Rate Series 2006A Senior Notes (Tranche 2 Notes). Tranche 1 Notes bear interest of 5.53% per annum, payable semi-annually. Tranche 2 Notes bear floating rate interest, payable quarterly. The average interest rate on Tranche 2 for the years ended December 31, 2013 and December 31, 2012 was 0.73% and 0.92%, respectively. The principal payment for both tranches was due on October 5, 2013. The Company repaid this obligation in 2013.

In January 2011, the Company entered into a Renminbi (“RMB”) denominated loan agreement at its Refractories facility in China with the Bank of America totaling RMB 10.6 million, or $1.6 million. Principal of this loan was payable in installments over three years. Interest was payable semi-annually and was based upon the official RMB lending rate announced by the People’s Bank of China. The average interest rate for the year ended December 31, 2013 was 6.8%. This obligation was repaid in 2013.

On October 7, 2013, the Company entered into, through private placement, a Note Purchase Agreement and issued $75 million aggregate principal amount of senior unsecured notes, consisting of (a) $30,000,000 aggregate principal amount 3.46% Senior Notes, Series A, due October 7, 2020 (the “Series A Notes”), and (b) $45,000,000 aggregate principal amount 4.13% Senior Notes, Series B, due October 7, 2023 (the “Series B Notes” and, together with the Series A Notes, the “Notes”). The Company used the proceeds of the Notes to repay its $75 million aggregate principal amount of senior unsecured notes which were due October 5, 2013.

The aggregate maturities of long-term debt are as follows: 2014 - $8.2 million; 2015 - $-- million; 2016 - $-- million; 2017 - $-- million; 2018 - $-- million; thereafter - $75.0 million.

The Company had available approximately $189.7 million in uncommitted, short-term bank credit lines, of which $5.5 million was in use at December 31, 2013.

Short-term borrowings as of December 31, 2013 and 2012 were $5.5 million and $7.1 million, respectively. The weighted average interest rate on short-term borrowings outstanding as of December 31, 2013 and 2012 was 4.8% and 5.8%, respectively.

During 2013, 2012 and 2011, respectively, the Company incurred interest costs of $3.4 million, $3.5 million and $3.5 million including $0.1 million, $0.3 million and $0.3 million, respectively, which were capitalized. Interest paid approximated the incurred interest cost.

Note 14. Benefit Plans

Pension Plans and Other Postretirement Benefit Plans

The Company and its subsidiaries have pension plans covering the majority of eligible employees on a contributory or non-contributory basis.

Benefits under defined benefit plans are generally based on years of service and an employee's career earnings. Employees generally become fully vested after five years.

The Company provides postretirement health care and life insurance benefits for the majority of its U.S. retired employees. Employees are generally eligible for benefits upon retirement and completion of a specified number of years of creditable service. The Company does not pre-fund these benefits and has the right to modify or terminate the plan in the future.

The funded status of the Company's pension plans and other postretirement benefit plans at December 31, 2013 and 2012 is as follows: