

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 24pt; font-weight: bold;">2017</div> This Form is Open to Public Inspection
---	---	---

Part I	Annual Report Identification Information
For calendar plan year 2017 or fiscal plan year beginning <u>01/01/2017</u> and ending <u>12/31/2017</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>MASCO CORPORATION PENSION PLAN</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>MASCO CORPORATION</u> <u>ATTN BENEFITS DEPARTMENT</u> <u>17450 COLLEGE PARKWAY</u> <u>LIVONIA, MI 48152</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;">1b Three-digit plan number (PN) ▶</td> <td><u>014</u></td> </tr> <tr> <td>1c Effective date of plan</td> <td><u>03/01/1959</u></td> </tr> <tr> <td>2b Employer Identification Number (EIN)</td> <td><u>38-1794485</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number</td> <td><u>313-274-7400</u></td> </tr> <tr> <td>2d Business code (see instructions)</td> <td><u>332510</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>014</u>	1c Effective date of plan	<u>03/01/1959</u>	2b Employer Identification Number (EIN)	<u>38-1794485</u>	2c Plan Sponsor's telephone number	<u>313-274-7400</u>	2d Business code (see instructions)	<u>332510</u>
1b Three-digit plan number (PN) ▶	<u>014</u>										
1c Effective date of plan	<u>03/01/1959</u>										
2b Employer Identification Number (EIN)	<u>38-1794485</u>										
2c Plan Sponsor's telephone number	<u>313-274-7400</u>										
2d Business code (see instructions)	<u>332510</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.	10/05/2018	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

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

Form 5500 (2017)
v. 170203

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 or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 4084
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	6a(1) 772
a(2) Total number of active participants at the end of the plan year	6a(2) 696
b Retired or separated participants receiving benefits	6b 1626
c Other retired or separated participants entitled to future benefits	6c 1431
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 3753
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 271
f Total. Add lines 6d and 6e	6f 4024
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	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:

1A 1I 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
---	---

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1)** ☒ **R** (Retirement Plan Information)
- (2)** ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3)** ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☐ 0 **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 2017 Form M-1 annual report. If the plan was not required to file the 2017 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 _____

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>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).</div> <div>▶ File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>2017</div> <div>This Form is Open to Public Inspection</div>
--	---	--

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

▶ 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 MASCO CORPORATION PENSION PLAN	B Three-digit plan number (PN) ▶ 014
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF MASCO CORPORATION	D Employer Identification Number (EIN) 38-1794485

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 01 Day 01 Year 2017			
2 Assets:			
a Market value	2a	248779803	
b Actuarial value	2b	253894110	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	1873	144754591	144754591
b For terminated vested participants	1509	83319061	83319061
c For active participants	772	42475054	42475054
d Total	4154	270548706	270548706
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	5.88 %	
6 Target normal cost	6	3060000	

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	09/18/2018		
MICHAEL RINGUETTE	Date		
Type or print name of actuary	17-04837		
TOWERS WATSON DELAWARE INC.	Most recent enrollment number		
Firm name	248-936-7700		
26555 EVERGREEN RD. SOUTHFIELD, MI 48076	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 ☐

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	0
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	0
10 Interest on line 9 using prior year's actual return of <u>8.16</u> %	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		8779123
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>6.10</u> %		535527
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		9314650
d Portion of (c) to be added to prefunding balance		9307064
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	9307064

Part III Funding Percentages

14 Funding target attainment percentage	14	90.40%
15 Adjusted funding target attainment percentage	15	90.40%
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	94.72%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
01/02/2018	3310000	0			
04/13/2018	3190000	0			
07/12/2018	1400000	0			
09/04/2018	80000	0			
Totals ▶			18(b)	7980000	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	7445617

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: 4.16 %	2nd segment: 5.72 %	3rd segment: 6.48 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age.....				22 63
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	3060000	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment.....	25961660		6596385
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		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....	34	9656385	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	6540000	6540000
36 Additional cash requirement (line 34 minus line 35)	36	3116385	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	7445617	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	4329232	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	4329232	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years	☐ 15 years	
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008	☐ 2009	☐ 2010 ☐ 2011
42 Amount of acceleration adjustment	42	0	
43 Excess installment acceleration amount to be carried over to future plan years	43	0	

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2017 This Form is Open to Public Inspection.
---	--	--

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

A Name of plan <u>MASCO CORPORATION PENSION PLAN</u>	B Three-digit plan number (PN) ►	<u>014</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>MASCO CORPORATION</u>	D Employer Identification Number (EIN) <u>38-1794485</u>	

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 <u>38-2470859-100</u>	d Entity code <u>M</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>264259383</u>
---------------------------------------	-------------------------------	--

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):

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

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

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

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

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2017 This Form is Open to Public Inspection
For calendar plan year 2017 or fiscal plan year beginning <u>01/01/2017</u> and ending <u>12/31/2017</u>		
A Name of plan <u>MASCO CORPORATION PENSION PLAN</u>	B Three-digit plan number (PN) ►	<u>014</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>MASCO CORPORATION</u>	D Employer Identification Number (EIN) <u>38-1794485</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
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	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	13395000	7980000
	(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)	235685741	264259383
	(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)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(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	249080741	272239383

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	188107	194901
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	188107	194901

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	248892634	272044482
---	-----------	-----------	-----------

Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	7980000	
(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)		7980000
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)		29912075
(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		37892075

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	14740227	
(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)		14740227
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		14740227

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		23151848
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			

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

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 4084637. (See instructions.)

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>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).</div> <div>► File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2017</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017		
A Name of plan MASCO CORPORATION PENSION PLAN		B Three-digit plan number (PN) ► 014
C Plan sponsor's name as shown on line 2a of Form 5500 MASCO CORPORATION		D Employer Identification Number (EIN) 38-1794485
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 0
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): 38-2470859		
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		3 646
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	
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		
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.	
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) 2017 v. 170203		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Stock: 48.0% Investment-Grade Debt: 25.0% High-Yield Debt: 6.0% Real Estate: 0.0% Other: 21.0%

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

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

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

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

**MASCO CORPORATION
PENSION PLAN
FINANCIAL STATEMENTS
2017 AND 2016**

**MASCO CORPORATION
PENSION PLAN**

INDEX

Pages

Report of Independent Certified Public Accountants	2
Financial Statements:	
Statements of Net Assets Available for Benefits at December 31, 2017 and 2016	3
Statements of Changes in Net Assets Available for Benefits for the Years Ended December 31, 2017 and 2016	4
Statement of Accumulated Plan Benefits as of December 31, 2016	5
Statement of Changes in Accumulated Plan Benefits for the Year Ended December 31, 2016	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.	

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Trustee and Participants of
Masco Corporation Pension Plan

Report on the financial statements

We were engaged to audit the accompanying financial statements of Masco Corporation Pension Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2017 and 2016, and the related statements of changes in net assets available for benefits for the years then ended, and the statement of accumulated plan benefits as of December 31, 2016, 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, 2017 and 2016, 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
September 28, 2018

MASCO CORPORATION
PENSION PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2017 and 2016

	2017	2016
Assets		
Investments, at fair value:		
Plan interest in Master Trust, net (Note C)	\$ 264,259,383	\$ 235,685,741
Receivables:		
Employer contribution receivable	7,980,000	13,395,000
Total assets	272,239,383	249,080,741
Liabilities		
Accrued expenses	194,901	188,107
Total liabilities	194,901	188,107
Net assets available for benefits	\$ 272,044,482	\$ 248,892,634

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

**MASCO CORPORATION
PENSION PLAN**

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the years ended December 31, 2017 and 2016

	2017	2016
Plan interest in Master Trust:		
Investment income, net (Note C)	\$ 33,753,572	\$ 19,540,722
Employer contributions	7,980,000	20,575,000
Benefit payments	(14,740,227)	(25,678,385)
Administrative expenses	(3,841,497)	(4,143,272)
Net increase	23,151,848	10,294,065
Net assets available for benefits:		
Beginning of year	248,892,634	238,598,569
End of year	\$ 272,044,482	\$ 248,892,634

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

**MASCO CORPORATION
PENSION PLAN**

STATEMENT OF ACCUMULATED PLAN BENEFITS

December 31, 2016

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

Vested benefits:

Participants currently receiving payments	\$	137,401,386
Participants with deferred benefits		75,073,810
Active employees		38,023,612
		<u>250,498,808</u>

Total actuarial present value of accumulated plan benefits	\$	<u><u>250,498,808</u></u>
--	----	---------------------------

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

MASCO CORPORATION
PENSION PLAN
STATEMENT OF CHANGES IN ACCUMULATED PLAN BENEFITS

For the year ended December 31, 2016

Actuarial present value of accumulated plan benefits at December 31, 2015	\$	257,072,920
Increase (decrease) during 2016 due to (Note G):		
Increase in interest due to decrease in discount period		17,706,945
Change of assumptions		(2,424,683)
Actuarial losses		3,822,011
Benefits paid		(25,678,385)
Net decrease		(6,574,112)
Actuarial present value of accumulated plan benefits at December 31, 2016	\$	<u>250,498,808</u>

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

**MASCO CORPORATION
PENSION PLAN**

NOTES TO FINANCIAL STATEMENTS

A. DESCRIPTION OF PLAN

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

1. *General.* The Plan is a defined benefit pension plan covering eligible employees at various divisions and subsidiaries of the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

The Plan is administered by the Company's Benefits Department, which has overall responsibility for the operation and administration of the Plan. The Company's Pension Trust Investment Committee ("Committee"), which is a committee of members of management of the Company, 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.

2. *Pension Benefits.* Effective January 1, 2010 no employee was eligible to commence participation into the Plan, the accrued benefit for each employee participating within the Plan at that time was frozen and no credited service or compensation earned subsequent to that date was taken into account in the calculation of the accrued benefit. Generally, employees 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, this benefit is equal to the participant's years of credited service multiplied by the benefit level at termination for the various participating locations. The Plan permits early retirement after completion of five years of service and attainment of age 55. Generally, employees may elect to receive their pension benefits in the form of a joint and survivor annuity, lifetime annuity or period certain annuity. If employees terminate before becoming vested, they forfeited their right to receive their accumulated plan benefits.

In 2016, the Company offered certain eligible participants who had terminated employment and had a deferred vested benefit, the opportunity to elect to receive their pension benefit early as a lump-sum payment or an immediate annuity, rather than waiting until they otherwise become eligible to receive payments from the Plan. Participants had until November 11, 2016 to elect one of the limited-time early payment options or choose to remain in the Plan and begin monthly payments as described in the Plan document. Distribution amounts pertaining to participants who elected to take the early lump sum option aggregated approximately \$12.0 million.

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 earliest date on which the participant could have elected to receive retirement benefits if the participant had survived. Active employees with ten or more years of service who become totally and permanently disabled and eligible for disability retirement benefits shall receive annual disability benefits that are equal to their normal retirement benefit accumulated as of the date they become disabled. 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 2017 and 2016 of \$7,980,000 and \$20,575,000, respectively, met or exceeded the minimum funding requirements of ERISA. No participant in the Plan is required to make a contribution under the Plan.

5. *Plan Termination.* 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.

**MASCO CORPORATION
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 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, net, presented in the accompanying statements of changes in net assets available for benefits.

**MASCO CORPORATION
PENSION PLAN**

NOTES TO FINANCIAL STATEMENTS, Continued

B. ACCOUNTING POLICIES, Concluded

Recently Issued Accounting Pronouncements. In February 2017, the Financial Accounting Standards Board issued Accounting Standards Update 2017-06 ("ASU 2017-06"), "Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), and 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, 2017 and 2016 include its 42.7 and 43.4 percent participation in the Master Trust, respectively.

The following table presents the fair value of the Master Trust's net assets at December 31, 2017 and 2016.

	Master Trust	
	2017	2016
<u>Assets</u>		
Common and Preferred Stocks	\$ 348,866,379	\$ 290,979,716
Government and Other Debt Securities	80,610,644	75,309,491
Private Equity and Hedge Funds	96,833,465	95,067,235
Securities Lending Collateral Pool	37,446,655	36,845,308
Corporate Debt Securities	84,535,723	75,793,232
Common Collective Trust Fund	6,194,280	4,471,379
Short-term and Other Investments	1,908,411	1,987,092
Total Assets	\$ 656,395,557	\$ 580,453,453
<u>Liabilities</u>		
Securities Lending Collateral Payable	\$ (37,446,655)	\$ (36,845,308)
Total Liabilities	\$ (37,446,655)	\$ (36,845,308)
Net Assets	\$ 618,948,902	\$ 543,608,145

With respect to the Master Trust's investments in private equity funds and other debt securities, the Master Trust had, at December 31, 2017 and 2016, commitments to contribute up to \$12 million and \$15 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.

**MASCO CORPORATION
PENSION PLAN**

NOTES TO FINANCIAL STATEMENTS, Continued

C. INVESTMENTS, Continued

Investment income represents interest and dividend income plus realized and unrealized gains and losses. Investment income of the Master Trust for the year ended December 31, 2017 was \$76,532,412 (net of administrative expenses of \$1,973,241) and investment income for the year ended December 31, 2016 was \$42,084,299 (net of administrative expenses of \$2,052,959). Investment income is summarized as follows:

	Interest	Dividends	Net Appreciation	Total
<u>Year Ended December 31, 2017</u>				
Master Trust:				
Common and Preferred Stocks	\$ —	\$ 3,978,897	\$ 53,814,031	\$ 57,792,928
Government and Other Debt Securities	2,527,613	—	3,575,312	6,102,925
Private Equity and Hedge Funds	—	—	9,211,153	9,211,153
Securities Lending Collateral Pool	208,938	—	—	208,938
Corporate Debt Securities	2,652,880	—	2,297,966	4,950,846
Common Collective Trust Fund	72,474	—	—	72,474
Short-term and Other Investments	27,974	—	138,415	166,389
	<u>\$ 5,489,879</u>	<u>\$ 3,978,897</u>	<u>\$ 69,036,877</u>	<u>\$ 78,505,653</u>
<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>

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, 2017 and 2016 was \$37,446,655 and \$36,845,308, respectively, of which \$4,117,470 and \$770,363 was non-cash as of December 31, 2017 and 2016, 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.

**MASCO CORPORATION
PENSION PLAN**

NOTES TO FINANCIAL STATEMENTS, Continued

C. INVESTMENTS, Concluded

The fair value of securities loaned by the Master Trust as of December 31, 2017 and 2016 is shown below by type of security:

	2017	2016
Common Stocks	\$ 29,348,962	\$ 30,347,443
Corporate Debt Securities	4,412,591	5,193,965
U.S. Government Debt Securities	2,539,272	197,867
	<u>\$ 36,300,825</u>	<u>\$ 35,739,275</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, 2017 and 2016 was \$146,368 and \$196,427, respectively, net of bank fees of \$62,569 and \$83,965 for the years ended December 31, 2017 and 2016, respectively.

Although the securities lending activities are collateralized as described above, they involve both market and credit risk. In this context, market and credit risk refer to the possibility that a borrower of securities will be unable to fully collateralize its loan upon a sudden material change in the fair value of the loaned securities or the collateral. In 2017 and 2016, 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 decrease or increase in fixed-income assets, respectively, with an offsetting change to the present value of liabilities. The fixed-income portfolio invests in corporate bonds, bond index funds or U.S. Treasury securities.

**MASCO CORPORATION
PENSION PLAN**

NOTES TO FINANCIAL STATEMENTS, Continued

D. FAIR VALUE MEASUREMENTS, Continued

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at December 31, 2017 and 2016.

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 included within commingled funds, which are valued based on net asset value ("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 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 included within commingled funds, which 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 \$1,500,000 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.

**MASCO CORPORATION
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 and liabilities at fair value, as well as those valued at fair value using NAV per share as a practical expedient, as of December 31, 2017 and 2016.

Net Assets at Fair Value as of December 31, 2017					
Assets	Level 1	Level 2	Level 3	Measured at NAV	Total
Common and Preferred Stocks	\$ 174,388,141	\$ 97,927	\$ —	\$ 174,380,311	\$ 348,866,379
Private Equity and Hedge Funds	—	—	61,835,286	34,998,179	96,833,465
Securities Lending Collateral Pool	—	37,446,655	—	—	37,446,655
Corporate Debt Securities	30,895,797	31,645,183	—	21,994,743	84,535,723
Government and Other Debt Securities	45,437,481	4,139,402	—	31,033,761	80,610,644
Common Collective Trust Fund	—	6,194,280	—	—	6,194,280
Short-Term and Other Investments	1,908,411	—	—	—	1,908,411
Total Assets at Fair Value	\$ 252,629,830	\$ 79,523,447	\$ 61,835,286	\$ 262,406,994	\$ 656,395,557
Liabilities					
Securities Lending Collateral Payable	\$ —	\$ (37,446,655)	\$ —	\$ —	\$ (37,446,655)
Total Liabilities at Fair Value	\$ —	\$ (37,446,655)	\$ —	\$ —	\$ (37,446,655)
Net Assets	\$ 252,629,830	\$ 42,076,792	\$ 61,835,286	\$ 262,406,994	\$ 618,948,902
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

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, 2017 and 2016.

	Years Ended December 31,	
	2017	2016
Balance, beginning of year	\$ 61,976,744	\$ 70,931,475
Purchases	6,282,479	6,235,812
Sales	(6,929,682)	(13,362,021)
Unrealized gains (losses)	505,745	(1,828,522)
Balance, end of year	\$ 61,835,286	\$ 61,976,744

**MASCO CORPORATION
PENSION PLAN**

NOTES TO FINANCIAL STATEMENTS, Continued

E. INCOME TAX STATUS

The Internal Revenue Service ("IRS") determined and informed the Company by letter, dated August 16, 2013, that the Plan and the related trust are designed in accordance with applicable sections of the IRC. The Plan has since been amended; however, 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, 2017 and 2016, 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, (b) beneficiaries of employees who have died and (c) present employees or their beneficiaries. Benefits under the Plan are based on employees' credited years of service. The accumulated benefits for active employees are based on their accumulated credited years of service ending on the date as of which the benefit information is presented. 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, 2016 and 2015 were (a) life expectancy of participants - the Plan used the RP-2014 annuitants and non-annuitants white collar adjusted mortality tables with the generational MP-2016 and MP-2015 improvement scales, respectively, (b) retirement age assumption (the assumed weighted average retirement age was 62.3 and 62.2, respectively), (c) discount rate (based on the assumed rate of return of 7.25 percent) and (d) withdrawal assumptions. The change from the MP-2015 improvement scale to the MP-2016 improvement scale incorporates additional mortality data, which reduced the estimated life expectancy of the Plan's participants. 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, 2017. Had the valuation been performed as of December 31, 2016 there would be no material differences.

H. PLAN TERMINATION

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.

**MASCO CORPORATION
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, 2017 and 2016.
- b. Investment income, net, as shown in the accompanying statements of changes in net assets available for benefits for the years ended December 31, 2017 and 2016.
- c. Total Master Trust net assets, interest, dividends and net appreciation, as shown in the accompanying Note C as of and for the years ended December 31, 2017 and 2016.

J. SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through September 28, 2018, the date the Masco Corporation 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, Line 26 Schedule of Active Participant Data for Frozen Plans as of January 1, 2017

Attained Age	Years of Credited Service																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over	
	No.	Avg. Ben.	No.	Avg. Ben.	No.	Avg. Ben.	No.	Avg. Ben.	No.	Avg. Ben.	No.	Avg. Ben.	No.	Avg. Ben.	No.	Avg. Ben.	No.	Avg. Ben.	No.	Avg. Ben.
Under 25	0		0		0		0		0		0		0		0		0		0	
25 - 29	1		2		0		0		0		0		0		0		0		0	
30 - 34	3		22	1,099	5		0		0		0		0		0		0		0	
35 - 39	3		36	1,523	35	4,250	6		0		0		0		0		0		0	
40 - 44	1		26	1,640	35	4,516	21	6,204	2		0		0		0		0		0	
45 - 49	6		22	2,460	43	5,011	34	8,763	25	12,635	10		0		0		0		0	
50 - 54	5		22	2,532	41	6,439	34	11,537	25	15,173	16		13		0		0		0	
55 - 59	1		16		24	6,344	35	9,099	20	17,150	21	20,415	16		6		1		0	
60 - 64	1		11		12		17		15		17		17		11		2		0	
65 - 69	0		6		8		7		5		1		2		1		1		0	
70 & Over	0		1		0		2		0		0		1		0		0		0	

The Plan is "hard frozen" and the average accrued benefits are shown in lieu of compensation.

Plan Name: Masco Corporation Pension Plan ("Pension")
 EIN / PN: 38-1794485/014
 Plan Sponsor: Masco Corporation
 Valuation Date: January 1, 2017

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	4.16%	1.52%
■ Second segment rate	5.72%	3.80%
■ Third segment rate	6.48%	4.79%

Plan Name:	Masco Corporation Pension Plan ("Pension")
EIN / PN:	38-1794485/014
Plan Sponsor:	Masco Corporation
Valuation Date	January 1, 2017

SCHEDULE SB ATTACHMENTS

Effective Interest Rates (Reflecting Corridors)

Masco Corporation Master Pension Plan (Master)	5.90%
Arrow Fastener Co., Inc. Employees' Pension Trust	5.81%
LifeStyle Retirement Plan (LFI)	5.73%
LifeStyle Pension Plan for Employees of Sunbury Textile Mills, Inc.	5.78%
The Berkline Associates Pension Plan	5.63%

Assumed Administrative Expenses for 2017 plan year

Masco Corporation Master Pension Plan (Master)	\$ 1,940,000
Arrow Fastener Co., Inc. Employees' Pension Trust	\$ 150,000
LifeStyle Retirement Plan	\$ 2,200,000
LifeStyle Pension Plan for Employees of Sunbury Textile Mills, Inc.	\$ 110,000
The Berkline Associates Pension Plan	\$ 110,000

Plan Name:	Masco Corporation Pension Plan ("Pension")
EIN / PN:	38-1794485/014
Plan Sponsor:	Masco Corporation
Valuation Date	January 1, 2017

SCHEDULE SB ATTACHMENTS

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). |

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 2032 using Scale AA) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2024 using Scale AA). |
| ■ Disabled | Same as healthy mortality. |

Plan Name:	Masco Corporation Pension Plan ("Pension")
EIN / PN:	38-1794485/014
Plan Sponsor:	Masco Corporation
Valuation Date	January 1, 2017

SCHEDULE SB ATTACHMENTS

Retirement

Pension, Master Pension, and Arrow

Participants are assumed to retire as follows.

Age	Rate (%)
55	9.00
56	9.00
57	9.00
58	9.00
59	9.00
60	9.00
61	12.00
62	15.00
63	15.00
64	15.00
65	50.00
66	40.00
67	40.00
68	40.00
69	40.00
70+	100.00

The weighted average retirement age (62.82 for Pension, 62.88 for Master Pension, and 62.99 for Arrow) is determined by weighting each potential retirement age by the number of current active employees expected to retire at such age, as determined by the above retirement rates.

Participants with deferred benefits are assumed to retire at age 62.

Plan Name:	Masco Corporation Pension Plan ("Pension")
EIN / PN:	38-1794485/014
Plan Sponsor:	Masco Corporation
Valuation Date	January 1, 2017

SCHEDULE SB ATTACHMENTS

LFI Pension and Sunbury

There are no active participants.

Participants with deferred benefits are assumed to retire at age 60.

Berkline

There are no active participants.

Participants with deferred benefits are assumed to retire at age 65.

Disability rates (per 100 employees)

None.

Representative termination rates (per 100 employees) not due to disability, retirement or mortality

Pension, Master, and Arrow

Age	Rate (%)
20 – 29	15.00
30 – 39	12.00
40 – 54	8.00
55 and over	0.00

Plan Name:	Masco Corporation Pension Plan ("Pension")
EIN / PN:	38-1794485/014
Plan Sponsor:	Masco Corporation
Valuation Date	January 1, 2017

SCHEDULE SB ATTACHMENTS

LFI Pension, Sunbury, and Berkline

There are no active participants.

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 | <i>LFI and Sunbury:</i> The later of age 60 or termination of employment
<i>Pension, Master, and Arrow:</i> The later of age 62 or termination of employment
<i>Berkline:</i> The later of age 65 or termination of employment |
| ■ Disability benefit | Upon disablement |
| ■ Retirement benefit | Upon termination of employment |

Form of payment

Participants are assumed to elect the normal form. For LFI Pension and Berkline, participants for whom it was determined by the prior actuary and the plan administrator that cash balance account was more valuable are assumed to elect the lump sum option at either the current valuation date (LFI pension) or at age 65 (Berkline).

Marriage

60% of males and 30% of females are married. The male spouse is assumed 3 years older than the female spouse.

Plan Name:	Masco Corporation Pension Plan ("Pension")
EIN / PN:	38-1794485/014
Plan Sponsor:	Masco Corporation
Valuation Date	January 1, 2017

SCHEDULE SB ATTACHMENTS

Covered pay

Assumed plan compensation for the year beginning on the valuation date was determined as the current annual rate of pay.

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 in Pension, Arrow, LFI (former LFI Salaried Plan only), and Sunbury are assumed to elect the 5-year Certain and Life Annuity. Single participants in Master, LFI (excluding former LFI Salaried Plan), and Berkline 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:	Masco Corporation Pension Plan ("Pension")
EIN / PN:	38-1794485/014
Plan Sponsor:	Masco Corporation
Valuation Date	January 1, 2017

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 prior 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.

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 – No participants are assumed to take annuity benefits in the form of a lump sum.

Plan Name:	Masco Corporation Pension Plan ("Pension")
EIN / PN:	38-1794485/014
Plan Sponsor:	Masco Corporation
Valuation Date	January 1, 2017

SCHEDULE SB ATTACHMENTS

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).

Retirement and Termination

Retirement and termination rates were 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.

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 based on an experience study. 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.

Plan Name: Masco Corporation Pension Plan ("Pension")
EIN / PN: 38-1794485/014
Plan Sponsor: Masco Corporation
Valuation Date: January 1, 2017

SCHEDULE SB ATTACHMENTS

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.

Plan Name:	Masco Corporation Pension Plan ("Pension")
EIN / PN:	38-1794485/014
Plan Sponsor:	Masco Corporation
Valuation Date	January 1, 2017

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2017 This Form is Open to Public Inspection
---	--	---

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

► **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 MASCO CORPORATION PENSION PLAN	B Three-digit plan number (PN) ►	014
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF MASCO CORPORATION	D Employer Identification Number (EIN) 38-1794485	
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>2017</u>			
2 Assets:			
a Market value	2a	248,779,803	
b Actuarial value	2b	253,894,110	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	1,873	144,754,591	144,754,591
b For terminated vested participants	1,509	83,319,061	83,319,061
c For active participants	772	42,475,054	42,475,054
d Total	4,154	270,548,706	270,548,706
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	5.88%	
6 Target normal cost	6	3,060,000	

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	 Signature of actuary MICHAEL RINGUETTE Type or print name of actuary TOWERS WATSON DELAWARE INC. Firm name 26555 EVERGREEN RD. Southfield MI 48076 Address of the firm	 Date 1704837 Most recent enrollment number 248-936-7700 Telephone number (including area code)
------------------	---	--

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	0
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	0
10 Interest on line 9 using prior year's actual return of <u>8.16%</u>	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year).....		8,779,123
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>6.10%</u>		535,527
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.....		9,314,650
d Portion of (c) to be added to prefunding balance.....		9,307,064
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	9,307,064

Part III Funding Percentages

14 Funding target attainment percentage.....	14	90.40%
15 Adjusted funding target attainment percentage.....	15	90.40%
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	94.72%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
01/02/2018	3,310,000	0			
04/13/2018	3,190,000	0			
07/12/2018	1,400,000	0			
09/04/2018	80,000	0			
Totals ▶	18(b)	7,980,000	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	7,445,617

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: 4.16 %	2nd segment: 5.72 %	3rd segment: 6.48 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22 63
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	3,060,000										
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>25,961,660</td> <td>6,596,385</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	25,961,660	6,596,385	b Waiver amortization installment	0	0
	Outstanding Balance	Installment										
a Net shortfall amortization installment	25,961,660	6,596,385										
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											
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)....	34	9,656,385										
		Carryover balance	Prefunding balance									
35 Balances elected for use to offset funding requirement		0	6,540,000									
36 Additional cash requirement (line 34 minus line 35)	36	3,116,385										
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	7,445,617										
38 Present value of excess contributions for current year (see instructions)												
a Total (excess, if any, of line 37 over line 36)	38a	4,329,232										
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	4,329,232										
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0										
40 Unpaid minimum required contributions for all years	40	0										

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42	0	
43 Excess installment acceleration amount to be carried over to future plan years	43	0	

SCHEDULE SB ATTACHMENTS

Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	Masco Corporation
EIN/PN	38-1794485/014
Plan Name	Masco Corporation Pension Plan ("Pension")
Valuation Date	January 1, 2017
Enrolled Actuary	Michael Ringuette
Enrollment Number	17-04837

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:	Masco Corporation Pension Plan ("Pension")
EIN / PN:	38-1794485/014
Plan Sponsor:	Masco Corporation
Valuation Date	January 1, 2017

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22
Description of Weighted Average Retirement Age
as of January 1, 2017

See Part V for retirement rates. The average retirement age for Line 22 was calculated by determining the average age at retirement for those current active participants expected to reach retirement, based on all current decrements assumed.

Plan Name:	Masco Corporation Pension Plan ("Pension")
EIN / PN:	38-1794485/014
Plan Sponsor:	Masco Corporation
Valuation Date	January 1, 2017

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V – Summary of plan provisions

Plan Sponsor

Masco Corporation

Plan

Masco Corporation Pension Plan

Effective Date of Most Recent Amendment

The plan was originally effective March 1, 1959. The last amendment reflected herein was effective December 13, 2016.

Plan Year

The twelve-month period ending December 31, 2017.

Coverage and Participation

All salaried employees at the designated divisions or subsidiaries of the Company. Employees become Participants on date of hire.

No participants will be able to enter the plan after January 1, 2010.

Plan Name:	Masco Corporation Pension Plan ("Pension")
EIN / PN:	38-1794485/014
Plan Sponsor:	Masco Corporation
Valuation Date	January 1, 2017

SCHEDULE SB ATTACHMENTS

Credited Service

Credited Service is equal to the Employee's service from date of hire or date of retirement or termination measured in whole years and fractions thereof to the nearest one-twelfth year. No credited service is earned prior to the date shown for the following companies:

Alsons Corporation	January 1, 1975
American Metal Products – California	January 1, 1975
American Metal Products - Tennessee & Mississippi	January 1, 1975
Corona Products Corp.	January 1, 1975
American Shower & Bath – MI	January 1, 1982
BrassCraft	January 1, 1984
Marvel Metal Products	January 1, 1983
Masco Building Products Corporation – Corporate	January 1, 1991
American Metal Products - California (Waste King Employees)	January 1, 1993
American Shower & Bath – NJ	June 1, 1994
Contractor Services	January 1, 2001
Masterchem Industries, Inc.	January 1, 1991

Credited Service was frozen as of the date of the plan freeze at January 1, 2010. No additional Credited Service will be accrued after this date.

Vesting Service

A Participant earns Years of Service based on elapsed time from date of hire, where 12 months or 365 days equal one year, except at the BrassCraft location, where years of service for vesting is calculated from January 1, 1984.

Vesting Service will continue to accrue after the plan freeze at January 1, 2010.

Plan Name:	Masco Corporation Pension Plan ("Pension")
EIN / PN:	38-1794485/014
Plan Sponsor:	Masco Corporation
Valuation Date	January 1, 2017

SCHEDULE SB ATTACHMENTS

Alsons Corporation participants were 100% vested.

Final Average Compensation

This term refers to the Employee's total Compensation for 5 consecutive Plan Years during which the Employee received the greatest amount of compensation, divided by 5.

Final Average Compensation was frozen as of January 1, 2010.

Normal Retirement Benefit

Normal Retirement Date: Age 65

Accrued Benefit: Based on the following formula, payable one-twelfth monthly:

- A. 1.1% of Final Average Compensation times years of Credited Service (maximum 30 years), after July 1, 1971 contained in the initial 30 years of all Credited Service under the Plan, plus
- B. 1.1% of the first \$9,000 of Final Average Compensation plus 1.3% of Final Average Compensation in excess of \$9,000 times the years of Credited Service prior to July 1, 1971 contained in the initial 30 years of Credited Service prior to retirement.

Normal Form of Benefit: 5 year certain and life annuity if unmarried and 50% Joint & Survivor annuity, if married, actuarially equivalent to the 5 year certain and life annuity amount.

Early Retirement Benefit

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

Plan Name:	Masco Corporation Pension Plan ("Pension")
EIN / PN:	38-1794485/014
Plan Sponsor:	Masco Corporation
Valuation Date	January 1, 2017

SCHEDULE SB ATTACHMENTS

Benefit: Accrued Benefit as of Early Retirement Date reduced for commencement before age 65 to reflect the increased payment period. The reduction is 5/9ths of 1% for each of the first 60 months plus 5/18ths of 1% for each of the next 60 months that retirement precedes age 65.

For Masterchem Industries, Inc., the accrued normal benefit is reduced for immediate commencement by 1/3 of 1% for each of the first 60 months prior to Normal Retirement Date plus ½ of 1% for each of the next 60 months.

Disability Benefit

Eligibility: A Participant determined to be permanently and totally disabled who has 10 or more Years of Service.

Benefit: The accrued benefit at time of disability, subject to reductions by reason of any Workers' Compensation benefits payable and by reason of any disability or sickness and accident benefit payable under other Company financed programs.

Vested Benefits upon Termination of Service

Vesting: Participants are 100% vested upon completion of 5 Years of Service. For Melard Manufacturing participants hired prior to January 1, 1995, the vesting schedule equals 20% for 3 Years of Service, 40% for 4 Years of Service, and 100% for 5 Years of Service.

Termination Benefit: The accrued normal benefit becomes payable at age 65; or reduced at age 55 as per Early Retirement.

Surviving Spouse Benefit

Eligibility: All Participants eligible for a Vested Benefit (whether or not actively employed) who are married at date of death automatically receive coverage under the Option.

Benefit: In the event of a Vested Participant's death prior to benefit commencement, a 50% Survivor Annuity will be paid to the Participant's spouse. Benefits to the Spouse are payable on the first day of the month following the Participant's death, or if later, the first day of the month

Plan Name:	Masco Corporation Pension Plan ("Pension")
EIN / PN:	38-1794485/014
Plan Sponsor:	Masco Corporation
Valuation Date	January 1, 2017

SCHEDULE SB ATTACHMENTS

following the Participant's 55th birthday. Benefit payable is the Participant's accrued benefit at date of death, reduced actuarially for survivor annuity and reduced for early commencement (if applicable) by the Early Retirement factors described in the Plan. Cost of this protection is fully subsidized by the Company.

Benefits Resulting from Previous Plans

Coverage Under Other Masco Corporation Retirement Plans

Salaried Plan participants who were previously covered under other Masco Corporation financed Pension Plans will receive Credited Service under this Plan from the later of their original date of hire or the applicable Credited Service Date. The resulting benefit will be offset by any benefits payable from the other Plan(s).

Under Superseded Profit Sharing Plan

Employees covered under previous Profit Sharing Plans shall receive a benefit equal to the greater of the amount provided under (B) of the Normal Formula indicated above or the amount provided by the Employer portion of the prior Profit Sharing Account with interest. The employee may elect to receive the prior Profit Sharing Account with interest in a lump sum in which event his retirement benefit is actuarially reduced to reflect this. Employees with prior Profit Sharing Accounts who terminated and are not eligible for any other benefit under the Plan receive a refund of their prior Profit Sharing Account with interest. The employee portion of the prior Profit Sharing Account with interest is paid to the employee in such manner as the employee requests.

Merillat Industries Supplemental Retirement Income Plan

Salaried Employees of Merillat Industries who were covered under the prior Merillat Industries Supplemental Retirement Income Plan receive the following benefit in five equal annual installments in addition to the above described benefit. Benefit is determined by the amount of service accrued by the Participant as of July 24, 1985, (which was the date of acquisition of the prior plan by Masco Corporation.)

Plan Name:	Masco Corporation Pension Plan ("Pension")
EIN / PN:	38-1794485/014
Plan Sponsor:	Masco Corporation
Valuation Date	January 1, 2017

SCHEDULE SB ATTACHMENTS

Service at Date of Acquisition	Benefit Payable in Five Equal Installments
Less than 2 years	\$5,000
At least 2 Years but less than 5 Years	10,000
At least 5 Years but less than 10 Years	15,000
At least 10 Years but less than 15 Years	20,000
At least 15 Years but less than 20 Years	25,000
20 or More Years	30,000

The annual benefit based on the above schedule is payable at age 65, or immediately if termination of employment is due to death or disability.

Under Superseded Baldwin Hardware Manufacturing Corporation Profit Sharing Plan

Employees who have Profit Sharing Accounts transferred from this Plan may elect to receive (i) a lump sum benefit equal to the value of the account with earnings up to the date of termination, or (ii) a monthly benefit based on service earned prior to July 1, 1984, and guaranteed at least equal to the account's value.

Employees who have Rollover Accounts transferred from this Plan will receive an additional lump sum benefit on retirement, death, or termination, equal to the account balance, updated with earnings or losses experienced after July 1, 1984.

Merillat Industries, Inc. Pension Plan

Employees covered under the Plan are guaranteed a benefit at least equal to their accrued benefit as of December 31, 1993 under the Plan based on the early retirement reduction factors of the prior Plan and converted from a ten year certain and life annuity to a five year certain and life annuity.

Plan Name:	Masco Corporation Pension Plan ("Pension")
EIN / PN:	38-1794485/014
Plan Sponsor:	Masco Corporation
Valuation Date	January 1, 2017

SCHEDULE SB ATTACHMENTS

Optional Forms of Retirement Income in Lieu of Normal Form

Single life annuity. Life annuity with 120 monthly payments guaranteed. 50%, 75% or 100% Joint & Survivor benefit. Lump sum payment for values under \$5,000.

For former participants in the Merillat Industries, Inc. Pension Plan, a lump sum distribution of the December 31, 1993 accrued benefit is payable.

For former employees of Sherle Wagner and Melard, a lump sum distribution of the entire accrued benefit is payable.

In December 2016, the plan offered a one-time lump sum payment option for terminated vested participants. The option was limited to participants with a vested actuarial equivalent lump-sum benefit less than \$38,000.

Actuarial Equivalence

Conversion of annuity forms: 6% interest, UP-1984 mortality. Lump sum: The required basis under PPA and the November 1st interest rate structure in effect prior to the calendar year the lump sum is paid.

Changes in Plan Provisions since prior valuation

In December 2016, the plan offered a one-time lump sum payment option for terminated vested participants. The option was limited to participants with a vested actuarial equivalent lump-sum benefit less than \$38,000.

Plan Name:	Masco Corporation Pension Plan ("Pension")
EIN / PN:	38-1794485/014
Plan Sponsor:	Masco Corporation
Valuation Date	January 1, 2017

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 32
Schedule of Amortization Bases as of January 1, 2017

Type of Base	Date Established	Initial Amount	Remaining Amortization Period (Years)	Outstanding Balance	Amortization Payment
1 Shortfall	01/01/2017	18,776,894	7	18,776,894	3,083,391
2 Shortfall	01/01/2016	12,642,241	6	11,224,056	2,088,795
3 Shortfall	01/01/2015	(3,223,089)	5	(2,474,352)	(536,009)
4 Shortfall	01/01/2014	(9,276,127)	4	(5,847,572)	(1,552,443)
5 Shortfall	01/01/2013	14,324,405	3	6,889,264	2,390,628
6 Shortfall	01/01/2012	(22,882,790)	2	(7,612,424)	(3,883,771)
7 Shortfall	01/01/2011	30,424,913	1	5,005,794	5,005,794
Total				25,961,660	6,596,385

Plan Name: Masco Corporation Pension Plan ("Pension")
EIN / PN: 38-1794485/014
Plan Sponsor: Masco Corporation
Valuation Date: January 1, 2017