SEABRIDGE GOLD INC
Form 6-K
August 10, 2018

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of August 2018

Commission File Number: **1-32135**

Seabridge Gold Inc.
(Translation of registrant's name into English)

106 Front Street East, Suite 400, Toronto, Ontario, Canada M5A 1E1
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.
Form 20-F [ ] Form 40-F [X]

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):
82-_________

On August 9, 2018, the Registrant issued a press release, a copy of which is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

(c) Exhibit 99.1. Press release dated August 9, 2018

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Seabridge Gold Inc.
(Registrant)

Date: August 9, 2018

/s/ Chris Reynolds
Chris Reynolds
VP Finance and CFO

" style="vertical-align:bottom;border-bottom:1px solid #000000;padding-left:2px;padding-top:2px;padding-bottom:2px;">
(565,203
)

(534,908
)
Subtotal

227,058

233,472

Capital leases

10,913

10,912

Allowances for depreciation

(2,242
)

(1,988
)
Subtotal

8,671

8,924

Mineral resources

4,979

4,980

Mine development

25,681

16,399

Allowances for amortization and depletion

(2,760
)

(16,187
)
Subtotal

27,900

5,192

Property, plant, and equipment — net

$
263,629

$
247,588

The Company received $63.5 million from the U.S. Department of Defense (DoD) in previous periods for reimbursement of the DoD's share of the cost of the equipment in property, plant, and equipment and the reimbursements as unearned income, a liability on the Consolidated Balance Sheets. The equipment was placed in service during 2012, and its full cost is being depreciated in accordance with Company policy. The unearned income liability is being reduced ratably with the depreciation expense recorded over the life of the equipment.
Unearned income was reduced by $5.8 million and $4.7 million in 2015 and 2014, respectively, and credited to cost of sales in the Consolidated Statements of Income, offsetting the impact of the depreciation expense on the associated equipment on the Company's cost of sales and gross margin.
We recorded depreciation and depletion expense of $32.8 million in 2015, $37.5 million in 2014, and $36.1 million in 2013. The expense is net of the above-referenced reductions in the unearned income liability. Depreciation, depletion, and amortization as shown on the Consolidated Statement of Cash Flows is also net of the reduction in the unearned income liability in 2015, 2014, and 2013. The net book value of capitalized software was $9.5 million and $6.1 million at December 31, 2015 and December 31, 2014, respectively. Depreciation expense related to software was $2.3 million in 2015, $1.8 million in 2014, and $1.7 million in 2013.
Note K — Intangible Assets and Goodwill
Assets Acquired

The Company acquired a license in 2014 with a cost of $0.3 million with a weighted-average amortization period of 8.5 years. The Company incurred $0.8 million in 2015 for deferred financing costs associated with amending its credit agreement.

Assets Subject to Amortization

The cost, accumulated amortization, and net book value of intangible assets subject to amortization as of December 31, 2015 and 2014, and the aggregate amortization expense for each year then ended is as follows:

(Thousands)	2015	2014
Deferred financing costs		
Cost	$8,537	$7,794
Accumulated amortization	(5,808)	(5,302)
Net book value	2,729	2,492
Customer relationships		
Cost	38,428	38,427
Accumulated amortization	(30,466)	(26,544)
Net book value	7,962	11,883
Technology		
Cost	12,092	12,092
Accumulated amortization	(9,565)	(8,594)
Net book value	2,527	3,498
Licenses and other		
Cost	2,989	2,817
Accumulated amortization	(2,471)	(2,131)
Net book value	518	686
Total		
Cost	62,046	61,130
Accumulated amortization	(48,310)	(42,571)
Net book value	$13,736	$18,559
Aggregate amortization expense	$5,651	$5,964

The aggregate amortization expense is estimated to be $5.1 million in 2016, $4.5 million in 2017, $1.9 million in 2018, $1.1 million in 2019, and $0.6 million in 2020.

Assets Not Subject to Amortization

The Company's only intangible asset not subject to amortization is goodwill. The balance of goodwill at December 31, 2015 and 2014 was $86.7 million and assigned to several reporting units.

Goodwill within the Advance Materials segment totaled $46.6 million.Within the Precision Coatings group, goodwill totaled $17.6 million and $20.6 million relating to the Precision Optics and Large Area Coatings operating segments, respectively. The remaining $1.9 million is related to the Beryllium reporting unit within the Performance Alloys and Composites segment.

Note L — Debt

Long-term debt in the Consolidated Balance Sheets is summarized as follows:

	December 31,	
(Thousands)	2015	2014
Revolving credit agreement	$—	$10,000
Fixed rate industrial development revenue bonds payable in annual installments through 2021	5,308	5,961
Variable rate industrial development revenue bonds payable in 2016	8,305	8,305
Total outstanding	13,613	24,266
Current portion of long-term debt	(8,998)	(653)
Total	$4,615	$23,613

Maturities on long-term debt instruments as of December 31, 2015 are as follows:

2016	$8,998
2017	733
2018	773
2019	819
2020	864
Thereafter	1,426
Total	$13,613

In 2015, the Company entered into an amendment to its $375.0 million revolving credit agreement (Credit Agreement). The amendment extends the maturity date of the Credit Agreement from 2018 to 2020 and provides more favorable pricing under certain circumstances. In addition, the amendment provides the Company and its subsidiaries with additional capacity to enter into facilities for the consignment, borrowing, or leasing of precious metals and copper, and provides enhanced flexibility to finance acquisitions and other strategic initiatives. The amended agreement includes an increase in the Credit Agreement's expansion option for additional uncommitted lines from $100.0 million to $300.0 million. The Credit Agreement is secured by substantially all of the assets of the Company and its direct subsidiaries, with the exception of non-mining real property and certain other assets. The Credit Agreement allows the Company to borrow money at a premium over LIBOR or prime rate and at varying maturities. The premium resets quarterly according to the terms and conditions available under the Credit Agreement.

At December 31, 2015, there was $38.0 million outstanding against the letters of credit sub-facility. The Company pays a variable commitment fee that may reset quarterly (0.20% as of December 31, 2015) of the available and unborrowed amounts under the revolving credit line.

The Credit Agreement includes restrictive covenants including incurring restrictions on additional indebtedness, acquisitions, dividends, and stock repurchases. In addition, the Credit Agreement includes covenants subject to a maximum leverage ratio and a minimum fixed charge coverage ratio. The Company was in compliance with all of its debt covenants as of December 31, 2015 and December 31, 2014.

The following table summarizes the Company’s short-term lines of credit. Amounts shown as outstanding are included in short-term debt in the Consolidated Balance Sheets.

	December 31, 2015			December 31, 2014		
(Thousands)	Total	Outstanding	Available	Total	Outstanding	Available
Domestic	$336,955	$—	$336,955	$322,475	$—	$322,475
Foreign	9,283	—	9,283	12,334	—	12,334
Total	$346,238	$—	$346,238	$334,809	$—	$334,809

While the available borrowings under the individual existing credit lines total $346.2 million, the covenants in the domestic Credit Agreement restrict the aggregate available borrowings to $221.8 million as of December 31, 2015. The domestic line is committed and includes all sub-facilities in the $375.0 million maximum borrowing under the Credit Agreement. The Company has various foreign lines of credit, one of which for $2.0 million, is committed and secured. The remaining foreign lines are uncommitted, unsecured, and renewed annually. The average interest rate on short-term debt was 0.42% and 4.90% as of December 31, 2015 and 2014, respectively. In 2014, the Company transferred its precious metal-denominated debt to its precious metals consignment facility. Refer to Note I for additional information.

In April 2011, the Company entered into an agreement with the Toledo-Lucas County Port Authority and the Dayton–Montgomery County Port Authority in Ohio to co-issue $8.0 million in taxable development revenue bonds, with a fixed amortization term that will mature in 2021. The interest rate on these bonds is fixed at 4.9%, and the unamortized balance of the bonds was $5.3 million at December 31, 2015.

In November of 1996, the Company entered into an agreement with the Lorain Port Authority in Ohio to issue $8.3 million in variable rate industrial revenue bonds, maturing in 2016. The variable rate ranged from 0.05% to 0.25% in 2015 and from 0.18% to 0.28% in 2014.

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Note M — Leasing Arrangements

The Company leases warehouse and manufacturing real estate, and manufacturing and computer equipment under operating leases with terms ranging up to 25 years. Operating lease expense amounted to $8.3 million, $8.7 million, and $9.4 million during 2015, 2014, and 2013, respectively. The future estimated minimum payments under capital leases and non-cancelable operating leases with initial lease terms in excess of one year at December 31, 2015, are as follows:

(Thousands)	Capital Leases	Operating Leases
2016	$1,064	$6,834
2017	1,064	5,689
2018	1,064	4,816
2019	1,064	3,666
2020	1,064	3,318
2021 and thereafter	2,572	6,431
Total minimum lease payments	7,892	$30,754
Amounts representing interest	1,379	
Present value of net minimum lease payments	$6,513	

Note N — Pensions and Other Post-Employment Benefits

The obligation and funded status of the Company's pension and other post-employment benefit plans are shown below. The Pension Benefits column aggregates defined benefit pension plans in the U.S., Germany, and England, and the U.S. supplemental retirement plans. The Other Benefits column includes the domestic retiree medical and life insurance plan.

	Pension Benefits		Other Benefits	
(Thousands)	2015	2014	2015	2014
Change in benefit obligation				
Benefit obligation at beginning of year	$271,785	$221,748	$16,540	$31,398
Service cost	9,195	7,963	115	138
Interest cost	10,446	10,339	554	675
Plan amendments	—	—	—	(14,034)
Actuarial (gain) loss	(19,978)	43,476	(504)	223
Benefit payments from fund	(9,317)	(8,387)	—	—
Benefit payments directly by Company	(236)	(1,236)	(1,542)	(1,968)
Expenses paid from assets	(492)	(570)	—	—
Medicare Part D subsidy	—	—	—	108
Foreign currency exchange rate changes	(1,446)	(1,548)	37	—
Benefit obligation at end of year	259,957	271,785	15,200	16,540
Change in plan assets				
Fair value of plan assets at beginning of year	187,186	173,494	—	—
Actual return on plan assets	(4,657)	6,852	—	—
Employer contributions	12,366	16,145	—	—
Benefit payments from fund	(9,317)	(8,387)	—	—
Expenses paid from assets	(492)	(569)	—	—
Foreign currency exchange rate changes	(336)	(349)	—	—
Fair value of plan assets at end of year	184,750	187,186	—	—
Funded status at end of year	$(75,207)	$(84,599)	$(15,200)	$(16,540)
Amounts recognized in the Consolidated Balance Sheets consist of:				
Other assets	$1,428	$1,703	$—	$—
Other liabilities and accrued items	(960)	(753)	(1,433)	(1,472)
Retirement and post-employment benefits	(75,675)	(85,549)	(13,767)	(15,068)
	$(75,207)	$(84,599)	$(15,200)	$(16,540)
Amounts recognized in other comprehensive income (before tax) consist of:				
Net actuarial loss	$113,368	$122,641	$229	$275
Net prior service (credit) cost	(850)	(1,300)	11,038	(12,536)
	$112,518	$121,341	$11,267	$(12,261)
Amortizations expected to be recognized during next fiscal year (before tax):				
Amortization of net loss	$6,012	$7,558	$—	$—
Amortization of prior service credit	(460)	(450)	(1,497)	—
	$5,552	$7,108	$(1,497)	$—
Additional information				
Accumulated benefit obligation for all defined benefit pension plans	$251,956	$260,536	$—	$—
For defined benefit pension plans with benefit obligations in excess of plan assets:				

Aggregate benefit obligation	254,178	266,377	—	—
Aggregate fair value of plan assets	177,543	180,075	—	—
For defined benefit pension plans with accumulated benefit obligations in excess of plan assets:				
Aggregate accumulated benefit obligation	243,139	255,128	—	—
Aggregate fair value of plan assets	177,543	180,075	—	—

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Components of net benefit cost and other amounts recognized in other comprehensive income (OCI)

	Pension Benefits			Other Benefits		
(Thousands)	2015	2014	2013	2015	2014	2013
Net benefit cost						
Service cost	$9,195	$7,963	$9,724	$115	$138	$305
Interest cost	10,446	10,339	9,936	554	675	1,243
Expected return on plan assets	(13,611)	(12,419)	(12,261)	—	—	—
Amortization of prior service cost (benefit)	(450)	(434)	(340)	(1,497)	(1,498)	115
Recognized net actuarial loss	7,537	5,263	7,912	—	—	—
Net periodic cost	13,117	10,712	14,971	(828)	(685)	1,663
Settlements	—	7	—	—	—	—
Total net benefit cost	$13,117	$10,719	$14,971	$(828)	$(685)	$1,663

	Pension Benefits			Other Benefits		
(Thousands)	2015	2014	2013	2015	2014	2013
Change in other comprehensive income						
OCI at beginning of year	$121,341	$77,249	$124,955	$(12,261)	$52	$2,587
Increase (decrease) in OCI:						
Recognized during year — prior service cost (credit)	450	434	340	1,497	1,498	(115)
Recognized during year — net actuarial (losses) gains	(7,537)	(5,263)	(7,912)	—	—	—
Occurring during year — prior service cost	—	—	—	—	(14,034)	—
Occurring during year — net actuarial losses (gains)	(1,697)	49,037	(40,143)	(503)	223	(2,397)
Other adjustments	—	—	(3)	—	—	(23)
Foreign currency exchange rate changes	(39)	(116)	12	—	—	—
OCI at end of year	$112,518	$121,341	$77,249	$(11,267)	$(12,261)	$52

Summary of key valuation assumptions

	Pension Benefits			Other Benefits		
	2015	2014	2013	2015	2014	2013
Weighted-average assumptions used to determine benefit obligations at fiscal year end						
Discount rate	4.27%	4.00%	4.80%	3.88%	3.50%	4.50%
Rate of compensation increase	4.05%	3.96%	4.43%	4.00%	4.00%	4.50%
Weighted-average assumptions used to determine net cost for the fiscal year						
Discount rate	4.00%	4.79%	3.97%	3.50%	4.13%	3.75%
Expected long-term return on plan assets	7.15%	7.15%	7.44%	N/A	N/A	N/A
Rate of compensation increase	3.95%	4.42%	4.42%	4.00%	4.50%	4.50%

The Company used a December 31 measurement date for the above plans.

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Effective January 1, 2014, the Company revised the expected long-term rate of return assumption used in calculating the annual expense for its domestic defined benefit pension plan, decreasing it to 7.25% from 7.50%. The impact was accounted for as a change in estimate.

Management establishes the domestic expected long-term rate of return assumption by reviewing historical trends and analyzing the current and projected market conditions in relation to the plan’s asset allocation and risk management objectives. Consideration is given to both recent plan asset performance as well as plan asset performance over various long-term periods of time, with an emphasis on the assumption being a prospective, long-term rate of return. Management consults with and considers the opinions of its outside investment advisors and actuaries when establishing the rate and reviews assumptions with the Audit Committee of the Board of Directors. Management believes that the 7.25% domestic expected long-term rate of return assumption is achievable and reasonable given current market conditions and forecasts, asset allocations, investment policies, and investment risk objectives.

The rate of compensation increase assumption was changed to 4.0% for 2014 and years after in the domestic defined benefit pension plan and the domestic retiree medical plan.

In the second quarter of 2012, the Company closed its domestic defined benefit pension plan to new entrants. Current plan participants will continue to accrue benefits under the existing formulas, while new hires are offered an enhanced defined contribution plan.

Assumptions for the defined benefit pension plans in Germany and England are determined separately from the U.S. plan assumptions, based on historical trends and current and projected market conditions in Germany and England. The plan in Germany is unfunded.

The Company has notified participants of changes to the domestic retiree medical plan, including changing the benefit formula for participants covered by the plan. The revised benefit formula is designed to lower costs for the Company and the majority of plan participants. As a result of this change, the plan liability on the Company's Consolidated Balance Sheet was reduced by $14.0 million in the first quarter of 2014, with the offset increasing other comprehensive income, a component of shareholders' equity. The liability reduction will be recognized in earnings over the average remaining service life of participants.

Assumed health care trend rates at fiscal year end	2015	2014
Health care trend rate assumed for next year	7.00%	7.00%
Rate that the trend rate gradually declines to (ultimate trend rate)	5.00%	5.00%
Year that the rate reaches the ultimate trend rate	2020	2019

Assumed health care cost trend rates can have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	1-Percentage-Point Increase		1-Percentage-Point Decrease	
(Thousands)	2015	2014	2015	2014
Effect on total of service and interest cost components	$15	$15	$(14)	$(14)
Effect on post-employment benefit obligation	337	427	(311)	(392)

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Plan Assets

The following tables present the fair values of the Company's defined benefit pension plan assets as of December 31, 2015 and 2014 by asset category. Refer to Note Q to the Consolidated Financial Statements for definitions of fair value hierarchy.

	December 31, 2015			
	Total	Level 1	Level 2	Level 3
(Thousands)				
Cash	$8,848	$8,848	$—	$—
Equity securities:				
U.S. (a)	51,732	40,476	11,256	—
International (b)	29,799	26,744	3,055	—
Emerging markets (c)	10,434	10,290	144	—
Fixed-income securities:				
Intermediate-term bonds (d)	42,994	30,527	12,467	—
Short-term bonds (e)	3,875	—	3,875	—
Global bonds (f)	2,948	—	2,948	—
Other types of investments:				
Real estate fund (g)	5,799	5,722	77	—
Alternative strategies (h)	8,819	8,722	97	—
Pooled investment fund (i)	15,894	—	—	15,894
Multi-strategy hedge funds (j)	3,217	—	—	3,217
Private equity funds	290	—	—	290
Accrued interest and dividends	101	101	—	—
Total	$184,750	$131,430	$33,919	$19,401

	December 31, 2014			
	Total	Level 1	Level 2	Level 3
(Thousands)				
Cash	$6,173	$6,173	$—	$—
Equity securities:				
U.S. (a)	60,028	49,625	10,403	—
International (b)	28,372	25,361	3,011	—
Emerging markets (c)	13,498	13,300	198	—
Fixed income securities:				
Intermediate-term bonds (d)	18,635	14,755	3,880	—
Short-term bonds (e)	3,631	—	3,631	—
Global bonds (f)	30,030	26,795	3,235	—
Other types of investments:				
Real estate fund (g)	6,513	6,433	80	—
Alternative strategies (h)	8,477	8,382	95	—
Pooled investment fund (i)	6,613	—	—	6,613
Multi-strategy hedge funds (j)	4,962	—	—	4,962
Private equity funds	254	—	—	254
Total	$187,186	$150,824	$24,533	$11,829

(a) Mutual funds that invest in various sectors of the U.S. market.

(b) Mutual funds that invest in non-U.S. companies primarily in developed countries that are generally considered to be value stocks.

(c) Mutual funds that invest in non-U.S. companies in emerging market countries.

(d) Includes a mutual fund that employs a value-oriented approach to fixed income investment management and a mutual fund that invests primarily in investment-grade debt securities.

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(e) Includes a mutual fund that seeks a market rate of return for a fixed-income portfolio with low relative volatility of returns, investing generally in U.S. and foreign debt securities maturing in five years or less.

(f) Mutual funds that invest in domestic and foreign sovereign securities, fixed income securities, mortgage-backed and asset-backed bonds, convertible bonds, high-yield bonds, and emerging market bonds.

(g) Includes a mutual fund that typically invests at least 80% of its assets in equity and debt securities of companies in the real estate industry or related industries or in companies which own significant real estate assets at the time of investment.

(h) Includes a mutual fund that tactically allocates assets to global equity, fixed income, and alternative strategies.

(i) Includes a fund that invests in a broad portfolio of hedge funds.

(j) Includes a hedge fund that employs multiple strategies to multiple asset classes with low correlations.

The following table summarizes changes in the fair value of the Company's defined benefit pension plan Level 3 assets measured using significant unobservable inputs during 2015 and 2014:

(Thousands)	Total	Pooled Investment Fund	Multi-strategy Hedge Funds	Private Equity Funds
Balance at January 1, 2014	$5,884	$—	$5,467	$417
Actual return:				
On assets still held at reporting date	(406)	113	(505)	(14)
On assets sold during the period	(20)	—	—	(20)
Purchases, sales, and settlements	6,371	6,500	—	(129)
Balance at December 31, 2014	$11,829	$6,613	$4,962	$254
Actual return:				
On assets still held at reporting date	(188)	(229)	5	36
On assets sold during the period	(1,750)	—	(1,750)	—
Purchases, sales, and settlements	9,510	9,510	—	—
Balance at December 31, 2015	$19,401	$15,894	$3,217	$290

Capital may be withdrawn from the multi-strategy hedge fund partnership on a monthly basis with a ten-day notice period.

The Company's domestic defined benefit pension plan investment strategy, as approved by the Governance and Organization Committee of the Board of Directors, is to employ an allocation of investments that will generate returns equal to or better than the projected long-term growth of pension liabilities so that the plan will be self-funding. The return objective is to maximize investment return to achieve and maintain a 100% funded status over time, taking into consideration required cash contributions. The allocation of investments is designed to maximize the advantages of diversification while mitigating the risk and overall portfolio volatility to achieve the return objective. Risk is defined as the annual variability in value and is measured in terms of the standard deviation of investment return. Under the Company's investment policies, allowable investments include domestic equities, international equities, fixed income securities, cash equivalents, and alternative securities (which include real estate, private venture capital investments, hedge funds, and tactical asset allocation). Ranges, in terms of a percentage of the total assets, are established for each allowable class of security. Derivatives may be used to hedge an existing security or as a risk reduction strategy. Current asset allocation guidelines are to invest 30% to 70% in equity securities, 20% to 50% in fixed income securities and cash, and up to 25% in alternative securities. Management reviews the asset allocation on a quarterly or more frequent basis and makes revisions as deemed necessary.

None of the plan assets noted above are invested in the Company's common stock.

Cash Flows

Employer Contributions

The Company expects to contribute $16.0 million to its domestic defined benefit pension plan and $1.4 million to its other benefit plans in 2016.

The closure of the domestic defined benefit plan to new entrants in 2012 will reduce our plan funding requirements in the long term, but closure has a minimal impact on our funding requirements in the short term.

During 2013, we offered a one-time opportunity for terminated deferred vested participants in the domestic defined benefit plan to elect a lump sum payment in 2013 in lieu of an annuity upon retirement. The resulting lump sum payouts of $14.8 million were made from the pension plan assets during 2013, and no additional contribution from the Company was required to fund the payments. The lump sum payout option was part of a long-term program to reduce risk associated with our domestic pension plan assets and liabilities.

Effective 2016, all plan participants with an accrued benefit may elect an immediate payout in lieu of their future monthly annuity if the lump sum amount does not exceed $100,000.

Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

		Other Benefits	
	Pension Benefits	Gross Benefit Payment	Net of Medicare Part D Subsidy
(Thousands)			
2016	$10,901	$1,433	$1,379
2017	13,108	1,521	1,470
2018	11,320	1,581	1,533
2019	12,634	1,539	1,495
2020	12,953	1,512	1,472
2021 through 2025	76,525	5,960	5,818

Other Benefit Plans

In addition to the plans shown above, the Company also has certain foreign subsidiaries with accrued unfunded pension and other post-employment arrangements. The liability for these arrangements was $2.3 million at December 31, 2015 and $2.1 million at December 31, 2014, and was included in retirement and post-employment benefits in the Consolidated Balance Sheets.

The Company also sponsors defined contribution plans available to substantially all U.S. employees. The Company’s annual defined contribution expense, including the expense for the enhanced defined contribution plan, was $3.1 million in 2015, $3.0 million in 2014, and $2.8 million in 2013.

Note O — Accumulated Other Comprehensive Income

Changes in the components of accumulated other comprehensive income, including amounts reclassified out, for 2015, 2014 and 2013, and the balances in accumulated other comprehensive income as of December 31, 2015, 2014, and 2013 are as follows:

(Thousands)	Gains and Losses On Cash Flow Hedges Foreign Currency	Precious Metals	Total	Pension and Post-Employment Benefits	Foreign Currency Translation	Total
Accumulated other comprehensive income as of December 31, 2012						
Gross	$253	$97	$350	$ (127,541)	$ 4,077	$(123,114)
Deferred tax expense (benefit)	(1,314)	34	(1,280)	(33,405)	—	(34,685)
Net	$1,567	$63	$1,630	$ (94,136)	$ 4,077	$(88,429)
2013 activity						
Other comprehensive income (loss) before reclassifications	$618	$4	$622	$ 42,553	$ (3,790)	$39,385
Amounts reclassified from accumulated other comprehensive income	(958)	(120)	(1,078)	7,687	—	6,609
Net current period other comprehensive income (loss) before tax	(340)	(116)	(456)	50,240	(3,790)	45,994
Deferred taxes on current period activity	(119)	(41)	(160)	17,613	—	17,453
2013 other comprehensive income (loss) after tax	(221)	(75)	(296)	32,627	(3,790)	28,541
Accumulated other comprehensive income as of December 31, 2013						
Gross	(87)	(19)	(106)	(77,301)	287	(77,120)
Deferred tax (benefit)	(1,433)	(7)	(1,440)	(15,792)	—	(17,232)
Net	$1,346	$(12)	$1,334	$ (61,509)	$ 287	$(59,888)
2014 activity						
Other comprehensive income (loss) before reclassifications	$3,456	$19	$3,475	$ (35,109)	$ (4,440)	$(36,074)
Amounts reclassified from accumulated other comprehensive income	87	—	87	3,330	—	3,417
Net current period other comprehensive income (loss) before tax	3,543	19	3,562	(31,779)	(4,440)	(32,657)
Deferred taxes on current period activity	1,311	7	1,318	(11,626)	—	(10,308)
2014 other comprehensive income (loss) after tax	2,232	12	2,244	(20,153)	(4,440)	(22,349)
Accumulated other comprehensive income as of December 31, 2014						
Gross	3,456	—	3,456	(109,080)	(4,153)	(109,777)
Deferred tax (benefit)	(122)	—	(122)	(27,418)	—	(27,540)
Net	$3,578	$—	$3,578	$ (81,662)	$ (4,153)	$(82,237)
2015 activity						
Other comprehensive income (loss) before reclassifications	$2,995	$—	$2,995	$ 2,249	$ (1,335)	$3,909
Amounts reclassified from accumulated other comprehensive income	(6,169)	—	(6,169)	5,580	—	(589)
	(3,174)	—	(3,174)	7,829	(1,335)	3,320

Net current period other comprehensive income (loss) before tax						
Deferred taxes on current period activity	(1,175)	—	(1,175)	2,963	—	1,788
2015 other comprehensive income (loss) after tax	(1,999)	—	(1,999)	4,866	(1,335)	1,532
Accumulated other comprehensive income as of December 31, 2015						
Gross	282	—	282	(101,251)	(5,488)	(106,457)
Deferred tax (benefit)	(1,297)	—	(1,297)	(24,455)	—	(25,752)
Net	$1,579	$—	$1,579	$ (76,796)	$ (5,488)	$(80,705)

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Reclassifications from accumulated other comprehensive income of gains and losses on foreign currency cash flow hedges are recorded in Other-net in the Consolidated Statements of Income while gains and losses on precious metal cash flow hedges are recorded in Cost of sales in the Consolidated Statements of Income. Refer to Note Q for additional details on cash flow hedges.

Reclassifications from accumulated other comprehensive income for pension and post-employment benefits are included in the computation of the net periodic pension and post-employment benefit expense. Refer to Note N for additional details on pension and other post-employment expenses.

Note P — Stock-based Compensation

Stock incentive plans (the 2006 Stock Incentive Plan and the 2006 Non-employee Director Equity Plan) were approved at the May 2006 annual meeting of shareholders. These plans authorize the granting of option rights, stock appreciation rights (SARs), performance-restricted shares, performance shares, performance units, and restricted shares and replaced the 1995 Stock Incentive Plan and the 1997 Stock Incentive Plan for Non-employee Directors. The 2006 Stock Incentive Plan and the 2006 Non-employee Director Equity Plan were amended to, among other things, add additional shares to the plans. These amendments were approved by shareholders at the May 2014 annual meeting.

Stock-based compensation expense, recognized as a component of selling, general, and administrative expense, was $5.5 million, $4.8 million, and $5.0 million in 2015, 2014, and 2013, respectively.

SARs/Stock Options

The Company may grant SARs to certain employees and non-employee directors. Upon exercise of vested SARs, the participant will receive a number of shares of common stock equal to the spread (the difference between the market price of the Company’s common shares at the time of the exercise and the strike price established in the SARs agreement) divided by the common share price. The strike price of the SARs is equal to the market value of the Company’s common shares on the day of the grant. The number of SARs available to be issued is established by plans approved by the shareholders. The vesting period and the life of the SARs are established in the SARs agreement at the time of the grant. The exercise of the SARs will be satisfied by the issuance of treasury shares. The SARs vest three years from the date of grant. SARs granted prior to 2011 expire in ten years, while the SARs granted in 2011 and later expire in seven years.

The following table summarizes the Company's SARs activity during 2015:

(Shares in thousands)	Number of SARs	Weighted-average Exercise Price Per Share	Aggregate Intrinsic Value	Weighted-average Remaining Term (Years)
Outstanding at December 31, 2014	968	$28.32	$—	—
Granted	161	36.81	—	—
Exercised	(72)	19.03	—	—
Cancelled	(11)	36.99	—	—
Outstanding at December 31, 2015	1,046	30.18	2,379	3.7
Vested and expected to vest as of December 31, 2015	1,046	30.18	2,379	3.7
Exercisable at December 31, 2015	609	28.17	2,379	2.5

A summary of the status and changes of shares subject to SARs and the related average price per share follows:

(Shares in thousands)	Number of SARs	Weighted-average Grant Date Fair Value
Nonvested as of December 31, 2014	465	$13.45

Granted	161	13.27
Vested	(180)	14.95
Cancelled	(9)	15.62
Nonvested as of December 31, 2015	437	12.21

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As of December 31, 2015, $0.7 million of expense with respect to nonvested SARs has yet to be recognized as expense over a weighted-average period of approximately 22 months. The total fair value of shares vested during 2015, 2014 and 2013 was $2.7 million, $3.2 million, and $2.4 million.

The weighted-average grant date fair value for 2015, 2014, and 2013 was $13.27, $12.48, and $12.54, respectively. The fair value will be amortized to compensation cost on a straight-line basis over the three years vesting period, or earlier if the employee is retirement eligible as defined in the Plan. Stock-based compensation expense relating to SARs was $2.0 million in 2015, 2014, and 2013.

The fair value of the SARs was estimated on the grant date using the Black-Scholes pricing model with the following assumptions:

	2015		2014		2013	
Risk-free interest rate	1.47	%	1.64	%	0.70	%
Dividend yield	0.9	%	1.0	%	1.1	%
Volatility	42.8	%	45.5	%	56.6	%
Expected lives (in years)	5.0		5.0		5.0	

The risk-free rate of return was based on the five-year Treasury note rate at the time the SARs were granted. The Company initiated a dividend in May 2012, subsequent to the 2012 grant date. The share price volatility was calculated based on the actual closing prices of the Company's common shares at month end over a period of approximately ten years prior to the granting of the SARs. This approach to measuring volatility is consistent with the approach used to calculate the volatility assumption in the valuation of stock options. The Company's current SARs program has been in place since 2006. The expected life assumption was based upon prior analyses.

Stock options may be granted to employees or non-employee directors of the Company. Option rights entitle the optionee to purchase common shares at a price equal to or greater than the market value on the date of grant. Option rights granted to employees generally become exercisable (i.e. vest) over a four-year period and expire ten years from the date of the grant. Options granted to employees may also be issued with shorter vesting periods. Options granted to non-employee directors vest in six months and expire ten years from the date of the grant. The number of options available to be issued is established in plans approved by shareholders. The exercise of options is generally satisfied by the issuance of new shares.

There were no stock options outstanding as of year end 2015. The cash received from the exercise of stock options was $0.4 million in 2014 and $1.2 million in 2013. The tax benefit realized from tax deductions from exercises was $0.1 million in 2014 and $0.5 million in 2013. The total intrinsic value of options exercised during the years ended December 31, 2014 and 2013, was $0.3 million and $1.0 million, respectively.

Restricted Stock

The Company may grant restricted stock to employees and non-employee directors of the Company. These shares are restricted and vest over a designated period of time as defined at the date of the grant and are forfeited should the holder’s employment terminate during the restriction period. The fair market value of the restricted shares is determined on the date of the grant and is amortized over the restriction period. The restriction period is typically three years unless the recipient is retirement eligible.

The fair value of the restricted stock is based on the closing stock price on the date of grant. The weighted-average grant date fair value for 2015, 2014, and 2013 was $37.17, $33.29, and $27.35, respectively.

Stock-based compensation expense relating to restricted stock was $2.1 million in 2015, $1.8 million in 2014, and $2.2 million in 2013. The unamortized compensation cost on the outstanding restricted stock was $0.8 million as of December 31, 2015 and is expected to be amortized over a weighted-average period of 13 months. The income tax expense recognized from the vesting of restricted stock totaled less than $0.1 million in 2015 and $0.1 million in 2014, as compared to the tax benefit realized from the vesting of restricted stock of $0.2 million in 2013.

The following table summarizes the restricted stock activity during 2015:

(Shares in thousands)	Number of Shares	Weighted-average Grant Date Fair Value
Outstanding at December 31, 2014	152	$30.76
Granted	59	37.17
Vested	(73)	30.36
Forfeited	(4)	36.81
Outstanding at December 31, 2015	134	$33.32

Long-term Incentive Plans

Under long-term incentive compensation plans, executive officers and selected other employees receive cash or stock awards based upon the Company’s performance over the defined period, typically three years. Awards may vary based upon the degree to which actual performance exceeds the pre-determined threshold, target, and maximum performance levels at the end of the performance periods. Payouts may be subjected to attainment of threshold performance objectives.

Compensation expense is based upon the performance projections for the three-year plan period, the percentage of requisite service rendered, and the fair market value of the Company’s common shares on the date of grant. The offset to the compensation expense for the portion of the award to be settled in shares is recorded within shareholders’ equity and was $1.4 million for 2015, $1.0 million for 2014, and $0.8 million for 2013.

Directors Deferred Compensation

Non-employee directors may defer all or part of their fees into the Company’s common shares. The fair value of the deferred shares is determined at the share acquisition date and is recorded within shareholders’ equity. Subsequent changes in the fair value of the Company’s common shares do not impact the recorded values of the shares.

The following table summarizes the stock activity for the directors' deferred compensation plan during 2015:

(Shares in thousands)	Number of Shares	Weighted-average Grant Date Fair Value
Outstanding at December 31, 2014	120	$25.33
Granted	21	37.08
Distributed	(3)	32.17
Outstanding at December 31, 2015	138	$25.60

During the years ended December 31, 2015, 2014 and 2013, the weighted-average grant date fair value of shares granted was $37.08, $33.46, and $26.99, respectively.

Note Q — Fair Value Information and Derivative Financial Instruments

The Company measures and records financial instruments at fair value. A hierarchy is used for those instruments measured at fair value that distinguishes between assumptions based upon market data (observable inputs) and the Company's assumptions (unobservable inputs). The hierarchy consists of three levels:

Level 1 — Quoted market prices in active markets for identical assets and liabilities;

Level 2 — Inputs other than Level 1 inputs that are either directly or indirectly observable; and

Level 3 — Unobservable inputs developed using estimates and assumptions developed by the Company, which reflect those that a market participant would use.

The following table summarizes the financial instruments measured at fair value in the Consolidated Balance Sheet as of December 31, 2015:

(Thousands)	Total	Fair Value Measurements Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Other Significant Unobservable Inputs (Level 3)
Financial Assets				
Deferred compensation investments	$2,524	$2,503	$21	$—
Foreign currency forward contracts	462	—	462	—
Total	$2,986	$2,503	$483	$—
Financial Liabilities				
Deferred compensation liability	$2,524	$2,503	$21	$—
Foreign currency forward contracts	180	—	180	—
Total	$2,704	$2,503	$201	$—

The Company uses a market approach to value the assets and liabilities for financial instruments in the table above. Outstanding contracts are valued through models that utilize market observable inputs, including both spot and forward prices, for the same underlying currencies and metals. The Company's deferred compensation investment and liabilities are based on the fair value of the investments corresponding to the employees' investment selections, primarily in mutual funds, based on quoted prices in active markets for identical assets. Deferred compensation investments are primarily presented in Other assets. Deferred compensation liabilities are primarily presented in Other long-term liabilities.

The carrying values of the other working capital items and debt in the Consolidated Balance Sheet approximate fair values as of December 31, 2015.

The Company uses derivative contracts to hedge portions of its foreign currency exposures and may also use derivatives to hedge a portion of its precious metal exposures. The objectives and strategies for using derivatives in these areas are as follows:

Foreign Currency. The Company sells a portion of its products to overseas customers in their local currencies, primarily the euro and yen. The Company secures foreign currency derivatives, mainly forward contracts and options, to hedge these anticipated sales transactions. The purpose of the hedge program is to protect against the reduction in the dollar value of foreign currency sales from adverse exchange rate movements. Should the dollar strengthen significantly, the decrease in the translated value of the foreign currency sales should be partially offset by gains on the hedge contracts. Depending upon the methods used, the hedge contracts may limit the benefits from a weakening U.S. dollar.

The use of forward contracts locks in a firm rate and eliminates any downside from an adverse rate movement as well as any benefit from a favorable rate movement. The Company may from time to time choose to hedge with options or a tandem of options known as a collar. These hedging techniques can limit or eliminate the downside risk but can allow for some or all of the benefit from a favorable rate movement to be realized. Unlike a forward contract, a premium is paid for an option; collars, which are a combination of a put and call option, may have a net premium but can be structured to be cash neutral. The Company will primarily hedge with forward contracts due to the relationship between the cash outlay and the level of risk.

Precious Metals. The Company maintains the majority of its precious metal production requirements on consignment in order to reduce its working capital investment and the exposure to metal price movements. When a precious metal product is fabricated and ready for shipment to the customer, the metal is purchased out of consignment at the current market price. The price paid by the Company forms the basis for the price charged to the customer. This methodology allows for changes in either direction in the market prices of the precious metals used by the Company to be passed through to the customer and reduces the impact changes in prices could have on the

Company's margins and operating profit. The consigned metal is owned by financial institutions who charge the Company a financing fee based upon the current value of the metal on hand.

In certain instances, a customer may want to establish the price for the precious metal at the time the sales order is placed rather than at the time of shipment. Setting the sales price at a different date than when the material would be purchased potentially creates an exposure to movements in the market price of the metal. Therefore, in these limited situations, the Company may elect to enter into a forward contract to purchase precious metal. The forward contract allows the Company

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to purchase metal at a fixed price on a specific future date. The price in the forward contract serves as the basis for the price to be charged to the customer. By doing so, the selling price and purchase price are matched, and the Company's price exposure is reduced.
The Company refines precious metal containing materials for its customers and typically will purchase the refined metal from the customer at current market prices. In limited circumstances, the customer may want to fix the price to be paid at the time of the order as opposed to when the material is refined. The customer may also want to fix the price for a set period of time. The Company may then elect to enter into a hedge contract, either a forward contract or a swap, to fix the price for the estimated quantity of metal to be purchased, thereby reducing the exposure to adverse movements in the price of the metal.
The Company may from time to time elect to purchase precious metal and hold in inventory rather than on consignment due to potential credit line limitations or other factors. These purchases are typically held for a short duration. A forward contract will be secured at the time of the purchase to fix the price to be used when the metal is transferred back to the consignment line, thereby limiting any price exposure during the time when the metal was owned.
A team consisting of senior financial managers reviews the estimated exposure levels, as defined by budgets, forecasts, and other internal data, and determines the timing, amounts, and instruments to use to hedge exposures. Management analyzes the effective hedged rates and the actual and projected gains and losses on the hedging transactions against the program objectives, targeted rates, and levels of risk assumed. Foreign currency contracts are typically layered in at different times for a specified exposure period in order to minimize the impact of market rate movements.
The use of derivatives is governed by policies adopted by the Audit Committee of the Board of Directors. The Company will only enter into a derivative contract if there is an underlying identified exposure. Contracts are typically held to maturity. The Company does not engage in derivative trading activities and does not use derivatives for speculative purposes. The Company only uses hedge contracts that are denominated in the same currency or metal as the underlying exposure.
The fair values of the outstanding derivatives are recorded as assets (if the derivatives are in a gain position) or liabilities (if the derivatives are in a loss position). The fair values will also be classified as short term or long term depending upon maturity dates. The following table summarizes the notional amount and the fair value of the Company’s outstanding derivatives and balance sheet classification as of December 31, 2015 and 2014:

	December 31, 2015		December 31, 2014	
(Thousands)	Notional Amount	Fair Value	Notional Amount	Fair Value
Prepaid expenses				
Foreign currency forward contracts - yen	$5,138	$60	$6,835	$773
Foreign currency forward contracts - euro	18,181	402	33,215	2,683
	23,319	462	40,050	3,456
Other liabilities and accrued items				
Foreign currency forward contracts - yen	5,102	(94)	—	—
Foreign currency forward contracts - euro	10,514	(86)	—	—
	15,616	(180)	—	—
Total	$38,935	$282	$40,050	$3,456

All of the foreign currency derivative contracts outstanding at December 31, 2015 and 2014 were designated and effective as cash flow hedges. There were no precious metal derivative contracts outstanding at December 31, 2015 and 2014.
There was no ineffectiveness associated with the derivative contracts outstanding at December 31, 2015 or 2014, and no ineffectiveness expense was recorded in 2015, 2014, or 2013.
The fair value of derivative contracts recorded in accumulated other comprehensive income totaled $0.3 million as of December 31, 2015. The Company expects to relieve this balance to the Consolidated Statement of Income in 2016.

The fair value of derivative contracts in accumulated other comprehensive income totaled $3.5 million at December 31, 2014.

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Note R — Contingencies and Commitments

Chronic Beryllium Disease (CBD) Claims

The Company is a defendant from time to time in proceedings in various state and federal courts brought by plaintiffs alleging that they have contracted CBD or related ailments as a result of exposure to beryllium. Plaintiffs in CBD cases seek recovery under theories of negligence and various other legal theories and seek compensatory and punitive damages, in many cases of an unspecified sum. Spouses, if any, often claim loss of consortium.

Employee cases, in which plaintiffs have a high burden of proof, have historically involved relatively small losses to the Company. Third-party plaintiffs (typically employees of customers) face a lower burden of proof than do the Company’s employees, but these cases have generally been covered by varying levels of insurance. Management has vigorously contested the CBD cases brought against the Company.

Non-employee claims for CBD are covered by insurance, subject to certain limitations. The insurance covers defense costs and indemnity payments (resulting from settlements or court verdicts) and is subject to various levels of deductibles. In 2015 and 2014, defense and indemnity costs were less than the deductible.

There was one CBD case outstanding as of December 31, 2015, and the Company does not expect the resolution of this matter to have a material impact on the consolidated financial statements. This case was filed during 2013.

Although it is not possible to predict the outcome of any pending litigation, the Company provides for costs related to litigation matters when a loss is probable, and the amount is reasonably estimable. Litigation is subject to many uncertainties, and it is possible that some of the actions could be decided unfavorably in amounts exceeding the Company’s reserves. An unfavorable outcome or settlement of a CBD case or adverse media coverage could encourage the commencement of additional similar litigation. The Company is unable to estimate its potential exposure to unasserted claims.

Based upon currently known facts and assuming collectibility of insurance, the Company does not believe that resolution of the current or future beryllium proceedings will have a material adverse effect on the financial condition or cash flow of the Company. However, the Company’s results of operations could be materially affected by unfavorable results in one or more cases.

Insurance Recoverable

After recording and investigating a $7.4 million inventory loss in 2012, the Company filed a claim with its insurance provider under existing polices for theft. In 2014, the Company and the insurance company settled the claim, and the Company received a cash payment of $6.8 million and recognized the amount in Other-net in the Consolidated Statement of Income.

The Company collected $5.6 million and $4.0 million during 2015 and 2014, respectively, as part of settlement agreements with contractors and insurance companies for outstanding disputes regarding construction of the Company's beryllium pebble facility located in Elmore, Ohio. The cash received and the benefit of these settlements were recorded in Other-net in the Consolidated Statements of Income.

Environmental Proceedings

The Company has an active program for environmental compliance that includes the identification of environmental projects and estimating the impact on the Company’s financial performance and available resources. Environmental expenditures that relate to current operations, such as wastewater treatment and control of airborne emissions, are either expensed or capitalized as appropriate. The Company records reserves for the probable costs for identified environmental remediation projects. The Company’s environmental engineers perform routine ongoing analyses of the remediation sites and will use outside consultants to assist in their analyses from time to time. Accruals are based upon their analyses and are established based on the reasonably estimable loss or range of loss. The accruals are revised for the results of ongoing studies, changes in strategies, inflation, and for differences between actual and projected costs. The accruals may also be affected by rulings and negotiations with regulatory agencies. The timing of payments often lags the accrual, as environmental projects typically require a number of years to complete.

The environmental reserves recorded represent the Company's best estimate of what is reasonably possible and cover existing or currently foreseen projects based upon current facts and circumstances. The Company does not believe that it is reasonably possible that the cost to resolve environmental matters for sites where the investigative work and work plan development are substantially complete will be materially different than what has been accrued while the ultimate loss contingencies for sites that are in the preliminary stages of investigation cannot be reasonably determined at the present time. As facts and circumstances change, the ultimate cost may be revised and the recording of additional costs may be material in the period in which the additional costs are accrued. The Company does not believe that the ultimate liability for environmental matters will have a material impact

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on its financial condition or liquidity due to the nature of known environmental matters and the extended period of time during which environmental remediation normally takes place.

The undiscounted reserve balance at the beginning of the year, the amounts expensed and paid, and the balance at the end of the year for 2015 and 2014 are as follows:

(Thousands)	2015	2014
Reserve balance at beginning of year	$(4,922)	$(4,809)
Expensed	(1,445)	(275)
Paid	653	162
Reserve balance at end of year	$(5,714)	$(4,922)
Ending balance recorded in:		
Other liabilities and accrued items	$(620)	$(460)
Other long-term liabilities	(5,094)	(4,462)

The majority of spending in 2015 and 2014 was for various remediation projects at the Elmore, Ohio plant site.

Other

The Company is subject to various legal or other proceedings that relate to the ordinary course of its business. The Company believes that the resolution of these proceedings, individually or in the aggregate, will not have a material adverse impact upon the Company's consolidated financial statements.

The Company has outstanding letters of credit totaling $38.0 million related to workers' compensation, consigned precious metal guarantees, environmental remediation issues, and other matters. The majority of the Company's outstanding letters of credit expire in 2016 and are expected to be renewed.

Note S — Quarterly Data (Unaudited)

The following tables summarize selected quarterly financial data for the years ended December 31, 2015 and 2014:

(Thousands except per share amounts)	2015 First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Total	
Net sales	$290,024		$276,855		$244,354		$214,039		$1,025,272	
Gross margin	52,355		51,327		44,003		43,095		190,780	
Percent of net sales	18.1	%	18.5	%	18.0	%	20.1	%	18.6	%
Net income	$8,984		$9,067		$7,392		$6,715		$32,158	
Net income per share of common stock:										
Basic	$0.45		$0.45		$0.37		$0.34		$1.60	
Diluted	0.44		0.44		0.36		0.33		1.58	
Cash dividends per share of common stock	0.085		0.090		0.090		0.090		0.355	
Stock price range:										
High	$39.96		$41.85		$36.53		$35.21			
Low	31.95		34.17		28.83		26.02			

	2014 First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Total	
Net sales	$258,929		$287,965		$291,570		$288,426		$1,126,890	
Gross margin	45,462		49,801		54,843		55,797		205,903	
Percent of net sales	17.6	%	17.3	%	18.8	%	19.3	%	18.3	%
Net income	$7,710		$9,511		$12,644		$12,266		$42,131	
Net income per share of common stock:										
Basic	$0.37		$0.46		$0.62		$0.61		$2.06	
Diluted	0.37		0.45		0.61		0.60		2.02	
Cash dividends per share of common stock	0.080		0.085		0.085		0.085		0.335	
Stock price range:										
High	$35.19		$37.96		$39.38		$40.60			
Low	25.21		31.69		30.88		26.64			

The sum of the per share amounts may not equal the total because the average equivalent shares differ in the quarterly and annual periods.

Prior year amounts have been revised to correct an error in stock compensation expense. The Company assessed the impact of this error on quarterly periods for the year ended December 31, 2015. The impact of the error increased Selling, general, and administrative expense by $1.0 million in the first quarter and decreased Selling, general, and administrative expense by $0.3 million and $0.7 million in the second quarter and third quarter, respectively. The after-tax impact of this error reduced Net income by $0.7 million in the first quarter and increased Net income by $0.2 million and $0.5 million in the second quarter and third quarter, respectively. The impact of the error decreased both Basic and Diluted Net income per share by $0.03 in the first quarter and increased Basic and Diluted Net income per share by $0.01 and $0.02 in the second quarter and third quarter, respectively.

The Company assessed the impact of this error on quarterly periods for the year ended December 31, 2014. The impact of the error reduced Selling, general, and administrative expense by $0.6 million, $0.3 million, and $0.4 million for the first, third, and fourth quarters, respectively, and increased Selling, general, and administrative expense by $0.7 million for the second quarter. The after-tax impact of this error on quarterly periods for the year ended December 31, 2014 increased Net income by $0.4 million, $0.2 million, and $0.3 million for the first quarter, third, and fourth quarters, respectively, and reduced Net income by $0.5 million for the second quarter. The impact of the error increased Basic Net income per share by $0.01 and increased Diluted Net income per share by $0.02 in the first quarter. The impact of the error increased Basic and Diluted Net income per share by $0.01 and $0.02 in the third and fourth quarters, respectively, and decreased Basic and Diluted Net income per share by $0.02 for the second quarter. Refer to Note B to the Consolidated Financial Statements for additional detail.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 9A. CONTROLS AND PROCEDURES

a) Evaluation of Disclosure Controls and Procedures

The Company carried out an evaluation under the supervision and with participation of our management, including the chief executive officer and chief financial officer, of the effectiveness of the design and operation of disclosure controls and procedures as of December 31, 2015 pursuant to Rule 13a-15(b) and 15d-15(b) under the Securities Exchange Act of 1934, as amended (Exchange Act). Based on that evaluation, management, including the chief executive officer and chief financial officer, concluded that disclosure controls and procedures are effective as of December 31, 2015.

b) Management’s Report on Internal Control over Financial Reporting

The Report of Management on Internal Control over Financial Reporting and of the Report of Independent Registered Public Accounting Firm thereon are set forth in Item 8 of this Form 10-K and are incorporated herein by reference.

c) Changes in Internal Control over Financial Reporting

During the year ended December 31, 2015, the Company redesigned its review controls to address a material weakness recognized during the third quarter of 2015 related to errors in the manner in which the Company had been amortizing stock compensation expense for retirement eligible employees. Specific actions to redesign the review controls included (a) developing and implementing additional procedures to increase the level of review and validation of the Company’s stock compensation grants and expense, (b) increasing the level of knowledge among Company employees in the area of stock compensation, (c) correcting the software used to calculate stock compensation expense with respect to age and hire dates to ensure proper expensing of awards with retirement eligibility provisions, and (d) increasing communication between the Company's human resources, treasury, and accounting departments. After completing the testing of the design and operating effectiveness of these internal controls, management concluded that we have remediated the previously identified material weakness as of December 31, 2015.

Except for the items described above, there have been no other changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the three months ended December 31, 2015 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. OTHER INFORMATION

None.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information under “Election of Directors” in the proxy statement for our 2016 annual meeting of shareholders, to be filed with the Securities and Exchange Commission pursuant to Regulation 14A, is incorporated herein by reference.

The information required by Item 10 relating to our executive officers is included under the caption “Executive Officers of the Registrant” in Part I of this Form 10-K and is incorporated herein by reference. The information required by Item 10 with respect to directors, the Audit Committee of the Board of Directors, and Audit Committee financial experts is incorporated herein by reference from the section entitled “Corporate Governance; Committees of the Board of Directors — Audit Committee” and “— Audit Committee Expert, Financial Literacy and Independence” in the proxy statement for our 2016 annual meeting of shareholders to be filed with the Securities and Exchange Commission pursuant to Regulation 14A. The information required by Item 10 regarding compliance with Section 16(a) of the Exchange Act is incorporated herein by reference from the section entitled “Section 16(a) Beneficial Ownership Reporting Compliance” in the proxy statement for our 2016 annual meeting of shareholders to be filed with the Securities and Exchange Commission pursuant to Regulation 14A.

We have adopted a Policy Statement on Significant Corporate Governance Issues and a Code of Conduct Policy that applies to our chief executive officer and senior financial officers, including the principal financial and accounting officer, controller, and other persons performing similar functions, in compliance with applicable New York Stock Exchange and Securities and Exchange Commission requirements. The aforementioned materials, along with the charters of the Audit, Governance and Organization, and Compensation Committees of our Board of Directors, which also comply with applicable requirements, are available on our web site at http://materion.com, and copies are also available upon request by any shareholder to Secretary, Materion Corporation, 6070 Parkland Boulevard, Mayfield Heights, Ohio 44124. We make our reports on Forms 10-K, 10-Q, and 8-K available on our web site, free of charge, as soon as reasonably practicable after these reports are filed with the Securities and Exchange Commission, and any amendments and/or waivers to our Code of Conduct Policy, Policy Statement on Significant Corporate Governance Issues, and Committee Charters will also be made available on our web site. The information on our web site is not incorporated by reference into this Form 10-K.

Item 11. EXECUTIVE COMPENSATION

The information required under Item 11 is incorporated by reference from the sections entitled “Executive Compensation” and “2015 Director Compensation” in the proxy statement for our 2016 annual meeting of shareholders to be filed with the Securities and Exchange Commission pursuant to Regulation 14A.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required under Item 12 regarding security ownership is incorporated by reference from the section entitled "Security Ownership of Certain Beneficial Owners and Management" in the proxy statement for our 2016 annual meeting of shareholders to be filed with the Securities and Exchange Commission pursuant to Regulation 14A. The securities authorized for issuance information required by Item 12 is set forth in the table below.

Equity Compensation Plan Information

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (1)	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining available for Future Issuance Under Equity Compensation Plan (Excluding Securities Reflected in Column a) (2)
Equity compensation plans approved by security holders	1,046,354	$30.18	749,020
Equity compensation plans not approved by security holders	—	—	—
Total	1,046,354	$30.18	749,020

(1) Consists of SARs awarded under the 2006 Stock Incentive Plan, as Amended and Restated.

(2) Represents the number of shares of common stock available to be awarded as of December 31, 2015. Effective May 7, 2014, all equity compensation awards are granted pursuant to the shareholder approved 2006 Stock Incentive Plan, as Amended and Restated, and the 2006 Non-employee Director Equity Plan, as Amended and Restated.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required under Item 13 is incorporated herein by reference from the sections entitled "Related Party Transactions" and "Corporate Governance; Committees of the Board of Directors — Director Independence" of the proxy statement for our 2016 annual meeting of shareholders to be filed with the Securities and Exchange Commission pursuant to Regulation 14A.

Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required under Item 14 is incorporated herein by reference from the section entitled "Ratification of Independent Registered Public Accounting Firm" of the proxy statement for our 2016 annual meeting of shareholders to be filed with the Securities and Exchange Commission pursuant to Regulation 14A.

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) 1. Financial Statements and Supplemental Information
The financial statements listed in the accompanying index to financial statements are included in Item 8 of this Form 10-K.

(a) 2. Financial Statement Schedules
The following consolidated financial information for the years ended December 31, 2015, 2014, and 2013 is submitted herewith:
Schedule II — Valuation and qualifying accounts.
All other schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable, and therefore have been omitted.

(a) 3. Exhibits
All documents referenced below were filed pursuant to the Exchange Act by Materion Corporation, file number 001-15885, unless otherwise noted.

(3a)	Amended and Restated Articles of Incorporation of Materion Corporation (filed as Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the period ended on June 27, 2014), incorporated herein by reference.
(3b)	Amended and Restated Code of Regulations (filed as Exhibit 3.1 to the Company’s Quarterly Report on Form 10-Q for the period ended June 27, 2014), incorporated herein by reference.
(4a)	Indenture Modification between Toledo-Lucas County Port Authority, dated as of May 30, 2003 (filed as Exhibit 4 to the Company’s Quarterly Report on Form 10-Q for the period ended June 27, 2003), incorporated herein by reference.
(4b)	Pursuant to Regulation S-K, Item 601(b)(4), the Company agrees to furnish to the Securities and Exchange Commission, upon its request, a copy of the instruments defining the rights of holders of long-term debt of the Company that are not being filed with this report.
(4c)	Second Amended and Restated Credit Agreement dated June 20, 2013, among Materion Corporation, Materion Advanced Materials Technologies and Services Netherlands B.V., JPMorgan Chase Bank, N.A. and other lenders from time to time party thereto (filed as Exhibit 10.1 to the Company's Form 8-K filed on June 25, 2013), incorporated herein by reference.
(4d)	Amendment No. 1 to the Second Amended and Restated Credit Agreement dated December 18, 2015, among Materion Corporation, Materion Advanced Materials Technologies and Services Netherlands B.V., JPMorgan Chase Bank, N.A. and other lenders from time to time party thereto (filed as Exhibit 10.1 to the Company's Form 8-K filed on December 21, 2015), incorporated herein by reference.
(4e)	Third Amended and Restated Precious Metals Agreement dated October 1, 2010, between Brush Engineered Materials Inc. and other borrowers and The Bank of Nova Scotia (filed as Exhibit 4.2 to the Company’s Form 8-K filed on October 4, 2010), incorporated herein by reference.
(4f)	Amendment No. 1 to the Third Amended and Restated Precious Metals Agreement dated March 31, 2011, among Materion Corporation and other borrowers and The Bank of Nova Scotia (filed as Exhibit 10.1 to the Company’s Form 8-K filed on April 6, 2011), incorporated herein by reference.
(4g)	Amendment No. 2 to the Third Amended and Restated Precious Metals Agreement dated August 18, 2011, among Materion Corporation and other borrowers and The Bank of Nova Scotia (filed as Exhibit 10.1 to the Company’s Form 8-K filed on August 22, 2011), incorporated herein by reference.
(4h)	Amendment No. 3 to the Third Amended and Restated Precious Metals Agreement dated October 17, 2011, among Materion Corporation and other borrowers and The Bank of Nova Scotia (filed as Exhibit

	10.1 to the Company’s Form 8-K filed on October 18, 2011), incorporated herein by reference.
(4i)	Amendment No. 4 to the Third Amended and Restated Precious Metals Agreement dated September 13, 2013, among Materion Corporation and other borrowers and The Bank of Nova Scotia (filed as Exhibit 10.1 to the Company's Form 8-K filed on September 18, 2013), incorporated herein by reference.
(4j)	Amendment No. 5 to the Third Amended and Restated Precious Metals Agreement dated January 13, 2015, among Materion Corporation and other borrowers and The Bank of Nova Scotia (filed as Exhibit 4u to the Company's Annual Report on Form 10-K for the year ended December 31, 2014), incorporated herein by reference.

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(4k)	Amendment No. 6 to the Third Amended and Restated Precious Metals Agreement dated April 10, 2015, among Materion Corporation and other borrowers and The Bank of Nova Scotia (filed as Exhibit 4.1 to the Company's Form 10-Q for the period ended April 3, 2015), incorporated herein by reference.
(10a)	Form of Indemnification Agreement entered into by the Company and its executive officers (filed as Exhibit 10a to the Company’s Annual Report on Form 10-K for the year ended December 31, 2008), incorporated herein by reference.
(10b)	Form of Indemnification Agreement entered into by the Company and its directors (filed as Exhibit 10b to the Company’s Annual Report on Form 10-K for the year ended December 31, 2008), incorporated herein by reference.
(10c)*	Amended and Restated Form of Severance Agreement for Executive Officers (filed as Exhibit 10.2 to the Company’s Quarterly Report on Form 10-Q for the period ended June 27, 2008), incorporated herein by reference.
(10d)*	Amendment No. 1 to Amended and Restated Severance Agreement, dated May 4, 2011 (filed as Exhibit 10.2 to the Company’s Quarterly Report on Form 10-Q for the period ended July 1, 2011), incorporated herein by reference.
(10e)*	Amended and Restated Form of Severance Agreement for Key Employees (filed as Exhibit 10.1 to the Company’s Quarterly Report on Form 10-Q for the period ended June 27, 2008), incorporated herein by reference.
(10f)*#	Form of Severance Agreement for Key Employees.
(10g)*	Form of Executive Insurance Agreement entered into by the Company and certain employees dated January 2, 2002 (filed as Exhibit 10g to the Company’s Annual Report on Form 10-K for the year ended December 31, 1994), incorporated herein by reference.
(10h)*	Form of Trust Agreement between the Company and Key Trust Company of Ohio, N.A. (formerly Ameritrust Company National Association) on behalf of the Company’s executive officers (filed as Exhibit 10e to the Company’s Annual Report on Form 10-K for the year ended December 31, 1994), incorporated herein by reference.
(10i)*	2015 Management Incentive Plan (filed as Exhibit 10i to the Company's Annual Report on Form 10-K filed for the year ended December 31, 2015), incorporated herein by reference.
(10j)*#	2016 Management Incentive Plan.
(10k)*	Amended and Restated 2006 Stock Incentive Plan (filed as Exhibit 10.3 to the Company’s Quarterly Report on Form 10-Q for the period ended June 27, 2008), incorporated herein by reference.
(10l)*	Amended and Restated Materion Corporation 2006 Stock Incentive Plan (as Amended and Restated as of May 4, 2011) (filed as Exhibit 10.1 to the Registrant’s Form 8-K filed on May 5, 2011), incorporated herein by reference.
(10m)*	Amended and Restated Materion Corporation 2006 Stock Incentive Plan (as Amended and Restated as of May 7, 2014) (filed as Exhibit 4.4 to the Registration Statement on Form S-8 (Registration No. 333-195762), incorporated herein by reference.
(10n)*	Form of 2012 Restricted Stock Units Agreement (Cash-Settled) (filed as Exhibit 10aa to the Company's Annual Report on Form 10-K for the year ended December 31, 2012), incorporated herein by reference.
(10o)*	Form of 2012 Restricted Stock Units Agreement (Stock-Settled) (filed as Exhibit 10ab to the Company's Annual Report on Form 10-K for the year ended December 31, 2012), incorporated herein by reference.
(10p)*	Form of 2012 Performance-Based Restricted Stock Units and Performance Shares Agreement (Cash-settled) (filed as Exhibit 10ad to the Company's Annual Report on Form 10-K for the year ended December 31, 2012), incorporated herein by reference.
(10q)*	Form of 2012 Performance-Based Restricted Stock Units and Performance Shares Agreement (Stock-settled) (filed as Exhibit 10ae to the Company's Annual Report on Form 10-K for the year ended December 31, 2012), incorporated herein by reference.
(10r)*	Form of 2014 Performance-Based Restricted Stock Units (Cash-settled) (filed as Exhibit 10y to the Company's Annual Report on Form 10-K for the year ended December 31, 2013), incorporated herein by

	reference.
(10s)*	Form of 2014 Performance-Based Restricted Stock Units (Stock-settled) (filed as Exhibit 10z to the Company's Annual Report on Form 10-K for the year ended December 31, 2013), incorporated herein by reference.
(10t)*#	Form of 2016 Restricted Stock Units Agreement (Cash-settled).
(10u)*#	Form of 2016 Restricted Stock Units Agreement (Stock-settled).
(10v)*#	Form of 2016 Performance-Based Restricted Stock Units (Cash-settled).
(10w)*#	Form of 2016 Performance-Based Restricted Stock Units (Stock-settled).
(10x)*	Form of 2006 Stock Appreciation Rights Agreement (filed as Exhibit 10.3 to the Current Report on Form 8-K filed by the Company on May 8, 2006), incorporated herein by reference.
(10y)*	Form of 2007 Stock Appreciation Rights Agreement (filed as Exhibit 10.5 to Amendment No. 1 to the Current Report on Form 8-K filed by the Company on February 16, 2007), incorporated herein by reference.
(10z)*	Form of 2008 Stock Appreciation Rights Agreement (filed as Exhibit 10an to the Company’s Annual Report on Form 10-K for the year ended December 31, 2007), incorporated herein by reference.

(10aa)*	Form of 2009 Stock Appreciation Rights Agreement (filed as Exhibit 10ag to the Company’s Annual Report on Form 10-K for the year ended December 31, 2008), incorporated herein by reference.
(10ab)*	Form of 2010 Stock Appreciation Rights Agreement (filed as Exhibit 10ah to the Company’s Annual Report on Form 10-K for the year ended December 31, 2009), incorporated herein by reference.
(10ac)*	Form of 2011 Stock Appreciation Rights Agreement (filed as Exhibit 10.3 to the Company’s Form 8-K filed on March 3, 2011), incorporated herein by reference.
(10ad)*#	Form of 2016 Stock Appreciation Rights Agreement.
(10ae)*	Materion Corporation Supplemental Retirement Benefit Plan (filed as Exhibit 10.1 to the Company’s Form 8-K filed on September 19, 2011), incorporated herein by reference.
(10af)*	Amendment No. 1 to the Supplemental Retirement Benefit Plan (filed as Exhibit 10al to the Company's Annual Report on Form 10-K for the year ended December 31, 2012), incorporated herein by reference.
(10ag)*	Amendment No. 2 to the Supplemental Retirement Benefit Plan (filed as Exhibit 10ah to the Company's Annual Report on Form 10-K for the year ended December 31, 2013), incorporated herein by reference.
(10ah)*	Key Employee Share Option Plan (filed as Exhibit 4.1 to the Registration Statement on Form S-8, Registration No. 333-52141, filed by Brush Wellman Inc. on May 5, 1998), incorporated herein by reference.
(10ai)*	Amendment No. 1 to the Key Employee Share Option Plan (effective May 16, 2005) (filed as Exhibit 4b to Post-Effective Amendment No. 1 to Registration Statement on Form S-8, Registration No. 333-52141), incorporated herein by reference.
(10aj)*	Amendment No. 2 to the Key Employee Share Option Plan dated June 10, 2005 (filed as Exhibit 10aw to the Company’s Annual Report on Form 10-K for the year ended December 31, 2006), incorporated herein by reference.
(10ak)*	Amendment No. 3 to the Key Employee Share Option Plan dated July 12, 2011 (filed as Exhibit 10.4 to the Company’s Quarterly Report on Form 10-Q for the period ended July 1, 2011), incorporated herein by reference.
(10al)*	Amended and Restated Materion Corporation 2006 Non-employee Director Equity Plan (as Amended and Restated as of May 4, 2011) (filed as Appendix B to the Registrant’s Proxy Statement filed on March 25, 2011), incorporated herein by reference.
(10am)*	First Amendment to the 2006 Non-employee Director Equity Plan (as Amended and Restated as of May 4, 2011) (filed as Exhibit 10bb to the Company's Annual Report on Form 10-K for the year ended December 31, 2012), incorporated herein by reference.
(10an)*	Amended and Restated Materion Corporation 2006 Non-employee Director Equity Plan (as Amended and Restated as of May 7, 2014) (filed as Exhibit 4.4 to the Registration Statement on Form S-8 (Registration No. 333-195761), incorporated herein by reference.
(10ao)*	Amended and Restated Executive Deferred Compensation Plan II (filed as Exhibit 10.1 to the Company’s Quarterly Report on Form 10-Q for the period ended March 28, 2008), incorporated herein by reference.
(10ap)*	Amendment No. 1 to the Amended and Restated Executive Deferred Compensation Plan II (filed as Exhibit 10bf to the Company’s Annual Report on Form 10-K for the year ended December 31, 2008), incorporated herein by reference.
(10aq)*	Amendment No. 2 to the Amended and Restated Executive Deferred Compensation Plan II (filed as Exhibit 10.2 to the Company’s Quarterly Report on Form 10-Q for the period ended July 3, 2009), incorporated herein by reference.
(10ar)*	Amendment No. 3 to the Amended and Restated Executive Deferred Compensation Plan II, dated July 6, 2011 (filed as Exhibit 10.3 to the Company’s Quarterly Report on Form 10-Q for the period ended July 1, 2011), incorporated herein by reference.
(10as)*	Materion Corporation Restoration & Deferred Compensation Plan, dated March 4, 2015 (filed as Exhibit 10.1 to the Company's Form 8-K filed on March 10, 2015), incorporated herein by reference.
(10at)*	Trust Agreement between the Company and Fidelity Investments dated September 26, 2006 for certain deferred compensation plans for Non-employee Directors of the Company (filed as Exhibit 99.4 to the

	Current Report on Form 8-K filed by the Company on September 29, 2006), incorporated herein by reference.
(10au)*	Trust Agreement between the Company and Fidelity Management Trust Company, dated June 25, 2009 relating to the Executive Deferred Compensation Plan II (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended July 3, 2009), incorporated herein by reference.
(10av)	Trust Agreement between the Company and Fifth Third Bank N.A. dated September 25, 2006 relating to the Key Employee Share Option Plan (filed as Exhibit 99.3 to the Current Report on Form 8-K filed by the Company on September 29, 2006), incorporated herein by reference.
(10aw)	Lease dated as of October 1, 1996, between Brush Wellman Inc. and Toledo-Lucas County Port Authority (filed as Exhibit 10v to the Company's Annual Report on Form 10-K for the year ended December 31, 1996), incorporated herein by reference.

(10ax)	Amended and Restated Inducement Agreement with the Prudential Insurance Company of America dated May 30, 2003 (filed as Exhibit 10 to the Company’s Quarterly Report on Form 10-Q for the period ended June 27, 2003), incorporated herein by reference.
(10ay)	Amended and Restated Supply Agreement between RWE Nukem, Inc. and Brush Wellman Inc. for the sale and purchase of beryllium products (filed as Exhibit 10 to the Company’s Quarterly Report on Form 10-Q for the period ended September 26, 2003), incorporated herein by reference.
(10az)	Supply Agreement between the Defense Logistics Agency and Brush Wellman Inc. for the sale and purchase of beryllium products (filed as Exhibit 10tt to the Company’s Annual Report on Form 10-K for the year ended December 31, 2004), incorporated herein by reference.
(10ba)	Asset Purchase Agreement by and between Williams Advanced Materials Inc. and Techni-Met, Inc. dated December 20, 2007 (filed as Exhibit 10bw to the Company’s Annual Report on Form 10-K for the year ended December 31, 2007), incorporated herein by reference.
(10bb)	Consignment Agreement dated October 2, 2009 between Brush Engineered Materials Inc. and Canadian Imperial Bank of Commerce and CIBC World Markets Inc. (filed as Exhibit 10.1 to the Company’s Form 8-K on October 8, 2009), incorporated herein by reference.
(10bc)	Amendment No. 1 to the Consignment Agreement dated October 2, 2009 between Brush Engineered Materials Inc. and Canadian Imperial Bank of Commerce and CIBC World Markets Inc. (filed as Exhibit 99.1 to the Company’s Form 8-K on March 12, 2010), incorporated herein by reference.
(10bd)	Amendment No. 2 to the Consignment Agreement dated June 11, 2010 between Brush Engineered Materials Inc. and Canadian Imperial Bank of Commerce and CIBC World Markets Inc. (filed as Exhibit 99.1 to the Company’s Form 8-K filed on June 14, 2010), incorporated herein by reference.
(10be)	Amendment No. 3 to the Consignment Agreement dated September 30, 2010 between Brush Engineered Materials Inc. and Canadian Imperial Bank of Commerce and CIBC World Markets Inc. (filed as Exhibit 10.1 to the Company’s Form 8-K on October 4, 2010), incorporated herein by reference.
(10bf)	Amendment No. 4 to the Consignment Agreement dated November 10, 2010 between Brush Engineered Materials Inc. and Canadian Imperial Bank of Commerce and CIBC World Markets Inc. (filed as Exhibit 99.1 to the Company’s Form 8-K on November 12, 2010), incorporated herein by reference.
(10bg)	Amendment No. 5 to the Consignment Agreement dated March 7, 2011 between Brush Engineered Materials Inc. and Canadian Imperial Bank of Commerce and CIBC World Markets Inc. (filed as Exhibit 10.1 to the Company’s Quarterly Report on Form 10-Q for the period ended April 1, 2011), incorporated herein by reference.
(10bh)	Amendment No. 6 to the Consignment Agreement dated September 13, 2011 between Materion Corporation and Canadian Imperial Bank of Commerce and CIBC World Markets Inc. (filed as Exhibit 10.1 to the Company’s Form 8-K filed on September 16, 2011), incorporated herein by reference.
(10bi)	Amendment No. 7 to the Consignment Agreement dated August 24, 2012 between Materion Corporation and Canadian Imperial Bank of Commerce and CIBC World Markets Inc. (filed as Exhibit 10.1 to the Company's Form 8-K filed on August 31, 2012), incorporated herein by reference.
(10bj)	Amendment No. 8 to the Consignment Agreement dated October 1, 2013 between Materion Corporation and Canadian Imperial Bank of Commerce and CIBC World Markets Inc. (filed as Exhibit 10.1 to the Company's Form 10-Q for the period ended September 26, 2014), incorporated herein by reference.
(10bk)	Amendment No. 9 to the Consignment Agreement dated July 23, 2014 between Materion Corporation and Canadian Imperial Bank of Commerce and CIBC World Markets Inc. (filed as Exhibit 10.2 to the Company's Form 10-Q for the period ended September 26, 2014), incorporated herein by reference.
(10bl)	Amendment No. 10 to the Consignment Agreement dated September 30, 2014 between Materion Corporation and Canadian Imperial Bank of Commerce and CIBC World Markets Inc. (filed as Exhibit 10.3 to the Company's Form 8-K for the period ended September 26, 2014), incorporated herein by reference.
(10bm)	Letter Agreement, dated March 18, 2014, by and between Materion Corporation and GAMCO Asset Management Inc. (filed as Exhibit 10.1 to the Company's Form 10-Q for the period ended March 28,

	2014), incorporated herein by reference.
(21)#	Subsidiaries of the Registrant.
(23)#	Consent of Ernst & Young LLP.
(24)#	Power of Attorney.
(31.1)#	Certification of Chief Executive Officer required by Rule 13a-14(a) or 15d-14(a).
(31.2)#	Certification of Chief Financial Officer required by Rule 13a-14(a) or 15d-14(a).
(32)#	Certifications of Chief Executive Officer and Chief Financial Officer required by 18 U.S.C. Section 1350.
(95)#	Mine Safety Disclosure Pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act for the Fiscal Year Ended December 31, 2015.

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(101.INS)	XBRL Instance Document.
(101.SCH)	XBRL Taxonomy Extension Schema Document.
(101.CAL)	XBRL Taxonomy Extension Calculation Linkbase Document.
(101.DEF)	XBRL Taxonomy Extension Definition Linkbase Document.
(101.LAB)	XBRL Taxonomy Extension Label Linkbase Document.
(101.PRE)	XBRL Taxonomy Extension Presentation Linkbase Document.
*	Denotes a compensatory plan or arrangement.
#	Filed herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MATERION CORPORATION

By:	/s/	RICHARD J. HIPPLE	By:	/s/	JOSEPH P. KELLEY
	Richard J. Hipple			Joseph P. Kelley	
	Chairman of the Board, President and Chief Executive Officer			Vice President, Finance and Chief Financial Officer	

February 25, 2016

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ RICHARD J. HIPPLE Richard J. Hipple	Chairman of the Board, President, Chief Executive Officer and Director (Principal Executive Officer)	February 25, 2016
/s/ JOSEPH P. KELLEY Joseph P. Kelley	Vice President, Finance and Chief Financial Officer (Principal Financial and Accounting Officer)	February 25, 2016
/s/ EDWARD F. CRAWFORD* Edward F. Crawford*	Director	February 25, 2016
/s/ JOSEPH P. KEITHLEY* Joseph P. Keithley*	Director	February 25, 2016
/s/ VINOD M. KHILNANI* Vinod M. Khilnani*	Director	February 25, 2016
/s/ WILLIAM B. LAWRENCE* William B. Lawrence*	Director	February 25, 2016
/s/ N. MOHAN REDDY* N. Mohan Reddy*	Director	February 25, 2016
/s/ CRAIG S. SHULAR* Craig S. Shular*	Director	February 25, 2016
/s/ DARLENE J. S. SOLOMON* Darlene J. S. Solomon*	Director	February 25, 2016
/s/ ROBERT B. TOTH* Robert B. Toth*	Director	February 25, 2016
/s/ GEOFFREY WILD* Geoffrey Wild*	Director	February 25, 2016

* The undersigned, by signing his/her name hereto, does sign and execute this report on behalf of each of the above-named officers and directors of Materion Corporation, pursuant to Powers of Attorney executed by each such officer and director filed with the Securities and Exchange Commission.

	By:	/s/ JOSEPH P. KELLEY
		Joseph P. Kelley
February 25, 2016		Attorney-in-Fact

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Materion Corporation and Subsidiaries
Schedule II—Valuation and Qualifying Accounts
Years Ended December 31, 2015, 2014, and 2013

Column A	Column B	Column C ADDITIONS		Column D		Column E
(Thousands)	Balance at Beginning of Period	Charged to Costs and Expenses	Charged to Other Accounts-Describe	Deduction-Describe		Balance at End of Period
Year ended December 31, 2015						
Deducted from asset accounts:						
Allowance for doubtful accounts receivable	$1,578	$692	$ —	$ 1,073	(A)	$1,197
Inventory reserves and obsolescence	8,193	3,842	—	4,166	(B)	7,869
Year ended December 31, 2014						
Deducted from asset accounts:						
Allowance for doubtful accounts receivable	$1,421	$664	$ —	$ 507	(A)	$1,578
Inventory reserves and obsolescence	6,333	6,067	—	4,207	(B)	8,193
Year ended December 31, 2013						
Deducted from asset accounts:						
Allowance for doubtful accounts receivable	1,403	127	(12)	97	(A)	1,421
Inventory reserves and obsolescence	5,872	5,250	—	4,789	(B)	6,333

Note (A) - Bad debts written-off, net of recoveries
Note (B) - Inventory write-off

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