Funding Policy.* The contributions of the Company are designed to fund an amount which falls between the minimum contribution requirements and the maximum deductible allowance, as determined annually under the provisions of the Internal Revenue Code ("IRC"). The yield on investments of the Plan serves to reduce future contributions that would otherwise be required to provide for the defined level of benefits under the Plan. The Company's contributions for 2016 of \$231,000, met or exceeded the minimum funding requirements of ERISA. No contributions were made or required in 2015. No participant in the Plan is required to make a contribution under the Plan.

5. *Plan Termination.* Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA.

B. ACCOUNTING POLICIES

The following is a summary of significant accounting policies (in accordance with accounting principles generally accepted in the United States of America) followed in the preparation of these financial statements.

**THE BERKLINE ASSOCIATES
PENSION PLAN**

NOTES TO FINANCIAL STATEMENTS, Continued

B. ACCOUNTING POLICIES, Continued

Basis of Accounting. The accompanying financial statements are prepared on the accrual basis of accounting.

Use of Estimates. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein; disclosure of contingent assets and liabilities; and the actuarial present value of accumulated plan benefits at the date of the financial statements, and changes therein. Actual results could differ from these estimates and assumptions.

Risks and Uncertainties. The Plan's invested assets ultimately consist of common and preferred stocks, private equity and hedge funds, corporate debt securities, government and other debt securities, a common collective trust fund, a securities lending collateral pool, and short-term and other investment securities. Investment securities are exposed to various risks, including interest rate, market and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is reasonably possible that changes in the value of investment securities in the near term could materially affect the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

Plan contributions 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 estimations and assumptions process, it is reasonably possible that changes in these estimates and assumptions in the near term could be material to the financial statements.

Investment Valuation and Income Recognition. Investments represent the Plan's pro rata interest in the fair value of the net assets of the Master Trust, as determined by The Northern Trust Company ("Trustee"). The Plan's Committee determines the Plan's valuation policies utilizing information provided by its investment advisers and Trustee. See Note D for a discussion of fair value measurement.

Investment transactions are reflected on a trade-date basis. Net appreciation (depreciation) includes the Master Trust's realized gains and losses on investments that were both purchased and sold during the period as well as unrealized appreciation (depreciation) of the investments held at year-end. Interest income is recognized on the accrual basis of accounting. Dividend income is recorded on the ex-dividend date. Income from other securities is recorded as earned on an accrual basis.

The Plan presents in the statements of changes in net assets available for benefits the investment income (loss) from its interest in the Master Trust. The investment income (loss) is comprised of the net appreciation (depreciation) in the fair value of its investments which consists of the Plan's pro rata interest in the realized gains or losses and the unrealized appreciation (depreciation) of the investments of the Master Trust. Also included are the Plan's pro rata share of the interest and dividend income of the Master Trust. Such pro rata allocations are made monthly based on the Plan's weighted average interest in the fair value of the Master Trust net assets.

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

Administrative Expenses. The Plan's expenses are paid either by the Plan or the Company, as provided by the Plan document. Expenses that are paid directly by the Company are excluded from these financial statements. Certain expenses incurred in connection with the general administration of the Plan that are paid by the Plan are recorded as deductions in the accompanying statements of changes in net assets available for benefits. In addition, certain investment related expenses are included in investment income (loss), net, presented in the accompanying statements of changes in net assets available for benefits.

Reclassifications. Certain reclassifications of prior year amounts have been made to conform with the current year presentation.

Recently Adopted Accounting Pronouncements. In May 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2015-07 ("ASU 2015-07"), "Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)," which exempts investments measured using the net asset value ("NAV") (or its equivalent) practical expedient in ASC 820, Fair Value Measurement, from categorization within the fair value hierarchy while being separately presented to permit reconciliation of total pension plan

**THE BERKLINE ASSOCIATES
PENSION PLAN**

NOTES TO FINANCIAL STATEMENTS, Continued

B. ACCOUNTING POLICIES, Concluded

assets. The Plan retrospectively adopted ASU 2015-07 on December 31, 2016. As a result of the adoption, the Master Trust's assets valued using the NAV per share method (or its equivalent) as a practical expedient as of December 31, 2016 and 2015 have been removed from the fair value hierarchies (Note D). The value of these assets has been presented separately to permit reconciliation to total Master Trust assets.

Recently Issued Accounting Pronouncements. In February 2017, the FASB issued Accounting Standards Update 2017-06 ("ASU 2017-06"), "Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): Employee Benefit Plan Master Trust Reporting." This standard expands employee benefit plan reporting with respect to a plan's interest in a master trust. Specifically, the update requires a plan's interest in a master trust and any change in that interest to be presented as separate line items in the statement of net assets available for benefits and in the statement of changes in net assets available for benefits. Additionally, plans must disclose the dollar amount of their interests in each of their general types of investments and other asset and liability balances. The guidance is effective for the Plan for fiscal years beginning after December 15, 2018 and shall be applied retrospectively to all periods presented. The Plan's administrator is currently evaluating the impact adoption of the standard will have on the Plan's financial statements.

C. INVESTMENTS

The Plan's investments at December 31, 2016 and 2015 include its 0.9 and 1.0 percent participation in the Master Trust, respectively.

The following table presents the fair value of the Master Trust's net assets at December 31, 2016 and 2015.

	Master Trust	
	2016	2015
<u>Assets</u>		
Common and Preferred Stocks	\$ 290,979,716	\$ 284,692,415
Government and Other Debt Securities	75,309,491	89,791,456
Private Equity and Hedge Funds	95,067,235	78,263,651
Securities Lending Collateral Pool	36,845,308	52,884,367
Corporate Debt Securities	75,793,232	68,512,845
Common Collective Trust Fund	4,471,379	4,230,681
Short-term and Other Investments	1,987,092	1,678,275
Total Assets	\$ 580,453,453	\$ 580,053,690
<u>Liabilities</u>		
Securities Lending Collateral Payable	\$ (36,845,308)	\$ (52,884,367)
Total Liabilities	\$ (36,845,308)	\$ (52,884,367)
Net Assets	\$ 543,608,145	\$ 527,169,323

With respect to the Master Trust's investments in private equity funds and other debt securities, the Master Trust had, at December 31, 2016 and 2015, commitments to contribute up to \$15 million and \$17 million, respectively, of additional capital to such funds and securities representing the Master Trust's aggregate capital commitment to such funds less capital contributions made to date. The Master Trust is contractually obligated to make additional capital contributions to certain of its investments upon receipt of a capital call. The Master Trust has no control over when or if the capital calls will occur. Capital calls are funded in cash and generally result in an increase in the carrying value of the Master Trust's investment when paid.

**THE BERKLINE ASSOCIATES
PENSION PLAN**

NOTES TO FINANCIAL STATEMENTS, Continued

C. INVESTMENTS, Continued

Investment income (loss) represents interest and dividend income plus realized and unrealized gains and losses. Investment income of the Master Trust for the year ended December 31, 2016 was \$42,084,299 (net of administrative expenses of \$2,052,959) and investment loss for the year ended December 31, 2015 was \$12,745,862 (including administrative expenses of \$1,824,961). Investment income (loss) is summarized as follows:

	Interest	Dividends	Net Appreciation (Depreciation)	Total
<u>Year Ended December 31, 2016</u>				
Master Trust:				
Common and Preferred Stocks	\$ —	\$ 4,307,858	\$ 24,989,933	\$ 29,297,791
Government and Other Debt Securities	3,747,832	—	1,413,299	5,161,131
Private Equity and Hedge Funds	—	—	4,090,222	4,090,222
Securities Lending Collateral Pool	280,392	—	—	280,392
Corporate Debt Securities	2,022,694	—	3,203,350	5,226,044
Common Collective Trust Fund	38,762	—	—	38,762
Short-term and Other Investments	32,055	—	10,861	42,916
	<u>\$ 6,121,735</u>	<u>\$ 4,307,858</u>	<u>\$ 33,707,665</u>	<u>\$ 44,137,258</u>
<u>Year Ended December 31, 2015</u>				
Master Trust:				
Common and Preferred Stocks	\$ —	\$ 4,281,730	\$ (10,392,902)	\$ (6,111,172)
Government and Other Debt Securities	4,216,599	—	(7,112,338)	(2,895,739)
Private Equity and Hedge Funds	—	—	(1,359,071)	(1,359,071)
Securities Lending Collateral Pool	227,903	—	—	227,903
Corporate Debt Securities	2,510,106	—	(3,314,929)	(804,823)
Common Collective Trust Fund	11,936	—	—	11,936
Short-term and Other Investments	7,630	—	2,435	10,065
	<u>\$ 6,974,174</u>	<u>\$ 4,281,730</u>	<u>\$ (22,176,805)</u>	<u>\$ (10,920,901)</u>

Securities Lending:

Masco Corporation has an agreement with The Northern Trust Company authorizing the Trustee to lend securities held in the Master Trust to third parties. The Trustee must obtain collateral from the borrower in the form of U.S. Government securities, irrevocable bank letters of credit, or cash. The cash collateral is invested in interest bearing accounts with The Northern Trust Company. The total collateral for the securities loaned as of December 31, 2016 and 2015 was \$36,845,308 and \$52,884,367, respectively, of which \$770,363 and \$3,514,896 was non-cash as of December 31, 2016 and 2015, respectively. Both the collateral and the securities loaned are marked-to-market on a daily basis so that all loaned securities are, at a minimum, collateralized at 102% of the market value of the borrowed securities. The Master Trust has a corresponding liability (equal to the collateral) to repay the collateral upon return of the securities. In the event that the loaned securities are not returned by the borrower, the Trustee will purchase equivalent securities by applying the collateral to the payment of the purchase price and demand from the borrower any remaining amounts due and owing. All recoveries will be credited to the Master Trust when received.

**THE BERKLINE ASSOCIATES
PENSION PLAN**

NOTES TO FINANCIAL STATEMENTS, Continued

C. INVESTMENTS, Concluded

The fair value of securities loaned by the Master Trust as of December 31, 2016 and 2015 is shown below by type of security:

	2016	2015
Common Stocks	\$ 30,347,443	\$ 46,549,500
Corporate Debt Securities	5,193,965	4,082,740
U.S. Government Debt Securities	197,867	656,673
	<u>\$ 35,739,275</u>	<u>\$ 51,288,913</u>

The Master Trust and the Trustee each receive a percentage of the net income derived from securities lending activities based on the type of securities. Income earned by the Master Trust related to securities lending activities for the years ended December 31, 2016 and 2015 was \$196,427 and \$159,680, respectively, net of bank fees of \$83,965 and \$68,223 for the years ended December 31, 2016 and 2015, respectively.

Although the securities lending activities are collateralized as described above, they involve both market and credit risk. In this context, market risk refers to the possibility that the borrowed securities will not be fully collateralized upon a sudden material change in the fair value of the loaned securities or the collateral. In 2016 and 2015, based on improving market conditions, the Master Trust did not incur any liability related to the securities lending activities.

Security lending in the Master Trust is handled via an electronic platform provided by Equilend, a joint venture of various securities lending agents and security borrowers, in which The Northern Trust Company has an equity interest. Fees are not charged to the Master Trust for use of the services but are paid by the Trustee.

Since The Northern Trust Company has a financial interest in the successful operation of Equilend, Equilend has obtained a Prohibited Transaction Exemption from the U.S. Department of Labor. The exemption (a) enables The Northern Trust Company to use Equilend's platform for lending the securities of plans and (b) permits Equilend to sell or license ancillary products to The Northern Trust Company or to a plan to which Equilend is a party-in-interest.

D. FAIR VALUE MEASUREMENTS

The Plan follows fair value guidance (ASC 820) that defines fair value, establishes a framework for measuring fair value and requires certain disclosures about fair value measurements. The guidance defines fair value 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." Further, it defines a fair value hierarchy, as follows: Level 1 inputs as quoted prices in active markets for identical assets or liabilities; Level 2 inputs as observable inputs other than Level 1 prices, such as quoted market prices for similar assets or liabilities or other inputs that are observable or can be corroborated by market data; and Level 3 inputs as unobservable inputs that are supported by little or no market activity and that are financial instruments whose value is determined using pricing models or instruments for which the determination of fair value requires significant management judgment or estimation.

The Master Trust has a target asset allocation of the investment portfolio that was developed with the objective of achieving an expected rate of return and reducing the volatility of asset returns. Our investments seek to minimize the volatility of the value of the Plan assets relative to pension liabilities and ensure Plan assets are sufficient to pay Plan benefits. We use a portfolio mix of equity investments and fixed-income securities to obtain these objectives. Equity securities are invested in individual securities or funds that are expected to mirror broad market returns for equity securities. Over time, these equity investments are expected to earn higher returns with more volatility than fixed-income investments. Risks in these investments are broadly diversified by geography, market capitalization, manager mandate size, investment style and process. To minimize asset volatility relative to liabilities, a portion of Plan assets are allocated to fixed-income investments that are exposed to interest rate risk. Rate increases and decreases generally will result in a corresponding increase or decrease in fixed-income assets, with offsetting increases or decreases in the present value of liabilities. The fixed-income portfolio invests in corporate bonds, bond index funds or U.S. Treasury securities.

**THE BERKLINE ASSOCIATES
PENSION PLAN**

NOTES TO FINANCIAL STATEMENTS, Continued

D. FAIR VALUE MEASUREMENTS, Continued

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2016 and 2015.

Common and Preferred Stocks and Short-Term and Other Investments: Valued at the closing price reported on the active market on which the individual securities are traded, or based on the active market for similar securities. Certain investments are valued based on NAV, which approximates fair value. Such basis is determined by referencing to the respective fund's underlying assets. There are no unfunded commitments or other restrictions associated with these investments.

Private Equity and Hedge Funds: Valued based on an estimated fair value using either a market approach or an income approach, both of which require a significant degree of judgment. There is no active trading market for these investments and they are generally illiquid. Due to the significant unobservable inputs, the fair value measurements used to estimate fair value are a Level 3 input. Certain investments are valued based on NAV, which approximates fair value. Such basis is determined by referencing the respective fund's underlying assets. There are no unfunded commitments or other restrictions associated with the investments which are valued at NAV.

Corporate, Government and Other Debt Securities: Valued based on either the closing price reported on the active market on which individual securities are traded, or using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. Certain investments are valued based on NAV, which approximates fair value. Such basis is determined by referencing the respective fund's underlying assets. There are unfunded commitments of \$3,311,412 and no other restrictions associated with these investments.

Common Collective Trust Fund: Valued based on an amortized cost basis, which approximates fair value. Such basis is determined by reference to the respective fund's underlying assets, which are primarily cash equivalents. There are no unfunded commitments or other restrictions associated with this fund.

Securities Lending Collateral Pool: Primarily invested in cash equivalents which are valued using pricing models maximizing the use of observable inputs for similar securities.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**THE BERKLINE ASSOCIATES
PENSION PLAN**

NOTES TO FINANCIAL STATEMENTS, Continued

D. FAIR VALUE MEASUREMENTS, Concluded

The following tables set forth by level, within the fair value hierarchy, the Master Trust's assets at fair value, as well as those valued at fair value using NAV per share as a practical expedient, as of December 31, 2016 and 2015.

Net Assets at Fair Value as of December 31, 2016					
Assets	Level 1	Level 2	Level 3	Measured at NAV	Total
Common and Preferred Stocks	\$ 156,283,562	\$ 1,117	\$ —	\$ 134,695,037	\$ 290,979,716
Private Equity and Hedge Funds	—	—	61,976,744	33,090,491	95,067,235
Securities Lending Collateral Pool	—	36,845,308	—	—	36,845,308
Corporate Debt Securities	27,442,023	31,435,901	—	16,915,308	75,793,232
Government and Other Debt Securities	71,557,239	2,049,987	—	1,702,265	75,309,491
Common Collective Trust Fund	—	4,471,379	—	—	4,471,379
Short-Term and Other Investments	1,987,092	—	—	—	1,987,092
Total Assets at Fair Value	\$ 257,269,916	\$ 74,803,692	\$ 61,976,744	\$ 186,403,101	\$ 580,453,453
Liabilities					
Securities Lending Collateral Payable	\$ —	\$ (36,845,308)	\$ —	\$ —	\$ (36,845,308)
Total Liabilities at Fair Value	\$ —	\$ (36,845,308)	\$ —	\$ —	\$ (36,845,308)
Net Assets	\$ 257,269,916	\$ 37,958,384	\$ 61,976,744	\$ 186,403,101	\$ 543,608,145

Net Assets at Fair Value as of December 31, 2015					
Assets	Level 1	Level 2	Level 3	Measured at NAV	Total
Common and Preferred Stocks	\$ 154,252,409	\$ 32,128,497	\$ —	\$ 98,311,509	\$ 284,692,415
Private Equity and Hedge Funds	—	—	70,931,475	7,332,176	78,263,651
Securities Lending Collateral Pool	—	52,884,367	—	—	52,884,367
Corporate Debt Securities	19,007,994	33,608,782	—	15,896,069	68,512,845
Government and Other Debt Securities	86,686,380	3,105,076	—	—	89,791,456
Common Collective Trust Fund	—	4,230,681	—	—	4,230,681
Short-Term and Other Investments	1,678,275	—	—	—	1,678,275
Total Assets at Fair Value	\$ 261,625,058	\$ 125,957,40	\$ 70,931,475	\$ 121,539,754	\$ 580,053,690
Liabilities					
Securities Lending Collateral Payable	\$ —	\$ (52,884,367)	\$ —	\$ —	\$ (52,884,367)
Total Liabilities at Fair Value	\$ —	\$ (52,884,367)	\$ —	\$ —	\$ (52,884,367)
Net Assets	\$ 261,625,058	\$ 73,073,036	\$ 70,931,475	\$ 121,539,754	\$ 527,169,323

The table below sets forth a summary of changes in the fair value of the Master Trust's level 3 assets for the years ended December 31, 2016 and 2015.

	Years Ended December 31,	
	2016	2015
Balance, beginning of year	\$ 70,931,475	\$ 79,576,479
Purchases	6,235,812	8,275,920
Sales	(13,362,021)	(12,092,607)
Unrealized losses	(1,828,522)	(4,828,317)
Balance, end of year	\$ 61,976,744	\$ 70,931,475

**THE BERKLINE ASSOCIATES
PENSION PLAN**

NOTES TO FINANCIAL STATEMENTS, Continued

E. INCOME TAX STATUS

The Internal Revenue Service ("IRS") determined and informed the Company by letter, dated January 17, 2017, that the Plan and the related trust are designed in accordance with applicable sections of the IRC. The Plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2016 and 2015, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax period in progress.

F. RELATED PARTIES

Certain plan investments are investments managed by The Northern Trust Company as the Plan Trustee. Therefore, the purchases and sales qualify as party-in-interest transactions. Additionally, the Master Trust participates in Securities Lending programs of the Trustee.

G. ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries and (b) beneficiaries of employees who have died. Benefits under the Plan are based on employees' credited years of service. 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. The actuarial present value of accumulated plan benefits is determined by an actuary from Willis Towers Watson and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, withdrawal or retirement) between the valuation date and the expected date of payment.

The significant actuarial assumptions used in the valuation as of December 31, 2015 and 2014 were (a) life expectancy of participants - the Plan used the RP-2014 annuitants and non-annuitants blue collar adjusted mortality tables with the generational MP-2015 and MP-2014 improvement scales, respectively, (b) retirement age assumption (the assumed weighted average retirement age was 65 for 2015 and 2014), (c) discount rate (based on the assumed rate of return of 7.25 percent in 2015 and 2014) and (d) withdrawal assumptions. The change from the MP-2014 improvement scale to the MP-2015 improvement scale incorporates updated life expectancy improvement data. The foregoing actuarial assumptions are 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. The computation of the actuarial present value of accumulated plan benefits was made as of January 1, 2016. Had the valuation been performed as of December 31, 2015 there would be no material differences.

H. PLAN TERMINATION

Although there is no present intent to terminate the Plan, if the Plan were to terminate at some future time, the net assets of the Plan will first be allocated to provide benefits for participants as prescribed by ERISA and its related regulations. All remaining net assets, to the extent unfunded vested benefits exist, will be paid by the Pension Benefit Guaranty Corporation or in accordance with the Plan document, up to applicable limitations. Plan termination priorities are available from the Pension Benefit Guaranty Corporation.

**THE BERKLINE ASSOCIATES
PENSION PLAN**

NOTES TO FINANCIAL STATEMENTS, Concluded

I. SUMMARY OF FINANCIAL DATA PROVIDED BY THE TRUSTEE

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the following information was certified as complete and accurate by the Trustee and was not subjected to any auditing procedures performed by the independent auditors.

- a. Plan interest in Master Trust, net, as shown on the accompanying statements of net assets available for benefits as of December 31, 2016 and 2015.
- b. Investment income (loss), net, as shown in the accompanying statements of changes in net assets available for benefits for the years ended December 31, 2016 and 2015.
- c. Total Master Trust net assets, interest, dividends and net appreciation (depreciation), as shown in the accompanying Note C as of and for the years ended December 31, 2016 and 2015.

J. SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through October 2, 2017, the date The Berkline Associates Pension Plan financial statements were available to be issued. No events were identified that required disclosure within the financial statements.

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Statement of Actuarial Assumptions and Methods

Economic Assumptions

Interest rate basis:

- | | |
|-----------------------|-----------------|
| ■ Applicable month | September |
| ■ Interest rate basis | 3-Segment Rates |

Interest rates:

	Reflecting Corridors	Not Reflecting Corridors
■ First segment rate	4.43%	1.34%
■ Second segment rate	5.91%	4.03%
■ Third segment rate	6.65%	5.06%
■ Effective interest rate	5.84%	
■ ASC 960 discount rate	7.25%	

Annual rates of increase

- | | |
|-------------------------------------|---|
| ■ Compensation: | N/A |
| ■ Future Social Security wage bases | N/A |
| ■ Statutory limits on compensation | 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). |

Administrative expenses	\$120,000
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Plan Name:	The Berkline Associates Pension Plan
EIN / PN:	56-1977928 / 015
Plan Sponsor:	NCFII Holdings, Inc. C/O Masco Corporation
Valuation Date:	January 1, 2016

SCHEDULE SB ATTACHMENTS

Demographic Assumptions

Inclusion date The valuation date coincident with or next following the date on which the employee is hired.

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

Mortality

■ **Healthy** Separate rates for non-annuitants (based on RP-2000 “Employees” table without collar or amount adjustments, projected to 2031 using Scale AA) and annuitants (based on RP-2000 “Healthy Annuitants” table without collar or amount adjustments, projected to 2023 using Scale AA).

■ **Disabled** Same as healthy mortality.

■ **ASC 960** For disabled and non-disabled participants:
RP-2014 annuitant and non-annuitant blue collar adjusted mortality tables with generational MP-2015 improvement scale.

Termination There are no active participants.

Disability None

Retirement There are no active participants.
Participants with deferred benefits are assumed to retire at age 65.

Plan Name: The Berkline Associates Pension Plan
EIN / PN: 56-1977928 / 015
Plan Sponsor: NCFII Holdings, Inc. C/O Masco Corporation
Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

Benefit commencement date:

- Preretirement death benefit The later of the death of the active participant or the date the participant would have attained age 55.
- Deferred vested benefit The later of age 65 or termination of employment.
- Disability benefit Upon disablement.
- Retirement benefit Upon termination of employment.

Form of payment

Participants for whom it was determined by the prior actuary and the plan administrator that the Individual Balance Account was more valuable are assumed to elect the lump sum option at age 65.

Other participants are assumed to elect the normal form.

Percent married

60% of males; 30% of females. Used to value pre-retirement surviving spouse benefits and in determining the optional forms expected to be elected at commencement.

Spouse age

Wife three years younger than husband.

At-risk assumptions

For at-risk calculations, all participants eligible to elect benefits during the current and subsequent ten plan years are assumed to commence benefits at the earliest possible date under the plan, but not before the end of the current plan year, except in accordance with the regular valuation assumptions. In addition, all participants (not just those eligible to begin benefits within the next 11 years) are assumed to elect form of payment based on marital status. The assumed form of payment for a married participant is the 50% Qualified Joint and Survivor Annuity. Single participants are assumed to elect the Single Life Annuity.

Timing of benefit payments

Annuity payments are payable monthly at the beginning of the month and lump sum payments are payable on date of decrement.

Plan Name: The Berkline Associates Pension Plan
EIN / PN: 56-1977928 / 015
Plan Sponsor: NCFII Holdings, Inc. C/O Masco Corporation
Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

Methods

Valuation date	First day of plan year
Funding target	Present value of accrued benefits as required by regulations under IRC §430.
Target normal cost	Present value of benefits expected to accrue during the plan year plus plan-related expenses expected to be paid from plan assets during the plan year as required by regulations under IRC §430.
Actuarial value of assets for determining minimum required contributions	Average of the fair market value of assets on the valuation date and 12 and 24 months preceding the valuation date, adjusted for contributions, benefits, administrative expenses and expected earnings of 7.25% (with such expected earnings limited as described in IRS Notice 2009-22). The average asset value must be within 10% of market value, including discounted contributions receivable (discounted using the effective interest rate for the 2016 plan year). The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term under PPA's smoothing rules, the method has a significant bias to produce an actuarial value of assets that is below the market value of assets.
Benefits not valued	All benefits described in the Plan Provisions section of this report were valued based on discussions with Masco Corporation regarding the likelihood that these benefits will be paid. Willis Towers Watson has reviewed the plan provisions with Masco Corporation and, based on that review, is not aware of any significant benefits required to be valued that were not.

Plan Name:	The Berkline Associates Pension Plan
EIN / PN:	56-1977928 / 015
Plan Sponsor:	NCFII Holdings, Inc. C/O Masco Corporation
Valuation Date:	January 1, 2016

SCHEDULE SB ATTACHMENTS

Assumptions Rationale – Significant Economic Assumptions

Discount rate	The basis chosen was selected by the plan sponsor from among choices prescribed by law, all of which are based on observed market data over certain periods of time.
Lump sum conversion rate	N/A
Rates of increase in:	
■ Increases in statutory limits (CPI)	Plan Compensation is limited to the maximum presently allowed under IRC Section 401(a)(17).

Assumptions Rationale – Significant Demographic Assumptions

Healthy Mortality	Assumptions used for funding purposes are as prescribed by IRC §430(h).
Disabled Mortality	Assumptions used for funding purposes are as prescribed by IRC §430(h).
ASC 960 Mortality	<p>The Company has evaluated its approach to mortality rates in an effort to choose the mortality table that it believes provides the “best estimate” of costs and obligations of its pension plans. The RP-2014 Blue Collar table was chosen because at least 70% of plan participants were both salaried and non-union. The MP-2015 Mortality Improvement Scale is used, projected on a generational basis.</p> <p>The Company believes the use of this methodology will provide a reasonable assessment of the costs and obligations of its plans, relying on the Society of Actuary (SOA) position that the RP-2014 Mortality Tables and the MP-2015 projection scale on a generational basis reflect the SOA's best estimate of long-term mortality.</p>
Retirement	Retirement rates are based on an experience study conducted in December 2015 with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.

Plan Name:	The Berkline Associates Pension Plan
EIN / PN:	56-1977928 / 015
Plan Sponsor:	NCFII Holdings, Inc. C/O Masco Corporation
Valuation Date:	January 1, 2016

SCHEDULE SB ATTACHMENTS

Benefit commencement date for deferred benefits:

- Preretirement death benefit
Surviving spouses are assumed to begin benefits at the earliest permitted commencement date because ERISA requires benefits to start then unless the spouse elects to defer. If the spouse elects to defer, actuarial increases from the earliest commencement date must be given, so that a later commencement date is expected to be of approximately equal value, and experience indicates that most spouses do take the benefit as soon as it is available.
- Deferred vested benefit
Deferred vested participants' assumed commencement age is a single age intended to capture the average age at commencement. Deferred vested early commencement factors are not subsidized so that the difference between this approach and using assumed commencement rates at multiple ages is not expected to be significant.

Source of Prescribed Methods

- Funding methods** The methods used for funding purposes as described in Appendix A, including the method of determining plan assets, are "prescribed methods set by law", as defined in the actuarial standards of practice (ASOPs). These methods are required by IRC §430, or were selected by the plan sponsor from a range of methods permitted by IRC §430.

Changes in Assumptions and Methods

- Change in assumptions and methods since prior valuation** The segment interest rates used to calculate the funding target and target normal cost were updated to the current valuation date as required by IRC 430.
- The mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvement, as required by IRC 430.
- The percent married assumption was updated based on the results of an experience study conducted in December 2015.

Plan Name: The Berkline Associates Pension Plan
EIN / PN: 56-1977928 / 015
Plan Sponsor: NCFII Holdings, Inc. C/O Masco Corporation
Valuation Date: January 1, 2016

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration 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 2016 This Form is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

► **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 THE BERKLINE ASSOCIATES PENSION PLAN	B Three-digit plan number (PN) ►	015
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF NCFII HOLDINGS INC. C/O MASCO CORPORATION	D Employer Identification Number (EIN) 56-1977928	
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>01</u> Day <u>01</u> Year <u>2016</u>		
2	Assets:		
	2a	Market value.....	
		5,258,134	
	2b	Actuarial value.....	
		5,671,094	
3	Funding target/participant count breakdown		
	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a	237	4,488,810	4,488,810
b	99	710,967	710,967
c	0	0	0
d	336	5,199,777	5,199,777
4	If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐		
	4a	Funding target disregarding prescribed at-risk assumptions.....	
	4b	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.....	
5	5	Effective interest rate.....	
		5.84%	
6	6	Target normal cost.....	
		120,000	

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	<div style="font-size: 2em; font-family: cursive;">MP</div>	<div style="font-size: 1.5em; font-family: cursive;">10/4/2017</div>
	Signature of actuary	Date
	MELODY PRANGLEY	1707387
	Type or print name of actuary	Most recent enrollment number
	TOWERS WATSON DELAWARE INC.	248-936-7700
	Firm name	Telephone number (including area code)
	26555 EVERGREEN RD	
	SOUTHFIELD MI 48076	
	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 ☐

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	593,581
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year).....	0	0
9 Amount remaining (line 7 minus line 8).....	0	593,581
10 Interest on line 9 using prior year's actual return of <u>-2.15%</u>	0	-12,762
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year).....		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.05%</u>		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return.....		0
c Total available at beginning of current plan year to add to prefunding balance.....		0
d Portion of (c) to be added to prefunding balance.....		0
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	580,819

Part III Funding Percentages

14 Funding target attainment percentage.....	14	97.89%
15 Adjusted funding target attainment percentage.....	15	109.06%
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	102.62%
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
10/03/2016	49,000	0			
01/03/2017	29,000	0			
04/03/2017	40,000	0			
07/03/2017	40,000	0			
09/01/2017	73,000	0			
Totals ▶			18(b)	231,000	18(c) 0

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

a Contributions allocated toward unpaid minimum required contributions from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date.....	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	214,718

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: 4.43 %	2nd segment: 5.91 %	3rd segment: 6.65 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22
23 Mortality table(s) (see instructions)	☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):												
a Target normal cost (line 6)	31a	120,000										
b Excess assets, if applicable, but not greater than line 31a	31b	0										
32 Amortization installments:	<table border="1"> <thead> <tr> <th></th> <th>Outstanding Balance</th> <th>Installment</th> </tr> </thead> <tbody> <tr> <td>a Net shortfall amortization installment</td> <td>109,502</td> <td>18,092</td> </tr> <tr> <td>b Waiver amortization installment</td> <td>0</td> <td>0</td> </tr> </tbody> </table>				Outstanding Balance	Installment	a Net shortfall amortization installment	109,502	18,092	b Waiver amortization installment	0	0
	Outstanding Balance	Installment										
a Net shortfall amortization installment	109,502	18,092										
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	138,092										
		Carryover balance	Prefunding balance									
35 Balances elected for use to offset funding requirement		0	0									
36 Additional cash requirement (line 34 minus line 35)	36	138,092										
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	214,718										
38 Present value of excess contributions for current year (see instructions)												
a Total (excess, if any, of line 37 over line 36)	38a	76,626										
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0										
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	
43 Excess installment acceleration amount to be carried over to future plan years	43	

SCHEDULE SB ATTACHMENTS

Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	NCFII Holdings, Inc. C/O Masco Corporation
EIN/PN	56-1977928/015
Plan Name	The Berkline Associates Pension Plan
Valuation Date	January 1, 2016
Enrolled Actuary	Melody Pranglely
Enrollment Number	17-07387

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.

Plan Name:	The Berkline Associates Pension Plan
EIN / PN:	56-1977928 / 015
Plan Sponsor:	NCFII Holdings, Inc. C/O Masco Corporation
Valuation Date:	January 1, 2016

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Summary of Principal Plan Provisions

Plan Sponsor

NCFII Holdings Inc. C/O Masco Corporation

Plan

The Berkline Associates Pension Plan (includes these prior plans: The Berkline Corporation Salaried Retirement Plan and the Berkline Corporation Hourly Retirement Plan)

Effective Date and Most Recent Amendment

The plan was originally effective January 1, 1994 (plans merged at this date had earlier respective effective dates). The last amendment reflected herein was effective December 31, 2008.

Plan Year

The twelve-month period ending December 31, 2016.

Coverage and Participation

All employees, except salesmen, are eligible to participate in the Plan. An employee becomes a participant on the first of the month following one Year of Service. Participation was frozen effective December 31, 2001.

Years of Service

One Year of Service is earned for each calendar year in which at least 1,000 hours of service are credited. Participants ceased to accrue Years of Service as of March 26, 2002 with the sale of the Company. All covered locations have been closed and there are no remaining active participants. All participants are either retired or terminated with vested benefits.

Normal Retirement Benefit

Normal Retirement Date: Age 65

Benefit Formula: The Accrued Benefit.

Normal Form of Benefit: Single life annuity, if unmarried, and 50% Joint & Survivor annuity, if married, actuarially equivalent to the single life annuity.

Plan Name:	The Berkline Associates Pension Plan
EIN / PN:	56-1977928 / 015
Plan Sponsor:	NCFII Holdings, Inc. C/O Masco Corporation
Valuation Date:	January 1, 2016

SCHEDULE SB ATTACHMENTS

Accrued Benefits

The Accrued Benefit is the monthly benefit equal to the actuarial equivalent of the Individual Balance Account.

Prior Annuity Formula: The Annuity Benefit of a Participant who was a Participant in a Prior Plan shall not be less than the amount determined in accordance with the applicable Prior Plan, calculated as if the Participant had terminated employment on December 31, 1993. The types of benefits under the prior annuity formula are:

Hourly Employees: monthly annuity at Normal Retirement Age based on the appropriate Credited Service multiplied by a dollar benefit level.

Salaried Employees: monthly annuity at Normal Retirement Age based on Final Average Earnings, less a Primary Social Security benefit offset.

No Participants accrued any additional benefits under the Plan after December 31, 2001.

Individual Balance Account (Cash Balance Plan)

An Individual Balance Account (IBA) was established for each Participant, the initial balance of which was the value of the Participant's accrued benefit, as determined under the applicable Prior Plan as of December 31, 1993.

For all plan years beginning after December 31, 2001, no additional Company Credits will be made to the Individual Balance Accounts of Participants.

Interest Credits shall be credited at the end of each calendar year equal to 5% of the beginning of year IBA until the date of distribution. The credits shall be applied at to a Participant's IBA as of the last day of the calendar year or, if earlier, as of the last day of the month next preceding the Participant's Annuity Starting Date.

Early Retirement Benefit

Eligibility: Age 55 with 5 or more Years of Service.

Benefit: The greater of the Actuarial Equivalent of the Individual Balance Account, or, if the Participant was a Participant in a Prior Plan, the benefit accrued under the Prior Plan, reduced by respective reduction factors under each Prior Plan.

Early Retirement Reduction Factors: For Hourly employees and the Salaried employees' portion of the benefit which is calculated based on Final Average Earnings, 0.25% for each completed calendar month by which the Annuity Starting Date precedes the Normal Retirement Date. For Salaried participants hired after July 1, 1985, the reduction of the Final Average Earnings portion of the benefit shall be 0.50% for each complete calendar month by which the Annuity Starting Date precedes the Normal Retirement Date.

Plan Name:	The Berkline Associates Pension Plan
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Plan Sponsor:	NCFII Holdings, Inc. C/O Masco Corporation
Valuation Date:	January 1, 2016

SCHEDULE SB ATTACHMENTS

For the Salaried employees' offset portion of the benefit based on the Primary Social Security Benefit, the factors are:

Age	Reduction Factor
64	.8988
63	.8103
62	.7325
61	.6639
60	.6032
59	.5493
58	.5013
57	.4583
56	.4199
55	.3853

Vested Benefits upon Termination of Service

Vesting: Participants are 100% vested upon completion of 5 Years of Service.

Termination Benefit: In the event a Participant separates from service after earning a vested right to his Accrued Benefit, but before becoming eligible for Early Retirement Benefits, he may elect to receive his vested Accrued Benefit as a deferred retirement benefit, commencing at his Normal or Early Retirement, or, if earlier, a lump sum distribution after a 4-year waiting period.

The Early Retirement reduction factors are the same as those used for the Salaried employees' offset portion of the benefit. If the Participant commences his benefit before age 55, the age 55 benefit shall be further reduced based on the actuarial equivalent basis used for conversion to optional annuity forms.

Surviving Spouse Benefit

Eligibility: All Participants eligible for a Vested Deferred Benefit who are married at date of death automatically receive coverage.

Benefit: In the event of a Vested Participant's death prior to benefit commencement, the surviving spouse is entitled to a benefit equal to 100% of the Participant's Individual balance Account. In lieu of a lump sum payment, the Spouse may elect to receive the benefit in the form of an annuity. In no event will the annuity be less than the Actuarial Equivalent of the Pre-Retirement Survivor Annuity, which is calculated assuming that the Participant had retired on the day before his death with a 50% Joint and Survivor Annuity. If the Participant dies before age 55, the benefit would be determined as though the Participant survived to retire at age 55, electing a 50% Joint and Survivor Annuity, and died on the day after retirement.

Plan Name:	The Berkline Associates Pension Plan
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Valuation Date:	January 1, 2016

SCHEDULE SB ATTACHMENTS

Postponed Retirement Benefit

The benefit amount for Vested Participants who commence after their Normal Retirement Date will be actuarially increased from their Normal Retirement Date. The postponed retirement benefit is the greater of such benefit and the monthly benefit actuarially equivalent to the IBA balance as of retirement.

Optional Forms of Retirement Income in Lieu of Normal Form

Available to all participants:

Single Life Annuity; For participants with an IBA, lump sum payment of accrued benefit commencing at Normal or Early Retirement, or if earlier, a lump sum distribution after a 4-year waiting period; automatic lump sum payment for values under \$1,000.

Available to participants in the Prior Plans:

50%, 75% or 100% Joint & Survivor benefit; 5, 10, and 15 Year Certain and Life Annuity; Level Income Option.

Actuarial Equivalence for determining lump sum equivalent of accrued benefit, or the annuity equal to the IBA, is the PPA lump sum mortality with 3-segment interest rates. Actuarial equivalence for conversion to all other optional annuity forms is the Revenue Ruling 2001-62 Mortality and 6% interest.

Changes in Plan Provisions since Last Actuarial Valuation

None.

Plan Name:	The Berkline Associates Pension Plan
EIN / PN:	56-1977928 / 015
Plan Sponsor:	NCFII Holdings, Inc. C/O Masco Corporation
Valuation Date:	January 1, 2016

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 32
Schedule of Amortization Bases
as of January 1, 2016

Type of Base		Date Established	Initial Amount	Remaining Amortization Period (Years)	Outstanding Balance	Amortization Payment
1	Shortfall	01/01/2016	109,502	7	109,502	18,092
Total					109,502	18,092

Plan Name: The Berkline Associates Pension Plan
EIN / PN: 56-1977928 / 015
Plan Sponsor: NCFII Holdings, Inc. C/O Masco Corporation
Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 24
Change in Non-Prescribed Actuarial Assumptions
as of January 1, 2016

The percent married assumption was updated based on the results of an experience study conducted in December 2015.

Plan Name:	The Berklene Associates Pension Plan
EIN / PN:	56-1977928 / 015
Plan Sponsor:	NCFII Holdings, Inc. C/O Masco Corporation
Valuation Date:	January 1, 2016